

How Patients See Affordability, Racism and Obesity Drugs

David Burda:

Welcome to the 4sight Health Roundup podcast, 4sight Health's podcast series for healthcare revolutionaries, outcomes matter customers count and value rules. Hello again, everyone. This is Dave Burda, news editor for 4sight Health. It is Thursday, February 29th. Yes, it's Leap Day. We get an extra day in February every four years. And what better way to spend it than with us listening to today's 4sight Health Roundup podcast because it's all about you. Today we're gonna talk about what you think about three of the hottest issues in healthcare. They are affordability, racism, and weight loss drugs. I'm not sure if there's any connection, but we'll find out with Dave Johnson, founder and CEO of 4sight Health, and Julie Murchinson, partner at Transformation Capital. Hi Dave. Hi, Julie. How are you two doing this morning, Dave?

David W. Johnson:

I'm doing fantastic. I'm in Lake Nona for the Impact Forum, which is always one of my favorite events of the year. And a couple of things highlights from yesterday's kickoff day. Jose Andres was the main interview. Sanjay Gupta interviewed him, and for those don't know him, he's the Michelin level chef that created the World Central Kitchen and goes around and feeds millions or delivers millions of meals in war zones. And, and after natural disasters, maybe the funniest person I have ever seen in my life. I mean, just incredible. And Andy's being nominated for a Nobel Prize Peace Prize. And then a woman from the MIT Media Lab Canan Dagdeverin has come up with a sensor that sits inside women's bras and will be, you know, continuously monitoring for tumors and potentially has a, a success rate of 98% on preventing breast cancer. Just another example of what I'm calling preemptive diagnostics that I think could revolutionize healthcare. So a couple of one day in pretty interesting

Burda:

Nobel Prizes and smart bras. Dave, I think you're in the right place. <Laugh>. Julie, how are you?

Julie Murchinson:

I'm good. I'm in sunny California getting a glimmer of what spring might look like, <laugh> and visiting with some health systems, talking about their favorite topic to distract us from reality, AI.

Burda:

<Laugh>, you cannot escape it. That is true. Thanks, Julie. Now, before we talk about what consumers think about healthcare, let's talk about what you think about Leap Day. Dave, do you know anyone who was born on February 29th, and do they make a big deal about it?

Johnson:

Yeah, my my sister was born on March 1st. So she missed leap year by a day. And we used to joke as kids how much fun it would've been if she had been born on Leap year, but she wasn't. So we don't joke about it anymore. <Laugh>.

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Burda:

<laugh>. There you go. Okay, Julie have any leap day babies in your circles?

Murchinson:

You know, someone I used to work with was a leap day baby, and she would just celebrate her birthday on the 28th. It wasn't a big deal, and she got excited when the 29th came along, but it wasn't like, so I always felt like that was such a missed opportunity. It's so special.

Burda:

Yeah, no, I agree. We grew up with a kid who was born on the 29th, and when he turned 12, he said he was three. And you know, when you're 12, you think things like that are really pretty funny. Then when we got to high school, he brought in a big cake when he turned 16, and it had four big candles on it. And that was pretty funny too. So <laugh>, you know, <laugh>, I lost track of him after high school, so I wonder if he's still doing that shtick, but I, I thought that was

Johnson:

Low threshold for humor. Dave, I gotta say, yeah. Low threshold for humor.

Burda:

Well, you know, when a 16-year-old says he's four, I mean, that's funny. Maybe you had to be there. <Laugh>. Anyway, that has nothing to do with our topic today, and that's what consumers think about. Three big issues in healthcare, affordability, racism, and prescription weight loss drugs. Let me give you the top line findings of three different consumer polls that came out over the past week or so. The Kaiser Family Foundation released the results of a survey of about 1300 adults on affordability in the a CA. The headline was Unexpected Medical bills and the cost of healthcare services topping the list of things consumers are most worried about not being able to afford. Kaiser released the results of a separate survey of about 6,300 adults on racism in seven different US institutions. The headline was 32% of consumers saying racism was a major problem in healthcare. That was the lowest of the seven institutions tapping the list was politics at 56%. And the Pew Research Center released the results of a survey of more than 10,000 adults on GLP one prescription weight loss drugs. The headline was 53% of the respondents approving of GLP one drugs to treat obesity or weight related health problems. Only 12% were cool with using the drugs just to lose weight. Dave, you take the lead on affordability. How do you feel about how consumers are feeling about healthcare being one of their top economic concerns? Anything else in the Kaiser survey? Catch your eye and feel free to briefly comment on the other two surveys.

