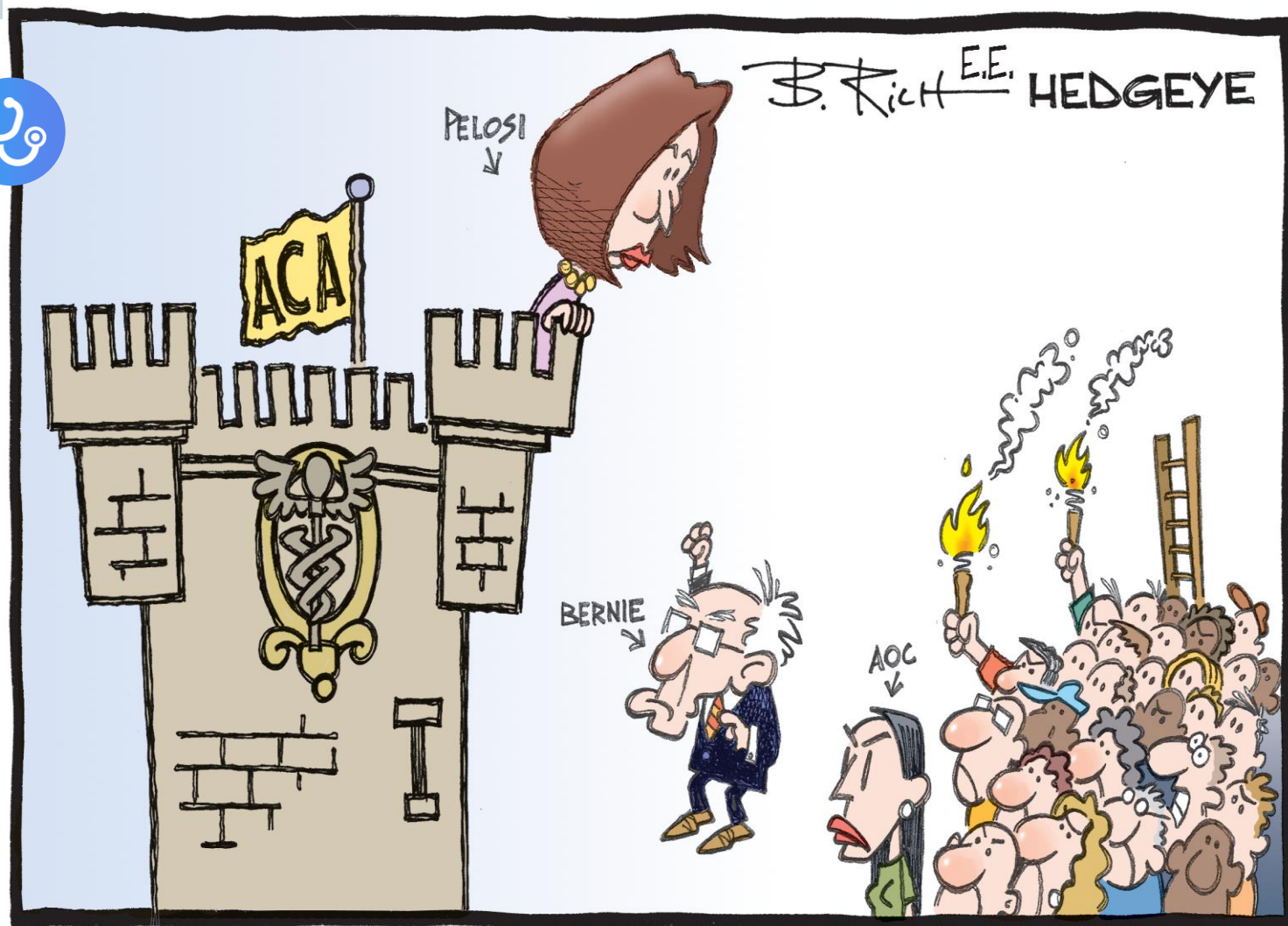


HEDGEYE

# Health Care Position Monitor w/ Live Q & A

Coronavirus Public Health Response, Sanders  
in the Lead, Surprise Bill Headwinds

January 27, 2020



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Please submit questions\* to  
**qa@hedgeye.com**

