Pushing the Right Regulatory Buttons

4sight Health Roundup Podcast

12/4/25

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 at 4sight Health. It is Thursday, December 4th. I hope everyone had a relaxing Thanksgiving break because as you know, it's gonna be a sprint the next two weeks to get everything done before everyone disappears over Christmas and New Year. And sprinting will be hard if you ate as much as I did over Thanksgiving. I actually had Turkey cooked and duck fat for the first time. That can't be good for you, but I guess it's a thing. Another thing that's a thing that we talk a lot about on the Roundup is healthcare market competition and how we can make healthcare markets function properly to the benefit of consumers. We're gonna talk more about that thing on today's show with Dave Johnson, founder and CEO 4sight Health, and Julie Murchinson, partner at Transformation Capital. Hi Dave. Hi, Julie. How you two doing this morning, Dave?

David W. Johnson:

Well my wife Terry and I did something this week we haven't done in 25 years. We bought a new car.

Burda:

Hey. Wow.

Johnson:

Yeah. I've been irrationally investing in keeping my 2000 Saab nine five turbo on the road. I love that car, but it's time to put it into hospice. That's my sob story of the week. Aw. Aw.

Pushing the Right Regulatory Buttons

4sight Health Roundup Podcast

12/4/25

Burda:

Oh, poor baby. Yeah. That's bad. Yeah.

Johnson:

Well, it's killing me. It's killing me.

Burda:

You gotta take one last picture of you in the car, right?

Johnson:

<Laugh>. There you go.

Burda:

Absolutely. Julie, how are you?

Julie Murchinson:

I'm well, I am going in for a little routine women's boob check today. And I just wanna give a little example. I could have gone to my normal facility…

Burda:

Mm-Hmm <affirmative>.

Murchinson:

And waited until the back half of April, or I could go into the city where we don't have a grand piano in the waiting room. And parking is a nightmare. And I don't know all the other things that make the city a pain. And I can go today. So what's, what's wrong with this picture?

Burda:

Pushing the Right Regulatory Buttons

4sight Health Roundup Podcast

12/4/25

Yeah. Yeah. Wow. Crazy, right? Wow. Right.

Murchinson:

Healthcare. Yeah.

Burda:

Five months, right? Four months. Yep. Yep. Ridiculous. Ridiculous. Well, good luck with that. Sure. now before we talk about healthcare markets, let's talk about Thanksgiving. Dave, did you try anything new to eat over the holiday? And if so, did you like it?

Johnson:

We made this ridiculously delicious baked carrot salad with oranges, honey, cashews, jalapenos, and a bunch of other ingredients. They just got hoovered up. Anybody can cook a turkey. It takes real chefs to cook up tasty veggie dishes.

Burda:

<Laugh>, I like that jalapeno ingredient. Oh, yeah. Give it some zip. That's, that's great. Julie, how about you? Did you eat anything outside your comfort zone this year?

Murchinson:

I do not veer from my normal Thanksgiving meal. I never tried anything new. And I will say that where we had dinner this year at my mom's second year in a row, they didn't serve pumpkin pie. And my family was irate. I thought my 17-year-old daughter was gonna lose her ever loving mind, <laugh>. So, needless to say, we consumed a couple of pies the next few days.

Burda:

Good for you. Made up for it.

Murchinson:

Yeah.

Burda:

Well you know, other than the turkey cooked in duck fat, I stuck to the basics. Mm-Hmm. but everywhere I went, there was a charcuterie board of some kind. Right. And we used to call those Slim Jims and cheese sticks when we bought them at the gas station late at night coming home from the bar. Right. <laugh>. So I guess we've upgraded.

Johnson:

Yeah. Well, Slim Jims by any other name are more expensive.

Burda:

Yeah. Yeah. Exactly. Exactly. And according to a new perspective in the New England Journal of Medicine, we need to upgrade our antitrust enforcement if we want healthcare markets to work right. And there's your transition. In our May 1st podcast, we commented on a commentary in JAMA that called for stronger healthcare antitrust enforcement. You said traditional antitrust enforcement wasn't enough because healthcare markets aren't traditional anymore. They're dynamic. This new piece in the New England Journal of Medicine picks up on that thought written by Asha Sweeney Singh from Brown University, the perspective called traditional antitrust enforcement, reactive, resource constrained, transaction specific and lagging, not too flattering. She called for a more expansive and pro-competitive policy toolkit to fix healthcare markets. She said that toolkit should include ownership, transparency, real estate and financial transparency laws to track and limit related party leaseback arrangements, minimum quality and

staffing standards support for independent providers through targeted subsidies and tax incentives, labor protections and reforms to Medicare and Medicaid reimbursement models that incentivize CO and reforms to Medicare and Medicaid reimbursement models that incentivize consolidation. Sounds more like a toolbox than a tool kit. Dave, what's your commentary on this commentary? Is the tool kit too heavy too light, or just right to make healthcare markets work? And I know you prefer market solutions to regulatory ones.