Johnson:

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Well, a couple things on the Kaiser survey that caught my attention; and then I'm gonna you know, talk a little bit about the racism survey as well. The one that really popped out at me, at me was that three quarters of American adults are either very worried or somewhat worried about their inability to pay an unexpected medical bill, and then generally the cost of healthcare services. Those two came in above gasoline, utilities, and food. And three quarters of Americans worried about this. I mean, that is a you know, kind of remarkable statistic. It confirms what I think we all intuitively know is that Americans are more scared of getting a medical bill than they are of getting a disease. I mean, it's just kind of a byproduct of our times. And this issue is completely bipartisan. I mean, republicans and Democrats worry about it equally, of course it's completely partisan when asked about which party has a better solution. And they split the 90/10 you know, Democrat and Republican, depending on whether you're Democrat or Republican. The other thing that really kind of stuck out to me on the survey is the increasing popularity of the ACA. It's up at about 60%. And as Kaiser dug into that a little bit the thing that really seems to resonate with people is the acas prohibition against denying coverage for preexisting medical conditions. 92% of those surveys said that was very, very important. I don't think 92% of Americans agree on anything. So that's remarkable in and of itself. And another 66% of Americans want it expanded. Kind of interesting that 60% are in favor of it, and 66% want it expanded. So consistency doesn't necessarily <laugh> need to be a part of these survey results. But in a classic kind of observation on American ignorance, I guess. So you got these very, very strong favorable ratings in terms of both the ACA and expanding the ACA and particularly wanting the protection against insurance companies denying coverage because of preexisting medical conditions. But when drilling down deeper, only a third of those surveys knew that the ACA has increased insurance coverage. 60% did not know that pre-existing conditions were covered. 70% didn't know that insurers can't charge more for sick people, <laugh>. So it's, it's sort of like one of these things, yeah, we, these are really important, but then when we drill down you know, it turns out that people really don't know the details, which, which might be part of the problem embedded in our current political dialogue. You know, Churchill had the famous quote about democracy the worst form of government, except for every other one. The lesser known quote but I think is equally as accurate. He said the best argument against democracy is five minutes with the average voter. And these surveys would seem to you know, bring that observation to to life. I'll stop there on the Kaiser affordability issue, and then move on to their racism survey. And it's undoubtedly clear, beyond clear that there's enormous bias structural bias even embedded within healthcare today. I think a couple of weeks ago I was talking about here in Illinois how the facilities Authority had approved a \$400 million expansion for the Northwestern Lake Forest Hospital. And that hospital opened in 2018 on a, you know, I don't know, 200 acre campus with tree line bike paths, and so on. Five star rating from CMS. And, you know, lake Forest is 20,000 people, and life expectancy of of 85. And then you get to the black community in west Chicago, Austin, a hundred thousand people, life expectancy of 69, and they have one hospital there, Loretto, it's about the same size as the one in Lake Forest, and on its website, it's celebrating a \$10 million capital program they did in 2009. I mean, the, the juxtaposition of investment in terms of healthcare facilities in these two communities is just beyond breathtaking and certainly reflects structural bias. But I'm gonna say the only color healthcare really sees is green. So that brings me back to, you know, it, it's, it's all about payment, baby. So if we get the incentives right we can start to address some of these issues related to racism and bias that are structurally embedded within US healthcare and start to overcome them until we address payment all the talk in the world, all the surveys in the world aren't gonna make a bit of difference.

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Burda:

Yeah. Follow the money to better outcomes. That, that's great. Thanks Dave. Julie, any questions for Dave?

