4sight Health Roundup Podcast
5 Healthcare Headlines We Didn't Expect to See
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[Intro and outro music by C. Ezra Lange]

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, July 30th. You know, I've always been a sucker for a good headline. Maybe that's one of the reasons I ended up in journalism. I really appreciate a well-crafted, clever headline, like the New York Post infamous 1983 headline, Headless Body and Topless Bar. It was a classic. And there are other headlines that I never though I'd see, especially in healthcare. We're gonna talk about healthcare headlines that we though we'd never see on today's show with Dave Johnson, founder and CEO 4sight Health, and Julie Murchinson, partner at Transformation Capital. Hi, Dave. Hi, Julie. How are you two doing this morning? Dave?

David W. Johnson:

Fantastic. I'm a baseball fan, so I'm monitoring next Monday's trade deadline news

right now as closely or even more closely than I follow healthcare news.

Burda:

Oh, right. You may be changing up your Fantasy League roster, right? <Laugh>

Johnson:

Absolutely.

Burda:

All right. Julie, how are you?

Julie Murchinson:

I'm well. It's been a bit of a rocky week for people in Seattle, given our local shooting this week, which is, you know, never fun for anybody. Bunch of people we knew had kids down there, not great, but…

Burda:

Oh, man.

Murchinson:

Come together as a community, you know.

Burda:

Yeah. Yeah. That was awful. Hope things work out. Okay. We're gonna do something different on today's show, and it's something we've never done before, and I hope you two are up for it. I picked five headlines from recent healthcare stories in the news over the past few weeks. Headlines in more than 40 years covering healthcare that I though I'd never see. You're gonna pick one of those five and tell me if and why it surprised you. Then you're gonna write your own headline for a healthcare story you'd like to see in the next five years. Okay, here goes. In no particular order, here are the five headlines from actual stories in the news from this past month. Number one, there are already more US measles cases this year than in all of 2025. Number two, KALSHI comes for biopharma with prediction markets for clinical trials and FDA approvals. Number three, mansus OpenAI for unlicensed practice of medicine. Number four, democratic socialists give new life to Medicare for all. And number five, GLP-1s can affect how often some people need to take time off work. I guess these drugs are so powerful they can cure absenteeism. Those are all verbatim headlines from July from credible

news organizations, not fake news like Cheeto Jesus likes to say. Dave, which one of those headlines did you think you would never read and why? And what's the headline on the healthcare story you'd like to read most in the next five years and why?

Johnson:

Okay. Well, I love headlines too. My favorite is from The Onion. In January 1997, The Onion broke this breaking news with the top of the fold headline, World Death Rate Holding Steady at 100%, with a graphic. Anyway, I'm, I'm going to take the Medicare for All headline. It's not that I never expected to see it, it's just, it drives me crazy, so I'm gonna talk about it. Medicare for All is big news in Michigan right now, where we live most of the time. And that's because Abdul El-Saeed, the former Wayne County health director is in a hotly contested, Democratic primary race for the open US Senate seat in Michigan. And his favorite talking point is Medicare for All. You know, he's an attractive, articulate candidate, but like Bernie Sanders, he's, he's wrong on healthcare reform. The election is next Tuesday. It's a dead heat. El Saeed could win. He's surging and, the pundits are all saying it's too close to call. So if he wins, Medicare for All, it's gonna be a big news story next week. So what's the right way to think about this? There are four basic models for national health systems. There's the beverage model, which they use in Great Britain. That's where, the government provides health insurance to everyone. All, doctors, and caregivers work, for the government system. The National Health Service government owns all of the, hospitals and clinics. It's basically socialized medicine. That's the beverage model. There's the single payer model, which Canada uses where the government provides the health insurance and, you've got private doctors and hospitals. There's the Bismarck model, the oldest national model. Bismarck did this in Germany in the 1870s, where basically the insurance companies are private and the providers, doctors, and hospitals are private but they're within one global budget and, it's highly regulated. And then there's pay as you go. So in the US, guess

