

Three Minute Read™

Insights from the Healing American Healthcare Coalition™

TMR's Editor to moderate hospital rate-setting panel at HFMA Institute

August 2024-3



From the Editor: This issue's article summaries cover mpox and vaccine updates, a lung cancer breakthrough and more. Click on the headline for the full article. If you're enjoying TMR, please upgrade to a paid subscription [here](#).



[Lack of Mpox Shots Is Disaster for Those Most Hit, WHO Aide Says](#), by Janice Kew and Lizzy Burden,

Bloomberg, 8/23/24

TMR Topline – Helen Rees, chair of the WHO's African advisory group on immunization, said that mpox vaccines are urgently needed for adults and children in the most affected African countries to limit a fresh outbreak internationally. The WHO has hosted talks for more than a year to develop a pandemic treaty that would ensure equitable access to vaccines, diagnostics and therapeutics for treatment. *"If countries have stockpiles that they're not willing to share, then we are not going to be able to stop the next pandemic,"* Rees said. *"There needs to be a bit of a wake-up call to countries that are better resourced, that do have these vaccines and diagnostics, that very early on there needs to be sharing."*



[New, deadlier mpox found in Thailand: These Asian nations have ramped up precautions](#), by Lee Ying

Shan, CNBC, 8/23/24

TMR Topline – At least four countries, Thailand, [Philippines](#), [Sweden and Pakistan](#), have reported mpox cases of the new and deadlier Clade 1b strain outside the African continent. Thailand will tighten [surveillance](#) and

screening measures at its international airports. Singapore stepped [up its mpox precautionary measures](#). Temperature and visual screening will be implemented for inbound travelers and crew arriving from flights to certain airports and at sea checkpoints for those arriving on ships from areas affected by mpox. South Korea has redesignated mpox as a quarantinable infectious disease. Inbound travelers from eight African nations will need to report to quarantine officials should they exhibit mpox symptoms. In Indonesia, tourist destination Bali [installed three thermal scanners for international arrivals](#) at its airport. Philippines reported its first mpox case this year. It was [the mild Clade 2 variant](#).



[FDA approves updated Pfizer, Moderna Covid shots as cases rise](#), by Fiona Rutherford and Sophia Vahanvaty,

Bloomberg, 8/22/24

TMR Topline – The FDA has approved updated versions of the mRNA vaccines that target the KP.2 variant for use by people 12 years old and up. The CDC is concerned that Covid transmission is rising as traces of the virus appear increasingly in wastewater. Last flu season, less than 25% of US adults received updated Covid vaccines.

TMR's Take: Unlike the Clade 2 variant that caused the 2022 mpox outbreak, the deadlier Clade 1b subtype appears to spread primarily through [heterosexual transmission](#). TMR will continue to monitor developments. Meanwhile, adults over 65 and those who are immunocompromised should schedule an appointment to get the updated Covid vaccine.



[J&J's chemotherapy-free treatment for lung cancer gets US approval](#), by Bhanvi Satija and Christy Santhosh, Reuters, 8/20/24

TMR Topline – The FDA has approved J&J's chemotherapy-free combination treatment for a type of non-small cell lung cancer. In combination with J&J's existing drug, lazertinib, rybrevant is a first-line treatment for NSCLC patients with a mutated

form of a gene called EGFR. Rybrevant disrupts growth of EGFR and another gene called MET to slow down or stop the spread of tumorous cells, and lazertinib inhibits their rapid reproduction. AstraZeneca's Tagrisso, a commonly used front-line treatment for NSCLC patients with an EGFR mutation, is followed by chemotherapy.



[Weight Loss Drug Zepbound Significantly Cuts Diabetes Risk](#), by Lisa O'Mary, WebMD, 8/20/24

TMR Topline – Eli Lilly sells the drug tirzepatide under the brand names Zepbound for weight loss and Mounjaro for type 2 diabetes. It works like other well-known diabetes and weight loss drugs such as Ozempic and Wegovy. Recently the drug maker reported the results of a phase III clinical study that included 1,032 adults who had prediabetes or obesity. The study was conducted for more than 3 years. The people in this double blind study who took tirzepatide had up to a 94% reduced risk of progression to type 2 diabetes, Eli Lilly announced in a [news release](#).



[Rising pharmacy costs cause pain for employers: survey](#), by Lauren Berryman, Modern Healthcare, 8/20/24

TMR Topline – The Business Group on Health's [annual](#)

[survey](#) reports that employers estimated the healthcare cost per employee was \$18,639 in 2024, versus \$17,201 in 2023. The survey covered 125 businesses with 17 million covered lives. Employers are considering changes to utilization management and vendor partnerships to improve control of costs. More than 75% of survey respondents said they were "very concerned" about overall pharmacy costs. This concern is [driven by increasing demand](#) for blockbuster weight loss and diabetes medications. Nearly 80% reported greater interest in drugs like Wegovy and Zepbound. Employers are concerned about [whether people are appropriately using](#) these medications, and payers are looking for ways to [control access to them](#). Most employers said they will use prior authorization next year to control utilization. About half of the responding companies will require employees to participate in weight management programs, or to have additional comorbidities. Respondents also indicated concerns about a lack of transparency in contracts with pharmacy benefit managers. While 6% of

employers [plan to change PBMs](#) next year, nearly 33% said they [will reassess their partnerships](#).

TMR's Take: Employer concerns about the overall pharmacy costs being incurred in their health plans for employees are both appropriate and concerning. Rather than taking a piecemeal approach to controlling their drug costs, why not partner with the government and support the efforts to reduce drug costs, not just for Medicare beneficiaries, but for all Americans? Better coverage at lower cost and satisfied, healthier employees translate into a bigger bottom line for stockholders. With 17 million covered lives, corporate America has the collective clout to lobby for streamlining and simplifying the system.



TMR's Editor to Moderate HFMA Panel on Hospital Rate Setting and the Birth of DRGs

The New Jersey and Metropolitan Philadelphia Chapters of the Healthcare Financial Management Association will be holding their [48th Annual Institute](#) at the Hard Rock Hotel & Casino in Atlantic City October 9-11. TMR Editor John Dalton has been invited to moderate a panel discussion on "50 Years of Hospital Rate Setting in New Jersey." Dalton was Project Manager during implementation of the Standard Hospital Accounting and Rate Evaluation (SHARE) system that set Blue Cross and Medicaid inpatient per diem rates for 1975. Hospitals opposed the system, arguing that the SHARE methodology did not reflect the uniqueness of their service area and patient mix. New Jersey Hospital Association lobbied for changes to improve the system's fairness.

Dr. Joanne Finley, Commissioner of Health, had been Director of Public Health in New Haven and was aware of utilization management research being done at Yale University. She agreed that a patient-centric approach to rate-setting on a per case basis had the potential to be fairer. New Jersey then applied for a Medicare Sec. 1115 waiver for a demonstration project to implement an inpatient payment system for all payors based on Diagnosis-Related Groupings (DRGs). Over a three-year period (1980-82), New Jersey's acute care hospitals transitioned from SHARE to DRGs. In 1983 Congress amended the Social Security Act to include a national DRG-based Prospective Payment System for all Medicare patients. New Jersey's pioneering work transformed the way that hospitals provided inpatient care. The full story is told in Dalton's article, "[New Jersey – Birthplace of DRGs](#)," that will be published in October.