Murchinson:

So Dave I'm gonna take a slightly different angle on this. When I look at Americans and how we've, how we've used healthcare as one of our voting tools, what we vote on it's been a big deal in the last couple years, but all I have heard [00:33:30] about in the last six weeks is Gaza and Israel and blocking votes, holding votes, shifting votes, not voting for those two issues. Does healthcare really matter in this presidential election?

Johnson:

Yeah. And and Hunter Biden and the impeachment of Joe Biden right. The one area that I will say in the last month or so, that healthcare area that seems to have galvanized public opinion is this idiotic ruling in Alabama about embryos being human life and that ruling stopping IVF treatments in Alabama. And last I checked, if you freeze a human being we die. Not true with embryos. And I think that issue as it has been, and other issues as relates to women's reproductive rights could really become a a powerful political issue for the Democrats. And, you know, Republicans are scrambling a little bit to figure out what the hell they can say about this. So yeah, once again, welcome to healthcare in America where we often don't talk about many of the most important things, but we can get galvanized around a couple of topics, and this is one of them.

Burda:

All right, Julie you take the lead on the Pew survey on weight loss drugs. How do you feel about how consumers are feeling about how we prescribe them? Anything else in the Pew survey? Catch your eye and feel free to briefly comment on the other two surveys.

Murchinson:

Well, honestly, I found myself obsessed with the underlying data in this Pew survey because it says so much about both stigma and what Dave talked about, this disconnect between what major economists and industry pundits are saying versus your everyday consumer. I mean, it's very striking. And just as that context, I think I mentioned this a couple weeks ago, but Scott Galloway or Professor G, who Dave, I know you listened to as well, has gone so far as to say that GLP ones would have a greater impact on the real economy than AI. So, just digest that for a second. And then let's talk about what consumers think about GLP ones. So first, survey respondents you know, they don't believe that willpower is enough to lose and keep weight off. 65% say willpower isn't enough, and 34% say it is. So there is some recognition around this kind of willpower concept. But now, as I dug deeper, I started to really realize like, God, we've got some crazy, obvious stats here. This doesn't surprise me. Women are more likely than men to say that willpower alone is not enough for most people. Now, who has the body image issues in this country? Women <laugh>. So this is not shocking. Now, I did find the race and ethnic breakdown

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interesting. You know, most white and black adults say that willpower alone is not enough to lose weight and keep it off. But a much smaller percentage still, you know, pretty high, over 50% of Hispanic and Asian adults, you know, say that willpower alone is enough. So this concept of willpower, which I think there's a lot of stigma underneath how people think about what willpower is, is like the central point of this survey. And also not surprising <laugh>. And I'll say, those of us who live longer on this earth and are experiencing menopause and have been around the block, believe that, you know, willpower's not enough alone. The younger generations just haven't lived long enough and, and they don't quite see any of this data the same way. Then we get to behavioral, which I think is really interesting. Three quarters of respondents say that stress and anxiety has at, you know, at least quite a bit of impact on a person's weight. And over 30% say it has a great deal of impact. So stress and anxiety play a huge role in how people think about obesity. And of course, women think that stress and anxiety have more to do with it than working out. Men, of course, think that working out plays a bigger role. So we're dealing with Mars and Venus issues. I mean, it's just funny, <laugh>. So then this I thought was kind of interesting as a, a healthcare wonk. You know, 20 years ago I started learning about food deserts and grocery stores, having access to grocery stores came in as the least impactful driver of people's weight, which I thought was kind of interesting since diet was the number one. And so how they got grocery stores and diets separated kind of makes sense in some circles, but it doesn't really make sense when you're asking your everyday consumer about this. So, but the reality is most of these consumers don't feel like Ozempic is gonna have a big impact at all. So all this data about how willpower alone isn't enough, and all the data on how powerful Ozempic and Majaro and all these drugs can be yet something like, you know, 25 and 11% of people depending upon how strongly they feel about this, feel like Ozempic, Majaro, all this GLP one category is really gonna make a difference. People just don't think it's gonna help. So I'm just really struck that we're we don't think we can help ourselves, and here's an easy button, and people don't see it as being an option, yet economists think it's gonna change the world. So it's, it's pretty interesting.