\*Answered at the end of the call

# Health Care Position Monitor

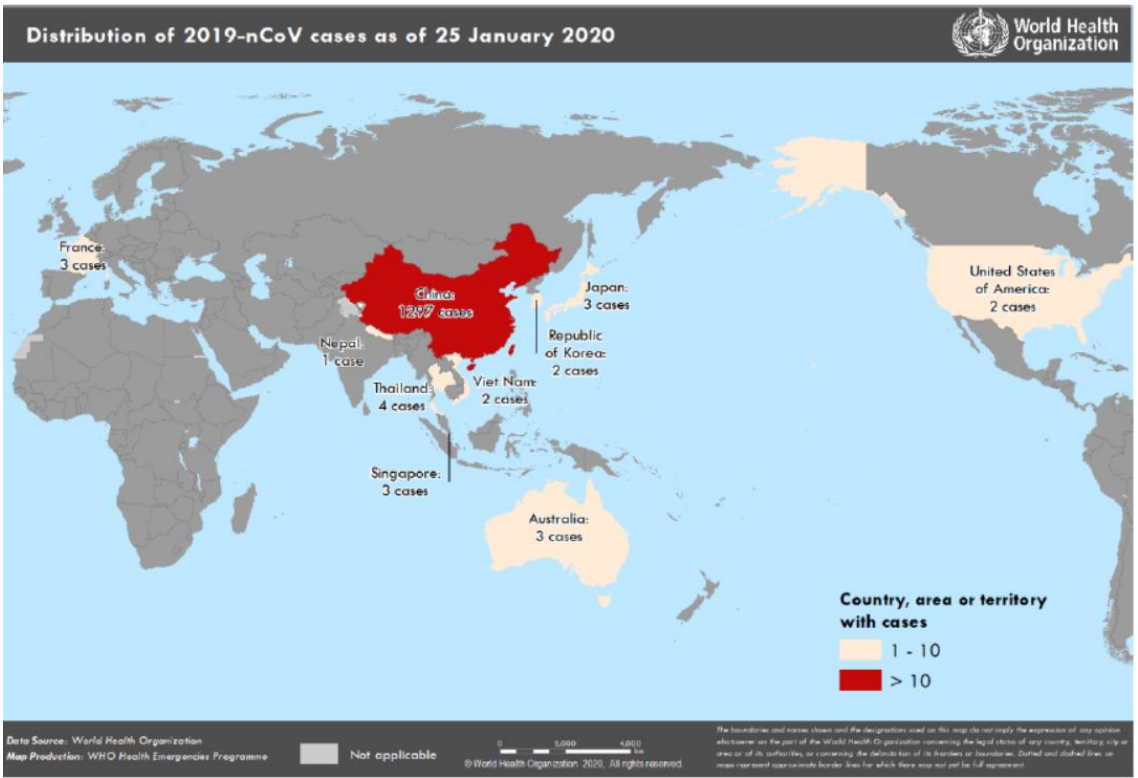
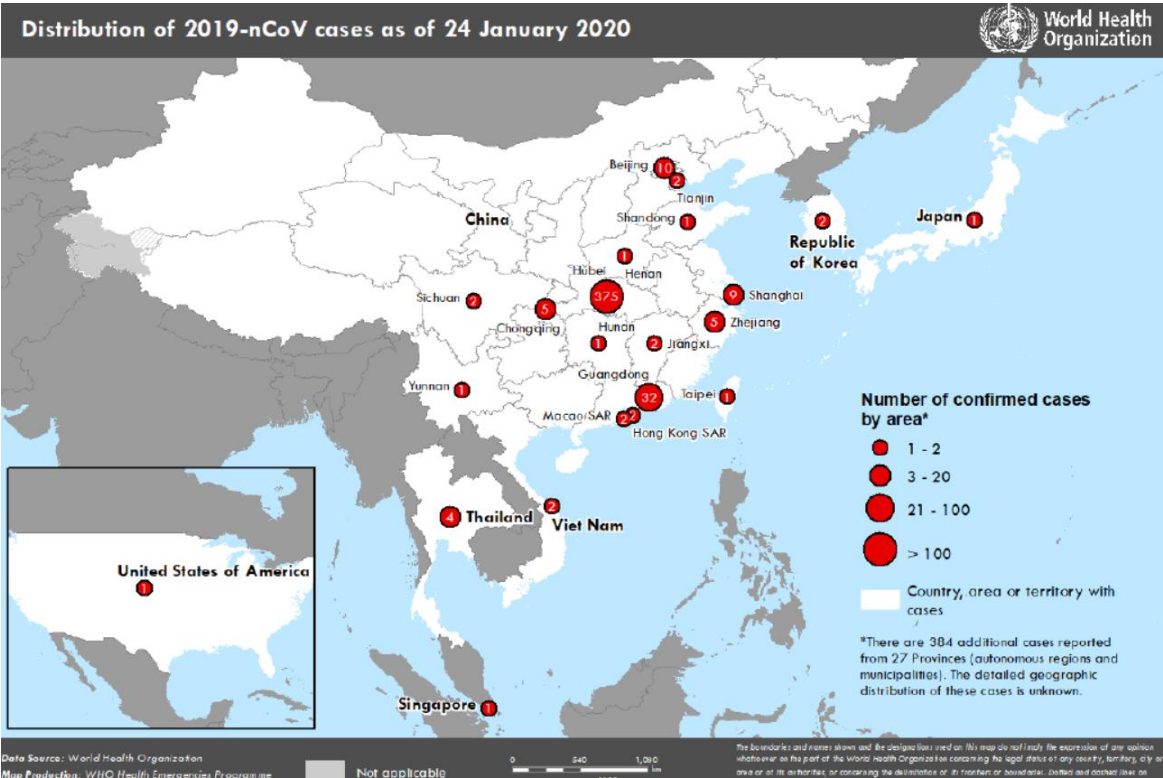
For Week of January 27, 2019

