

Three Minute Read™

Insights from the Healing American Healthcare Coalition™

Hurricane Helene swamps saline supply! Novo-Nordisk says NO! Texas messes with Medicaid

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From the Editor: This issue's article summaries are a mixed bag of outbreak updates, supply chain challenges, drug updates and Texas' Medicaid mess. Click on the headline for the full article. If you find **TMR** informative, please upgrade to a paid subscription [here](#).



[US Investigating Potential Human-to-Human Bird Flu Transmission](#), by Rthvika Suvama, Bloomberg, 9/27/24

TMR Topline – The CDC is studying seven people who developed influenza symptoms after being exposed to a Missouri [bird flu](#) patient, raising the possibility of the first human-to-human transmission of the infection. Six were health-care workers who encountered the first American known to be infected with bird flu without prior exposure to a sick animal, and the other was a close household contact of the patient. There have been 14 cases of avian influenza in the US thus far in 2024. The CDC continues to monitor.



[US hospitals face IV fluid shortage](#), by Erica Carbajal, Becker's Hospital Review, 10/4/24

TMR Topline – Baxter International's North Carolina plant suffered significant damage from Hurricane Helene, and it's unclear when the plant will be able to resume operations. Baxter supplies about 60% of IV solutions used in the US. Baxter [said](#) product allocations will help prevent stockpiling and "increases the likelihood of equitable access to available products." B. Braun Medical, which supplies 23% of the market, is hiring new employees as it works to build up to 24/7 operations at two of its facilities. Meanwhile, hospitals are implementing contingency plans that include

giving patients who are healthy enough Gatorade or water instead of IVs.



[US Senator Sanders says middlemen won't punish Novo if it cuts weight-loss drug prices](#), by Ahmed

Aboulenin and Patrick Wingrove, Reuters, 9/24/24

TMR Topline – At a hearing of the Senate Committee on Health, Education, Labor and Pensions, Chairman Bernie Sanders (D-VT) stated that he had received commitments from UnitedHealth Group's Optum, CVS Health's Caremark and Cigna's Express Scripts to expand coverage of Novo Nordisk's diabetes and weight-loss medicines if the company lowered the list prices. Sanders criticized CEO Lars Jorgensen for charging Americans more for Ozempic (\$935.77/mo.) and Wegovy (\$1,349/mo.) than any other country. Jorgensen did not commit to cutting prices for either medicine, but said he would collaborate with the PBMs and would be *"happy to do anything that helps patients."* Some European countries pay as little as \$59 and \$92, respectively, for a monthly supply.



[Blue Shield of California to bypass PBMs with Humira biosimilar](#), by John Tozzi, Bloomberg, 10/1/24

TMR Topline – California

Blue Shield is set to bypass the middlemen and buy a lower cost version of Humira direct from AbbVie Inc. Humira sales were \$14 billion last year even as low-cost versions hit the market. Pharmacy benefit managers (PBMs) typically agree to pay drugmakers higher prices up front in exchange for payments known as "rebates," a practice that the FTC alleges drives up patients' costs. The three largest PBMs say they're now removing the brand version of Humira from their lists of preferred drugs in favor of cheaper versions. Blue Shield of California currently spends more than \$100 million a year on Humira more than any other drug and is trying to call out the dysfunction in the existing system. It expects savings of \$20 million over the next three years on its 40,000 annual Humira prescriptions for treatment of inflammatory

diseases like rheumatoid arthritis, Crohn's disease and psoriasis.

Blue Shield isn't the only company working to eliminate PBMs. The Mark Cuban Cost Plus Drug Company sells a version of Humira for \$584 for cash as part of a broader effort he has underway to expose how drug prices can be inflated by PBMs. Another smaller player, GoodRx, offers a Humira biosimilar for \$550 for cash, undercutting the prices that the largest PBMs charge their clients.



[Journalists question safety and effectiveness of new Alzheimer's drug](#), by Kristen Fisher, McKnight's Long-Term Care News, 9/26/24

TMR Topline – A [report](#) published in *The BMJ* questioned the safety and effectiveness of Eli Lilly's Alzheimer's disease drug Kisunla (donanemab). The FDA had initially denied the drug's approval in January 2023, citing missing data and safety concerns, but later approved it this past [July](#). The new report expressed concerns about deaths in people taking the drug as well as the financial ties of drug makers on the panel that approved the medication. Seven of the eight doctors appointed by the FDA to review donanemab received direct payments from drug companies.

TMR's Take: Big Pharma and the PBMs are facing more pressure from disrupters and the Medicare program that ultimately may bring US drug prices in line with those paid by other high-income nations.

 [Texas' Medicaid purge cut millions despite warnings, backlash](#), by Eleanor Klibanoff, and Lomi Kriel, ProPublica, 9/27/24

TMR Topline – During the pandemic's Public Health Emergency, states received federal funding to keep people on Medicaid until the [PHE ended](#) in April 2023. In Texas, Medicaid enrollment increased over 50% to 6 million. CMS asked states to proceed slowly and rely on existing government data to automatically renew eligible residents, steps the agency believed would prevent poor families from wrongly losing coverage. Congress gave states a year for the so-called "*Medicaid unwinding*." Texas moved fast, reviewing about 4.6 million cases in the first six months, stripping Medicaid coverage from more than 2 million people, [most of them children](#). Nearly 1.4 million lost coverage for bureaucratic reasons like

failing to return a form or completing one incorrectly, not because they weren't eligible.

Children were forced to forgo or postpone lifesaving operations such as heart surgeries; others with severe diseases such as sickle cell anemia, neurodevelopmental delays and autism, also unnecessarily lost critical care. According to HHS Secretary Becerra, Texas accounted for nearly a quarter of all US children who had lost Medicaid or CHIP during the unwinding. Other states automatically renewed children using other government information as CMS had recommended. Texas refused, and completed its unwinding in May. The federal government has launched an investigation into long waits faced by people who had applied for Medicaid coverage.



[CMS sets national dates for Medicaid enrollment compliance](#), by Bridget Early, Modern Healthcare, 9/20/24

TMR Topline – CMS is cracking down on state Medicaid programs after determining that widespread problems with enrollment still haven't been fixed. [Inappropriate disenrollments](#) and [applications backlogs](#) skyrocketed when states resumed Medicaid eligibility checks in April 2023. All states must submit information detailing the scope of their compliance with existing enrollment requirements and their plans to correct any deficiencies by 12/31/25. States will need to be fully compliant with enrollment policies by 12/31/26, including conducting an automatic renewal for all beneficiaries using income data from other social programs, asking only for the information needed to determine their eligibility, and giving enrollees a reasonable timeframe for returning enrollment forms. States need to ensure enrollees have the opportunity to submit their paperwork in a variety of modalities, including through the mail, online, on the phone and in person. When a beneficiary is found to be ineligible for Medicaid, states must determine whether that beneficiary is eligible for another insurance program, and must transfer their enrollment to that program in a timely manner if they qualify. [CMS has signaled repeatedly](#) that it's paying closer attention to how states handle both enrollment renewals and onboarding new enrollees.

TMR's Take: Kudos to CMS for messing with Texas. With the largest uninsured population in the US, Texas has repeatedly refused to expand Medicaid. Providing access to healthcare for its residents is not a priority.