Burda:

Yeah, there's a lot to unpack there about how people feel about [00:42:30] obesity and weight loss. Thanks, Julie. Dave, any questions for Julie?

Johnson:

Here's my question, Julie. You mentioned Galloway and what he said. Our buddy, Zeke Emmanuel had a piece in the Wall Street Journal this week where he took the state of North Carolina's health plan to task for denying access to GLP one drugs. And little bit, like you were saying with Scott, Zeke says that the GLP one medical breakthroughs are on par with gene therapies and M-R-N-A vaccines. So breakthrough stuff. And I guess I'm wondering if this is a real chance for leadership. I mean, should those that control the purse strings, just step out, get ahead of the public opinion on this, make it available, and just the sheer success of these drugs that everybody is saying work remarkably well over time will, will change the public public opinion opportunity for leadership. What do you think?

Murchinson:

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Well, I definitely agree. The question is whether you know, how does leadership help facilitate the, the discussion around high cost drugs and access Yeah. In a way that is actually manageable for any of the companies, much less the federal or state government. I mean, when you look at what this comes down to, you know, Scott Gallway talks about this as a \$1.7 trillion issue, right? Prevalence of obesity has tripled in the last 50 years, and it's all about our industrial food complex and our addiction to the sugar and our yogurt. I mean, so yes, we talk to health plans all the time. This is a number one issue. We're seeing companies sprout up that are, you know, combining some really interesting care delivery models, targeted care delivery models with the drugs with behavior change. So there's a lot of great innovation happening very quickly here, but it's gonna take some muscle to deal with the expense side of it.

Johnson:

And that was part of Zeke's point is the benefit side. You know, if it really is going to reduce onset of diabetes and other related conditions there's a big payback. Now, the expense is upfront and the benefit is longer term, but it's there. So that's where I'm wondering if leadership can't really make a difference, you know, just say, okay, you know, kind for, figure it out kind of thing.

Murchinson:

Yeah, but you're shifting money from one side of the entry to the other. But that's why I think these innovative models that are combining you know, clinician led and drug leveraged, you know approaches is pretty interesting. That's doctors getting involved in the answer, but I mean, those are small potatoes right now.

Burda:

Interesting. Now let's talk about other big news that happened this past week. Julie, what else happened that's worth a mention?

Murchinson:

Well, the day after we taped last week, the first major, major healthcare AI funding happened. A bridge raised \$150 million for its AI model, really mostly for clinicians. So that was big news. And Dave, I'm guessing you're gonna talk about the other big news this week, so I won't mention it.

Burda:

Hmm, hmm. All right, Dave, you're on. What else should we know about?

Johnson:

Well, I don't know. I wanna talk about change healthcare and the Black cat ransomware attack on it. Oh. So Julie, I don't know if that, if that was what what you were thinking about. So you, you can come back with the big item after I'm done, but, this ransomware attack on Change Healthcare you know, now owned by United Optum, has crippled hospitals and pharmacy and just wreaking havoc. And it's

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particularly worrisome since the government celebrated a big victory in December by shutting down this group. And evidently its leader has specifically targeted healthcare institutions. And something like a third of all third party breaches are in healthcare tied back to Russia. So this is one of these problems that isn't gonna go away. And the sort of the worrisome thing is the ability for these ransomware entities to bounce back so quickly and get into the dark web and wreak so much havoc. So that was my one. Now, I'm eager to see what you're gonna say, or I can probably guess what you're gonna say, but anyway, take it.

Burda:

Yeah, let's hear Julie,

Murchinson:

I was just gonna mention if people haven't been reading the headlines about the DOJ's antitrust investigation into United Healthcare, which of course will make waves for months to come.

Burda:

Yeah. Oh, yeah, yeah. Vertical integration, the cross hairs, right?

Murchinson:

That is right.

Burda:

That's right. Very interesting development. Thanks Dave, and thanks Julie. That is all the time we have for today. If you'd like to learn more about the topics we discussed on today's show, please visit our website at 4sighthealth.com. And don't forget to tell a friend about the 4sight Health Roundup podcast. Subscribe now and don't miss another segment of the best 20 minutes in healthcare. Thanks for listening. I'm Dave Burda for 4sight Health.