Best Ideas - Longs					Best Ideas - Shorts						
		Price	Mkt Cap (\$B)	Trend	Tail			Price	Mkt Cap (\$B)	Trend	Tail
LONG						SHORT					
Active Longs						Active Shorts					
MD	MEDNAX, Inc.	\$ 27.14	\$2.3B	✓	✓	NVTA	Invitae Corp.	\$ 18.75	\$1.8B	×	×
AMN	AMN Healthcare Services, Inc.	\$ 67.00	\$3.1B	✓		HQY	HealthEquity Inc	\$ 71.84	\$5.1B	×	×
ANTM	Anthem, Inc.	\$ 305.99	\$77.6B	✓		DXCM	DexCom, Inc.	\$ 231.62	\$21.1B	×	×
ILMN	Illumina, Inc.	\$ 328.33	\$48.3B	✓	✓						
THC	Tenet Healthcare Corporation	\$ 36.14	\$3.8B	✓	✓						
GH	Guardant Health, Inc.	\$ 83.71	\$7.9B	✓	✓						
ZBH	Zimmer Biomet Holdings, Inc.	\$ 149.48	\$30.7B	✓	✓						
Long Bias						Short Bias					
TDOC	Teladoc Health, Inc.	\$ 98.25	\$7.1B			MYGN	Myriad Genetics, Inc.	\$ 28.41	\$2.1B		
TXG	10x Genomics Inc Class A	\$ 87.75	\$1.8B			EXAS	Exact Sciences Corporation	\$ 85.90	\$12.6B		
SGRY	Surgery Partners, Inc.	\$ 18.31	\$0.9B			UNH	UnitedHealth Group Incorporated	\$ 300.53	\$284.7B		
UHS	Universal Health Services, Inc. Class B	\$ 144.99	\$11.6B		==	DVA	DaVita Inc.	\$ 79.90	\$10.2B		
					==	HCA	HCA Healthcare Inc	\$ 147.24	\$49.9B		