what? We have all four. The Veterans Administration is, socialized medicine.Medicare is single payer. Commercial is a form of the Bismarck model, but without the global budgeting. And then you know, we've got self-pay. It's a mess. And I think that's part of the reason, that, many on the left are drawn to the elegance and simplicity of the Medicare for All model. It provides universal coverage. Government owns the healthcare risk, so it can allocate resources accordingly. You know, if you've ever spent time in Canada, it feels like every third ad on television is promoting some type of, public health benefit. It's because the government has a stake in, in its population being healthy. Having said that, Canada is no panacea. It's incredibly bureaucratic. Its delivery of unnecessary care, is as high as that of the United States. Has significant access issues, long wait times. ,

Its model doesn't cover dentistry services, which is absurd because much chronic disease first presents in the mouth. And it probably couldn't exist without the safety valve provided by its approximate location of the vast majority of its population to major US markets. And by the way, since when has our national goal been to be as good as Canada? I mean, shouldn't we try to be better?, So what headline would I like or what would I like to see? So like, like the Democratic Socialists, I do believe, and I've talked about it many times, in universal health insurance coverage. We're a rich country. Everyone should have access to affordable healthcare services. Single payer, the Canada model, the Medicare for All model, isn't the only path to universal coverage. Pluralistic health insurance coverage can also work. Today, in Massachusetts, 98% of residents, almost 100%, have access to health insurance. They get it through their employers, the government, or through the state's health insurance exchange. You can have universal coverage with a pluralistic model. So if, if I were Czar, and, these would be the three policies, maybe they're headlines, that I would like to advance, in pursuit of universal healthcare coverage and, better health outcomes. Shouldn't separate one from the other, like Canada does. First, I would allow employers to subsidize their employees' health insurance

purchasing. Today, we give tax breaks to employers who provide health insurance benefits. These regulations prevent, employers, except for the ICFRA program for smaller employers, from allowing their, from subsidizing, purchase of health insurance plans in the open market. So imagine a situation, where your employer gives you $25,000 to buy a health insurance plan, and you go out to the market and find one you like that meets the, coverage requirements for $20,000. The employer still gets the deduction on the 25. But you, the employee, then get, can take the $5,000 savings and treat it as taxable income. Imagine the unleashing the purchasing power of the American consumers on the healthcare marketplace if suddenly they became value-based shoppers and got rewarded for buying better plans or more, plans more suited to their needs.

Second thing I do is I'd really beef up the exchanges, have them be the primary place where people go to buy health insurance. I'd push the ACA, insurance buyers there. Obviously what I just talked about with employers, the exchange would be a perfect place for them to go. All payers would have to participate. You'd have sort of natural market evolution where intermediaries would come and help people choose the right plan for themselves, optimize the return they get. And then the final thing I'd do is a government-funded catastrophic insurance coverage. We had that in the, first few years of the ACA, and it worked, right? If payers know what their upside risk is on coverage, they can price more accurately to the marketplace. So get the incentives right, unleash consumers, and sic the American innovation engines on healthcare and let it turbocharge value creation. So instead of being a laggard to the rest of the world, we can actually lead the rest of the world.

Burda:

So your headline is Be Massachusetts, not Canada, right? <Laugh>

Johnson:

Well, Massachusetts is pretty expensive, but yeah, I, I, <laugh> I. Yeah. We can get, yeah, we can get there, the mass way.

Burda:

Got it. Thanks, Dave. Julie, any questions for Dave?

Murchinson:

Well, Dave, first of all, Dave Johnson for Secretary of HHS or - Who's designing healthcare policy these days. Yeah. you're like a poster child, and I understand that you have a T-shirt related to this topic. So you wanna tell us more about that?