Johnson:

How about totally out to lunch. Okay? Does that count <laugh>? Yeah, no, no. That, that's an option. Like many of the more liberal economists Ms. Singh gets the diagnosis, right? I mean, the healthcare industry is riddled with anti-competitive behaviors that lead to profiteering, <laugh> and inferior service delivery. However, her prescriptions and the treatment plans are completely off base. Like so much in healthcare, they're tackling symptoms and not root causes. Heart bypass surgery doesn't work long term if the patient goes back to the same unhealthy behaviors. The same is true with Ms. Singh's. prescriptions for profit ownership and consolidation of healthcare services are the issues. Her re regulatory interventions target, and for her smaller nonprofit and independent providers are the cure for what ails US healthcare. But she couldn't be more wrong. Is there any reason to believe any reason to believe that making ownership transparent, imposing quality and staffing standards from above, protecting jobs and penalizing consolidation will lead to less overtreatment, undertreatment and price gouging? For me, the clear answer is no. Because the system writ large engages in these behaviors expansively. It's not just private equity, it's everybody. The Mayo Clinic has a robust second opinions business. I was talking to Dennis Dolan, their CFO this week, and he was describing it to me in over 50% of the cases they review Mayo Doctors conclude the

recommended surgical and therapeutic interventions are wrong or unnecessary.

Burda:

Wow.

Johnson:

50%. Wow. Wow. <Laugh>. Yeah. So not only isn't smaller better, it's also dangerous bad medical behaviors proliferate within environments that lacks standardization and accountability. My friend and Dr. Zeke Emanuel, you all know him, published a commentary this week in the Washington Post where he makes the very valid point that extending Obamacare subsidies is not the answer to the system's access and affordability issues. Instead, he makes a case for five targeted cost cutting strategies. First one, caps on hospitals and site neutral payment. Number two, changing physician compensation bundled payment for surgeries and payment to PCPs for health outcomes, not just activity. No more gaming by insurance companies on premiums for policies tied payment for drugs to outcomes and eliminating incentives that trigger overuse misuse and higher prices. And automating administrative functions like scheduling. You know, these aren't perfect, and I'd encourage you to read the Zeke's piece to get a fuller description of what I'm talking about. And Zeke himself notes that these policy recommendations do not constitute a full solution. Zeke's policy suggestions work because they attack systemic dysfunction. The nation can't fix what ails US healthcare until it attacks the rod at the heart of longstanding business practices. The boogeyman isn't private equity or for-profit ownership. It is the system itself.

Burda:

Pushing the Right Regulatory Buttons

4sight Health Roundup Podcast

12/4/25

I love the word rot, three letters, but very powerful. And <laugh> <laugh> bullseye. Thanks, Dave. Julie, any questions for Dave?

Murchinson:

Dave, that was something impressive. So a simple question for you that just picks up one thing that she has in here. It's interesting. What do you think about her focus on reforms to Medicare and Medicaid reimbursement models to incentivize consolidation?

Johnson:

on Medicare and Medicaid and I think the focus should be primarily on low income urban and rural communities where Medicaid and Medicare proliferate. And if consolidation in those communities leads to more effective care networks with accountability for better health outcomes, I'm all for it.

Burda:

Interesting. Yeah. I guess it just depends on the market, right?

Murchinson:

Yep.

Burda:

And fee for service versus pay for yes. Performance, right? I think that's kind of what she's getting at there. Thanks, Dave. Julie, what's, what's your overall take on this perspective? What would you add or remove from the toolkit to make healthcare markets work better for consumers? I know you're big on transparency.

Murchinson:

Pushing the Right Regulatory Buttons

4sight Health Roundup Podcast

12/4/25

I am big on transparency. And to be honest I…. Dave, you're not gonna like this one, but I really tried to step back and look at this for what it is, which is, okay, it's about antitrust. It's not necessarily solving all of our problems. Does it help where we've come from an antitrust, and I'm not a lawyer, so it's not gonna be so great, but if I look at it through the pro-consumer, pro transparency lens, I think this is, you know, directionally, perhaps in a better direction than some of the, you know, original antitrust. Maybe she's commenting on, and, but I don't know. It, it looks fragile to implement in general. And I think the antitrust paradigm we've been in, or are in is focused on prices and the transaction and you know, ignores, you know, the complex financial re-engineering and the other harms that we talk about that aren't just about pricing harms. So, I don't know, I, there are pieces of this that I think are probably improvements, but because I'm not a lawyer, I'll just say what I think would be helpful to upgrade this to be something that's, you know, useful. So I thought about a couple crazy things like what if we actually required a lot of what happens in these antitrust transactions to be part of some more single, I don't know if it's a single but searchable database that can have all the information that comes from these transactions that actually could inform things like not just the ownership, but also how does some of the, some of the information inform network management inform how the operations of healthcare actually work. All this stuff that happens in antitrust, it doesn't end up in some, you know, searchable place. That can be where the data can be reused, and not a lot of the data could be reused, but let's start thinking about how we actually make good use of this information, because a lot of it could be useful. Second, you know, I would love to see consumer facing price and quality controls that are actually usable. So, again, I'm coming back to kind of the portal database concept. What if we included negotiated prices or at least, you know, price tiers, some quality outcomes measures related to these transactions <laugh> network participation, getting back to the