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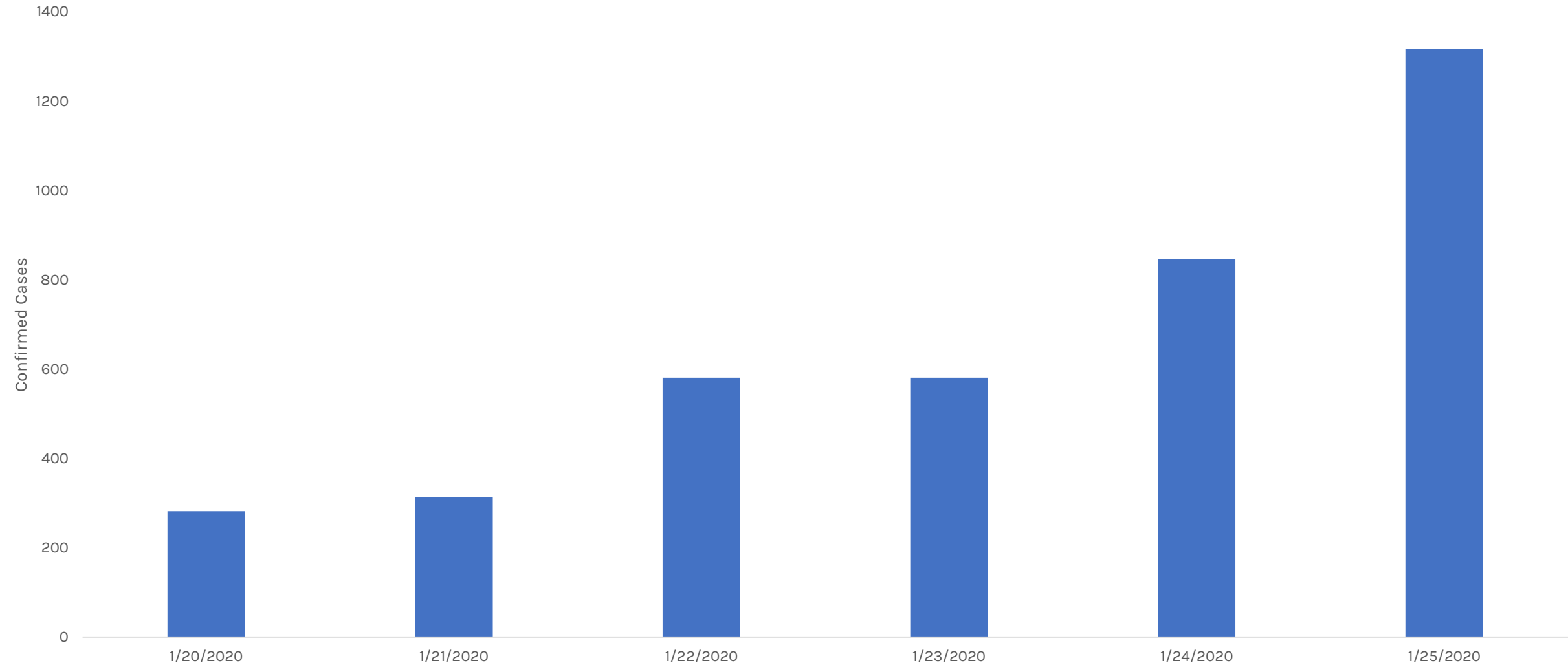
# 2019-nCoV Cases Confirmed

Reporting began Jan 20 and disease is moving rapidly



# Confirmed Cases of Coronavirus

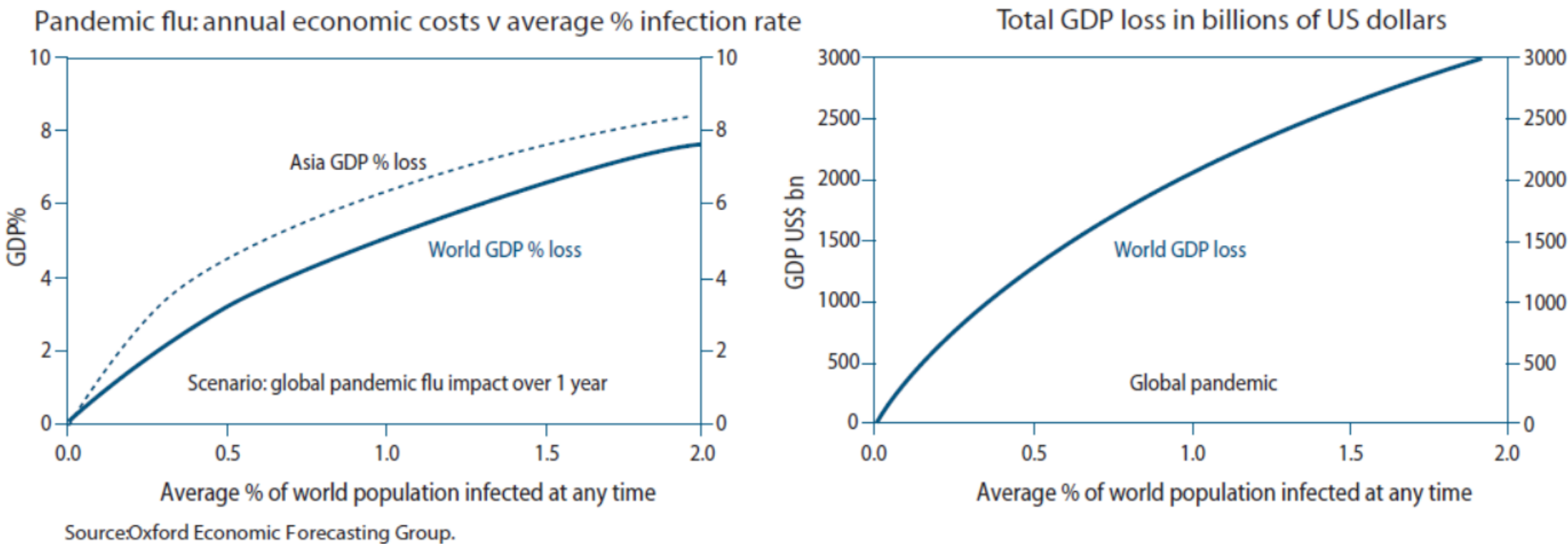
WHO has not yet declared a public health emergency; risk levels high in China and region