Johnson:

<Laugh> Yeah. I do. I have a teenage boy's sensibility when it comes to T-shirts. I've got one that's got a picture of a hammer that underneath says, "This is not a drill." I've got another one that says, "Math is the only subject that counts." and then I've got one <laugh> which, which cracks me up, that's got a sign planted in the ground that says bad, and the caption is, "That's not a good sign." I could go on, but I won't because I know I'm scaring you all right now. <Laugh> But my favorite t-shirt is types of headaches. It's, it's got four quadrants. And in the first three, there's, different types of headaches. So hypertension, which lights up the back of the brain. Migraine, which lights up the frontal lobe. Stress, which highlights the middle and, and back of the brain. And then there's one that lights up the whole brain. And that's explaining economics to socialists. And the theory of, of socialism is beautiful, right? I mean, everybody contributes according to their ability and takes according to their need. And there are a few virtuous people in the world that actually can live that way. But it's not most of us. In the real world, human beings wanna give a little bit less and take a little bit more, which is why you need, the incentive system embedded within capitalism to, to achieve some equilibrium. So designing a system based on socialist economic, principles is a recipe for disaster, particularly given all the

profiteering and regulatory capture currently baked into the US system. So, you know, I, I, I get it. I, I see why it's attractive. You know, I, I, I'd like to be able to think that we'd all be so virtuous, but we aren't. So let's get into the real world. And as I said earlier, get the incentives right, unleash consumerism. Just focus the American innovation engine on delivering, better healthcare outcomes at lower costs with, with better customer experience. And if we do that right, we can have universal coverage. We can have lower costs. We can have our cake and eat it too.

Burda:

Thanks, Dave. Okay, Julie, you're up. Which one of those five headlines speaks the loudest about where we are in healthcare today and why? And what's the headline on the healthcare story you'd like to read most in the next five years and why?

Murchinson:

Well, this won't surprise you, but my top pick wasn't clinical. It was about a market. Our relatively new friends at Kalshi, one of the biggest prediction market exchanges in the country, or the world maybe. <affirmation> they just started taking bets on phase three trial outcomes and FDA approval decisions. Like, wow. <Laugh> And these aren't bets on vibes or analyst guesses. You know, they're contracts that resolve against actual FDA approval letter, the advisory committee vote record, or the pre-registered primary endpoint on clinicaltrials.gov. Things I don't even major in. So this is pretty deep. Kashi definitely seems to know what they're doing here. And with- within days of launching, they already were taking the six-figure bets. So just sit with that for a second. <Laugh> I mean, it's something. And what it really shows is the entire economics of drug development has run for decades on information asymmetry. Like, the sponsor knows more than the market. The market prices the stock on press releases, basically, which, I mean, let's be honest, is, like, the most favorable spin you could possibly have. And Kalshi and its data partner are explicitly selling this as the fix. It's live,

public continuously updated probability scores that exist completely outside of company communications. And their own language calls it an incentive aligned external estimate meant to sharpen capital allocation decisions. So they're not messing around. This is definitely, you know, signaling more business infrastructure than it is kind of individual betting. So I'm blown away and impressed by this. I think the provocative part is, it is kind of this shadow analyst core. You know, it's pricing pipelines in real time, whether, <laugh> you know, a company invited anyone to do this or not. And it's definitely raising red flags. You know, bioethics and trial researchers are flagging potential for insider trading, and they worry about things like, you know, recruitment behavior, which is already very difficult. And investigator conducts, you know, because money's gonna be riding on this, and there'll be a real outcome that affect real people, which is pretty major. And for right now, I think it seems like Kalshi anticipated some of these red flags, of course. They're not stupid. And their answer for now is guardrails. They're only gonna do this for late-stage trials where markets, you know, the market for this doesn't open until enrollment closes. No early stage, you know, activity. So they're, they're being, what I think is pretty conservative, you know, by design. But it's interesting, like, if I'm the leader of one of these companies, I just have to ask myself, like, if the betting market can produce a more transparent, faster, updating signal on your asset that's going through the FDA process and the odds, you know, if, if the market can do this better than your IR team, then why were you being so silent about it in this interim period in the beginning? Like, what's the point? So it's just, it's very, very interesting. So that's my analysis there. What I would say is my headline, my ideal headline would be totally different. It would be, and Dave, this one's for you. Every US hospital and health plan publishes real comparable prices, and consumers actually use them to shop. Wouldn't that be glorious?