operations and wait times, you know, these, these ownership flags. Well, I, I get why they're being focused on, for antitrust are actually somewhat useful operationally as well. So why not let that be known to consumers in a way that can be absorbed through all the innovative solutions out there. Crazy concept, but could work. Dave, I'm with you, I don't love the fact that we're focusing antitrust as a solution, but there are ways to actually make this antitrust effort and all the burden and all the attorney's fees that go into it, actually actionable at the end of the day,

Burda:

You know, there are a lot of promises made before these consolidations. We're gonna do X, Y, and Z and nobody really holds the parties accountable

Murchinson:

For that accountable,

Burda:

Right? So it gets at your… let's, you know, show us the data, right? You know?

Murchinson:

Yep.

Burda:

Did you, did you do what you say you were going to do? Dave, any questions for Julie?

Johnson:

Pushing the Right Regulatory Buttons

4sight Health Roundup Podcast

12/4/25

Julie, United is generally considered the, the biggest of boogeyman by regulators worried about consolidation for profit ownership and excessive vertical integration. Yet if you look at United Stock price it's been cut in half roughly in half for a while. It was under half since April. Does this indicate perhaps that the marketplace is coming to terms with the ability of these massive healthcare platform companies to extract excessive profits from the system without providing a commensurate value? Is that potentially a good sign?

Murchinson:

You know, in the past, Dave, I've argued that, just like you said at the end there big does not mean bad, especially in an industry like ours, where data is so important. Longitudinal data is so important to good patient care. And UHG in many ways while it's the poster child is, is not alone in this, right? So, no. Yeah. I mean, sure. All sorts of headwinds and margin pressures, and maybe it's just exposing the fragility of, you know, a it probably is not so poorly integrated. I have to say it probably is fairly well integrated knowing United. But I don't know. I mean, there's a lot of folks who think that part of the sell off I don't know, it's, it's not necessarily a permanent breakdown in the model. It's just because of healthcare inflation and uncertainty and you know, certain things that may bounce back, I guess is a way to think about it. So they are the poster child. I don't think this is the end of the story.

Burda:

Yeah, I guess it all, I would say it gets down to behavior, right? We talk about Epic all the time, right? Having such a large market share, and it's what you do with it that counts. It's not the, the market share itself, right? So well, I would say one thing I can argue with is the last sentence in her piece, and that's the ultimate measure of health system

performance should be health, not shareholder value. And I, I think we all can agree on that. So

Johnson:
Yes.

Burda:
Thanks. Yeah, thanks, Dave. Dave, Julie, great discussion. All right. Let's talk about other big healthcare news that happened this week, Julie. What else happened this week that we should know about?

Murchinson:
Well, you probably saw CMS released the access program, advancing chronic care with effective, scalable solutions model. And pretty interesting represents a pretty big shift from earlier CMS models. You know, tech companies can basically, if they meet the criteria to enroll in Medicare, they can participate in Medicare directly and not just as, you know, downstream contractors to providers who get the CMS payment. So it'll be really interesting to see how this rolls.

Burda:
I think that would be a great topic for next week.

Murchinson:
All right.

Johnson:
Giving him ideas.

Burda:

Pushing the Right Regulatory Buttons

4sight Health Roundup Podcast

12/4/25

Yep. Big mistake there, Julie, but

Murchinson:

Sorry. That's our, I'll take it back.

Burda:

All right. Dave, what's your big story of the week?

Johnson:

Well, this week, the city of San Francisco sued 11 of the nation's leading food companies, including Kraft Heinz and General Mills. The lawsuit accuses these companies of knowingly making and marketing harmful foods, most notably ultra processed foods that trigger addictive and unhealthy eating habits, which in turn link to the onset of exploding chronic diseases in the country. Can you imagine the damages if they win?

Burda:

There goes your charcuterie boards. We're back at that, right? What are they gonna have on 'em? Just the almonds and the little pickles. Thanks Dave. 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@4sighthealth.com. You also can subscribe to the roundup on Spotify, Apple Podcast, YouTube, or wherever you listen to your favorite podcasts. Don't miss another segment of the best 20 minutes in healthcare. Thanks for listening. I'm Dave Burda for 4sight Health.