# Economic Impact of Pandemic Flu

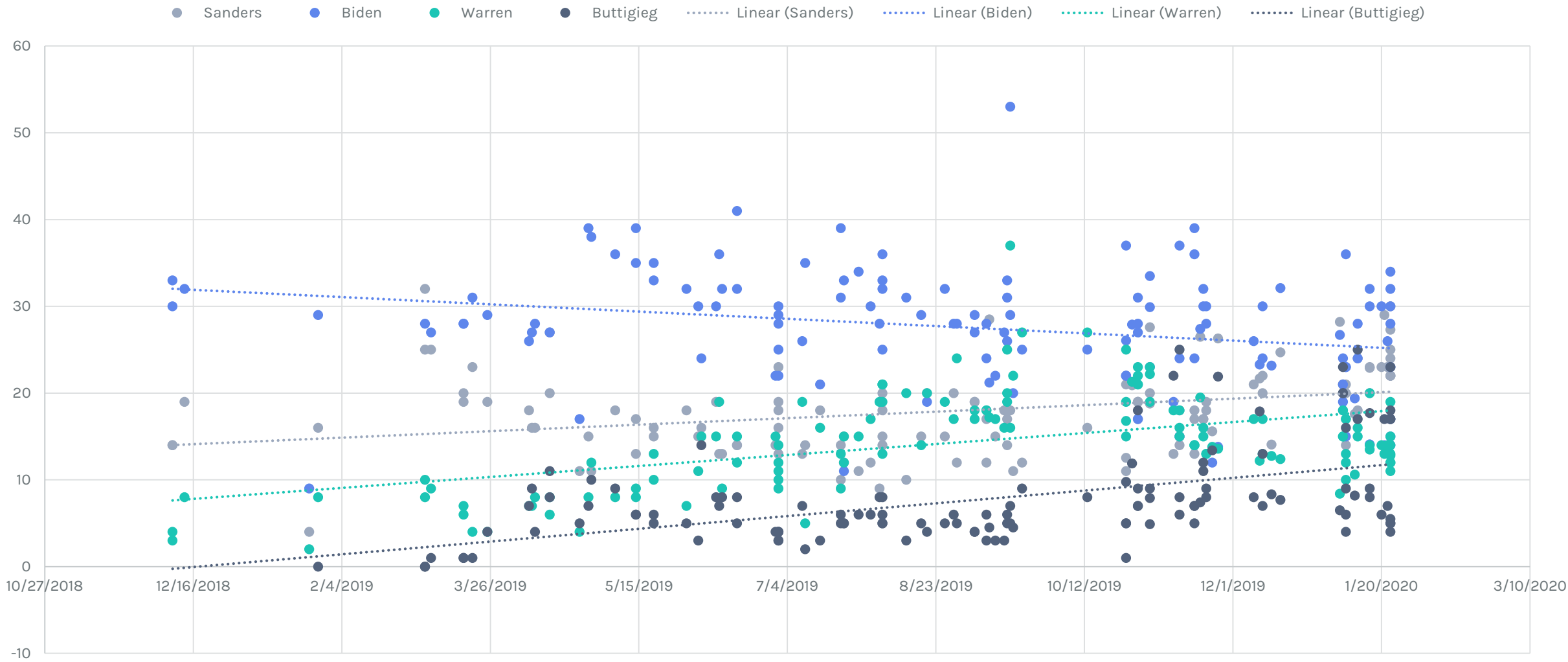
A long way from infection rates necessary to cause meaningful GDP impacts

