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Insights from the Healing American Healthcare Coalition™

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From the Editor: This issue's article summaries are a potpourri of public health updates, insurer challenges and supply chain issues. Click on the headline for the full article. TMR's Halloween treat for new subscribers is a 25% discount – only \$18/year. Click [here for the offer](#).



[Teen smoking and other tobacco use drop to lowest level in 25 years, CDC reports](#), by Mike Stobbe, Associated Press, 10/17/24

TMR Topline – The [CDC](#) reports that teen age smoking hit an all-time low in the US this year. This includes an estimated 20% drop in middle and high school students who recently used at least one tobacco product, including cigarettes, electronic cigarettes, nicotine pouches and hookahs. Nearly 30% of [high school students smoked](#) 25 years ago; now, just 1.7% do. Officials attribute the declines to measures, including price increases, public health education campaigns, age restrictions and more [aggressive enforcement](#) against retailers and manufacturers selling products to kids.



[The healthiest states for women and children in 2024, per UnitedHealth](#), by Jakob Emerson, Becker's Hospital Review, 10/16/24

TMR Topline – New Hampshire is the nation's healthiest state for women and children according to the United Health Foundation's [report](#), "America's Health Rankings 2024 Health of Women and Children Report," in part because it has a low percentage of women and children living in poverty and a high prevalence of high school completion. Rounding out the top five are Massachusetts,

Minnesota, New Jersey and Vermont. The states were ranked using 33 data sources and 82 measures across five categories of health: social and economic factors, physical environment, behaviors, clinical care, and health outcomes. Arkansas ranked as the unhealthiest state in part because it has a high prevalence of adverse childhood experiences among children, a high teen birth rate and high prevalence of cigarette smoking among women. Rounding out the bottom five were Mississippi, Louisiana, Oklahoma and West Virginia.



[Have We Reached Peak Human Life Span?](#), by

Dana G. Smith, New York Times, 10/7/24

TMR Topline – A [report](#) in

Nature Aging concludes that barring a transformative medical breakthrough, maximum life expectancy will end up around 87 years — about 84 for men, and 90 for women. The study looked at data on life expectancy at birth between 1990 and 2019 from Australia, France, Italy, Hong Kong, Japan, South Korea, Spain, Sweden and Switzerland. Life expectancy [rose dramatically](#) during the 20th century due to innovations like water sanitation, antibiotics and treatments for cancer and heart disease.

S. Jay Olshansky, professor of epidemiology and biostatistics at University of Illinois, Chicago, who led the study said, *"We can manufacture a bit more survival time through medical advances, but we still have declining function of internal organs and organ systems that make it virtually impossible for these bodies to live a whole lot longer than they do now."* Others disagree, noting that investing more in [preventive health](#) could change that by delaying the onset of diseases. Dr. Olshansky believes that the only thing that might radically lengthen life expectancy is if scientists develop an intervention to slow the [aging process](#) itself.

TMR's Take: Overall, good news on the public health front. However, the US has a long way to go to catch Japan and Hong Kong, where life expectancy already is close to the report's maximum age.



[Change Healthcare cyberattack costs to reach \\$2.87B](#), by Giles Bruce, Becker's Hospital Review, 10/16/24

TMR Topline – UnitedHealth Group now estimates that it will take a \$2.87 billion hit from the cyberattack in 2024, after originally anticipating \$1.6 billion in costs. "After the cyberattack, we prioritized devoting resources to support care providers, over some activities such as share repurchase," President and CFO John Rex said in an Oct. 15 earnings call.



[Senate report alleges MA insurers abuse prior authorization](#), by Michael McAuliff, Modern Healthcare, 10/17/24

TMR Topline – A new report by Senate Democrats alleges that the three largest MA insurers (UnitedHealth Group, CVS Health and Humana) have increased prior authorization (PA) requirements and denials for post-acute care. It says the companies were more intent on boosting profits through the use of new PA systems than improving services. All three companies are accused of using artificial intelligence and machine learning programs in their prior authorization processes to make it harder for patients to secure post-acute care. The three companies involved said the report mischaracterizes the MA program. The Federation of American Hospitals was quick to praise the report, "It's past time that legislators and regulators hold plans accountable and protect patient care."



[How Biden transformed Medicare Advantage](#), by Bridget Early, Modern Healthcare, 10/16/24

TMR Topline – More than half of Medicare beneficiaries now are enrolled in MA plans, the private sector alternative to fee-for-service Medicare that offer expanded benefits. That evolution coincided with heightened scrutiny of spending and insurance industry business practices under Biden. CMS expects to spend up to \$600 billion on Medicare Advantage in 2025 and its vigilance has begun squeezing insurance company profits. Some of the MA giants have pared down benefits and pulled back from geographic markets. MA growth accelerated with the Bush admin-

istration's Medicare Modernization Act of 2003 which boosted funding and added the Medicare Part D prescription drug program. MA costs more than traditional Medicare, contrary to the program's promise. Medicare spending this year will be \$83 billion higher than if all Medicare enrollees were in the fee-for-service program.

Concerns of rising overpayments to plans prompted several new regulations. CMS responded to concerns about arbitrary denials and misleading marketing by cracking down on transparency of Medicare Advantage plan networks, prior authorizations and marketing tactics. CMS introduced a new risk-adjustment model and tweaked the Star Ratings program so it's more challenging to qualify for lucrative bonus payments. The changes coincided with higher-than-expected medical costs for MA plans. Insurers don't see that as a good thing, and spend millions yearly to lobby Congress and federal agencies.

TMR's Take: For the health insurance oligopoly, the hits keep coming. For example, the New York Times reports that the VA is investigating Acadia Healthcare for insurance fraud and Bloomberg reports that Humana is suing to reverse the cut to its Medicare quality ratings. **TMR** also sees tough times ahead for the drug chain duopoly and the PBM oligopoly, thanks to disruptors like Mark Cuban. **TMR**'s next issue will focus solely on the challenges facing Big Pharma and the oligopolies.



[As IV shortage continues after hurricane, U.S. invokes wartime power to speed recovery](#), by Alexander Tin, CBS News, 10/15/24

TMR Topline – The Biden administration has invoked the wartime powers of the Defense Production Act to speed rebuilding of Baxter's North Carolina plant that accounts for some 60% of the nation's IV supplies. The federal government had wielded the act's authorities to push Baxter to the front of the line for a contractor needed for construction in the plant. The FDA has greenlighted Baxter to import IV fluids from its other plants around the world. Health officials have urged all hospitals to prepare to conserve IV fluids. The University of Virginia's hospitals are scaling back "procedures with high-volume irrigation fluid use." Other conservation strategies include relying on Gatorade to hydrate some in the hospital and reserving IV fluids for only the neediest patients.