Johnson:

Amen to that. Can we have an amen? <affirmative> Amen. That's right.

Burda:

In your first part of that, all I could think of, what if you're a drug company executive with a gambling addiction? Right? Okay. <Laugh> Yeah. Yes. This is gonna be a real -

Murchinson:

Conflict of interest.

Burda:

Yeah. Yeah. A real test. That's great, Julie. Thank you. Dave, any questions for Julie?

Johnson:

Probably what, what I worry about, is more of a structural issue, which is how the FDA sort of manages its process for which drugs go through and which don't. I mean, essentially, the way it works, so the FDA determines efficacy, and then essentially grants, monopoly pricing power to the manufacturer that comes up with the, with the drug. And, then it's, it's off, off to the races, and, you know, people, their copycat drugs, and so on and so forth. So if Kalshi is doing this right, what they're really doing is predicting FDA behavior. But what if that FDA behavior in and of itself is counterproductive? The, the. We've got a mismatch in the, you know, marketplace mechanism to get transparency, accuracy, pre - better prediction, with what we ultimately wanna achieve in society. Have you thought about that at all?You're really predicting FDA behavior, and what if that behavior is sort of off base from the start?

Murchinson:

Kalshi’s existence shouldn't actually impact, like, how the FDA does what it does. But what you're saying is over time, could it?

Johnson:

Or just, it's just another example of how healthcare takes perfectly rational economic concepts and- And twisted. Turns them upside down. Yeah.

Murchinson:

Yeah, totally. The information asymmetry that Kalshi is highlighting is rampant throughout our industry. So the question for me is, like, how long does it take them to start to really, like, untangle or, or threaten some of the bastardized economic models we have and bring - You know, shed light on them, right? Yeah.

Murchinson:

So that's interesting. Yeah. This is just the beginning. And this is actually gonna be a really easy one because of how regulated FDA processes are, right? Yeah.

Johnson:

Yeah. So as I say, I like it. I just. And you're right, my concern really <laugh> has nothing to do with Kalshi. It just - Will Kalshi sort of magnify the negative impact of the model we already have in place? Yeah.

Murchinson:

Yeah. Yeah, I like it. Mm-Hmm.

Burda:

Well, here's one. Before we went on, I was scrolling through the news. Here's a headline that I though I'd never see. The last Bennegans in Illinois is thriving in Elgin as it turns 50. Bennegans. Just don't know. Right? We used to call those fern bars, right? Now let's talk about other

big healthcare news that happened this week. Julie, what else happened that we should know about?

Murchinson:

Well, in the leaders moving on circle - Yeah. Jaywon Ru has, left [00:53:30] Verizon as its first founder and built something that is really, you know, I think impressive, has some legs, and he should be really proud of his accomplishments. So Verizon must be growing up.

Burda:

I saw that too. Thank you. Dave, what's your big healthcare news of the week?

Johnson:

Well, since we're doing headlines, I'm gonna give you my favorite headline for the week. Yeah. On top of all the ones that you saw, which came from, New York Times Guest Opinion series. This team took on a $10 trillion industry. We might all be healthier.

Murchinson:

Mm. Mm.

Johnson: (54:04):

Gets your interest, doesn't it? <affirmative> It's basically about a young man, Bryce Martinez, who discovered when he was 16, and had heart pains, that they were caused by type two diabetes and fatty liver disease. Not a story that's unheard of in the United States. Here's what's new, though. Two years later, he's teamed up with the big, litigation firm, Morgan & Morgan, to sue 11, big food companies for subjecting him to highly processed foods and getting him addicted. They're, they're, you know, using a class action lawsuit to go after the bad behavior of, of big food. The model is the tobacco model. Who knows? Pretty interesting, right?

Burda:
Wow.

Murchinson:
I love that.

Burda:
That's something to watch. That's interesting. 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. 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.