## Estimated economic impact of pandemic influenza



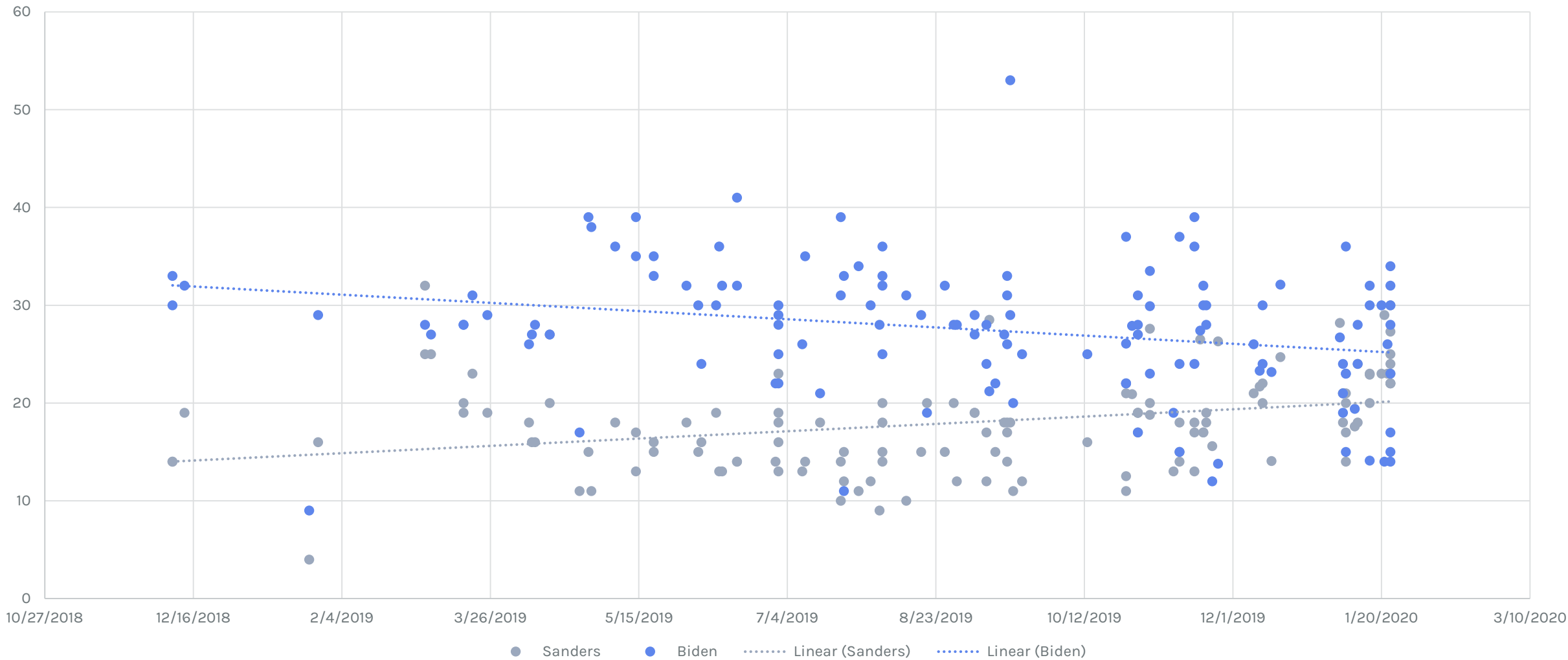
# Biden Tops Polling In General

Sanders and Warren’s staying power keeps him from breaking out



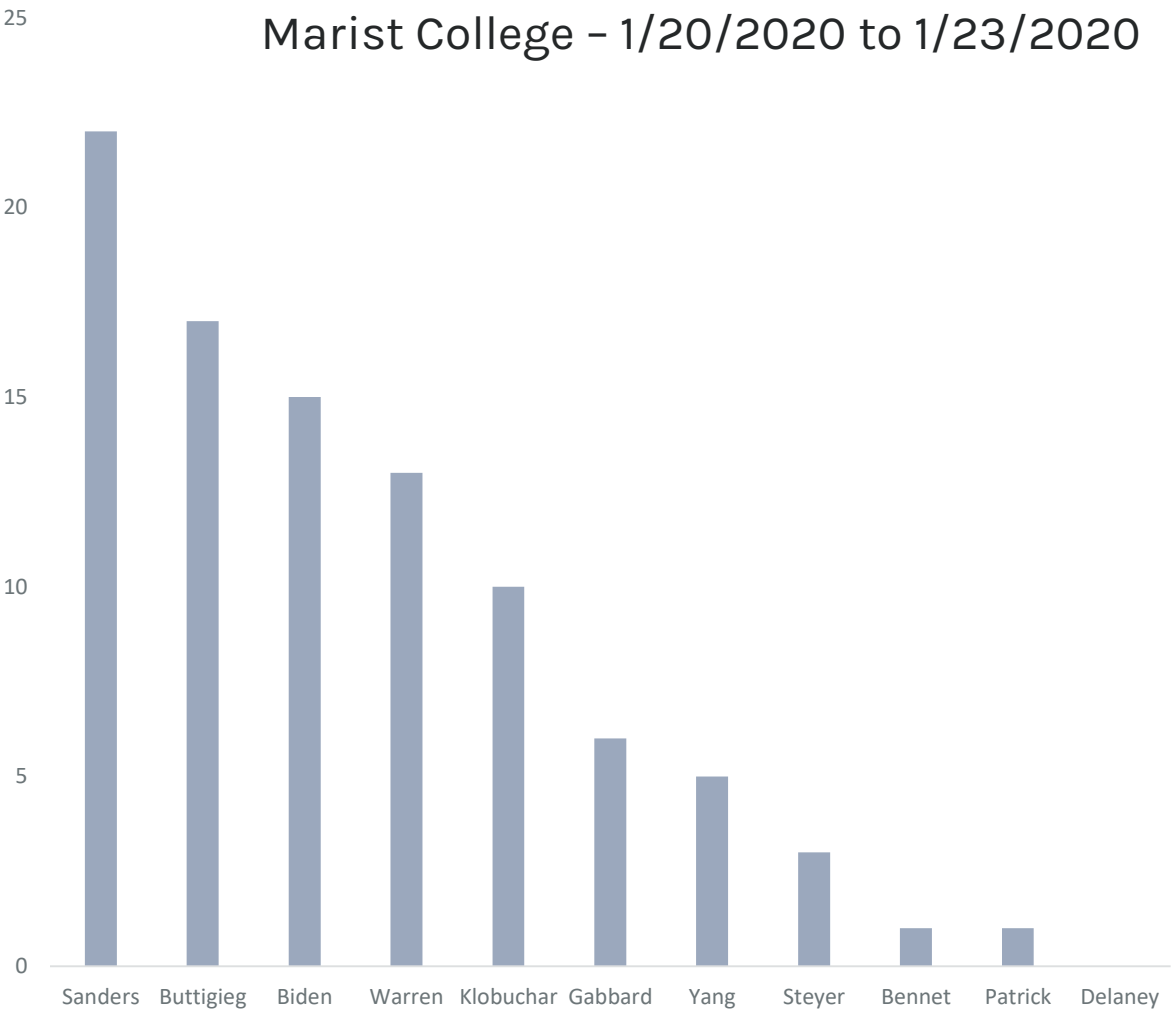
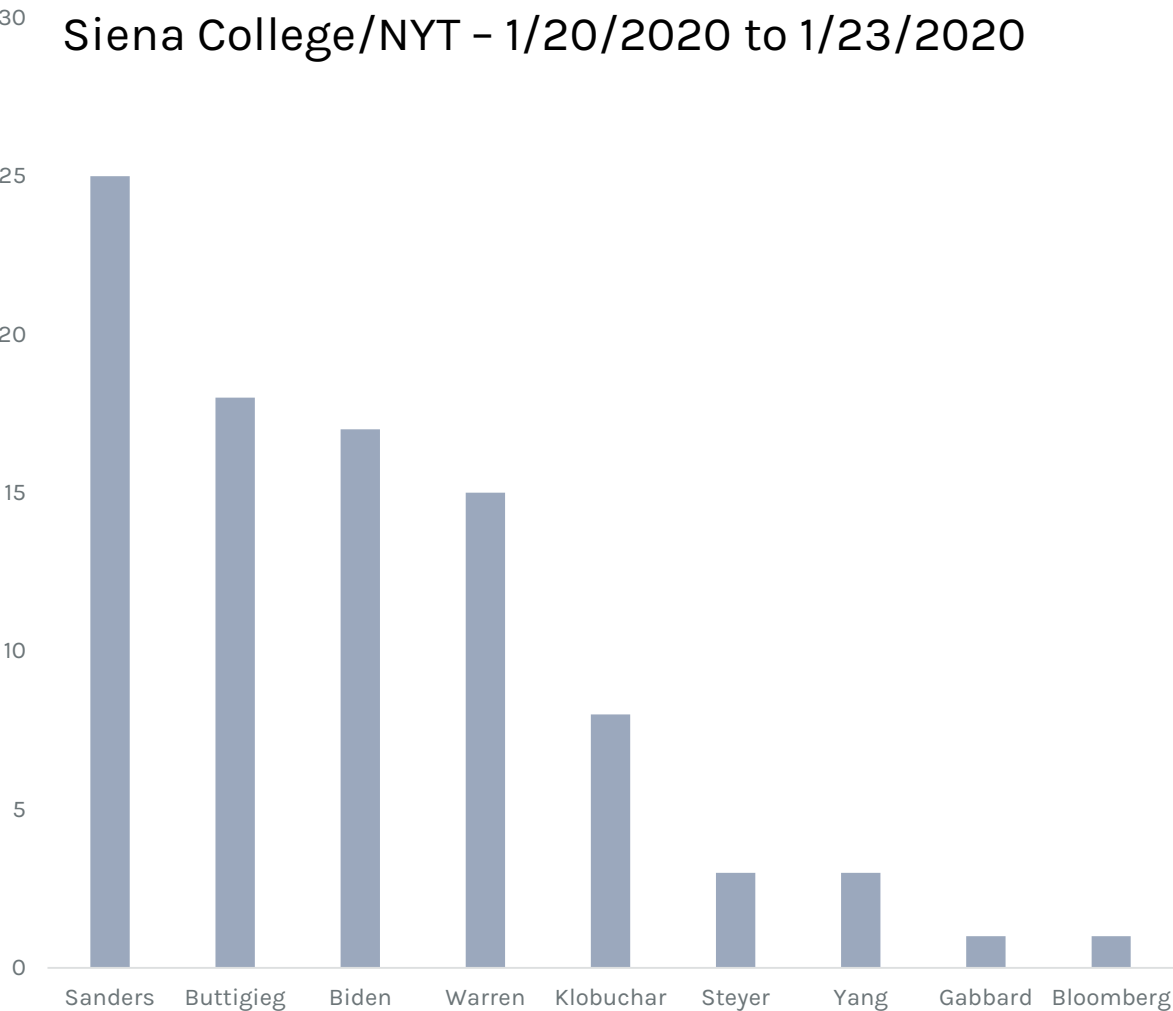
# Biden v Sanders

Recent polls put Sanders ahead



# Iowa and New Hampshire Polls

Sanders in the lead in both states but many a president have lost both states



# Federal “Surprise Billing” Legislation

## Applicability

- Applies to all insurer types including individual and group, regardless of insured or self-insured
- Applies to emergency services and “ancillary” hospital services: anesthesiology, pathology, radiology, neonatology

## Patient Responsibility

- Patient subject to cost-sharing as if service was delivered in-network
- Plan covers service as if in-network and applies cost-sharing to deductibles as appropriate

## Provider Reimbursement

- Default price paid by plan to provider would be plan’s median in-network rate for same service
- Possible dispute resolution process for bills over \$750/\$1250

## Timing

- Mostly effective in 2021 Plan Year
- Consideration deferred until May 2020

# Federal Lobbying Expenditure

TeamHealth and EmCare look worried; MD not so much



# Heritage Springs Into Action

## Conservative Groups Piling on to Oppose “Surprise” Billing

### Nonemergency Care

IN NETWORK

**Disclosure (up-front price information) and penalties on false and misleading information about network status:** For scheduled care, facilities and providers would be required to provide a good faith estimate. Penalties would be established on insurers who represent facilities, and on facilities that represent themselves, as being in network when they permit balance billing for services delivered at that facility.

OUT OF NETWORK

**Disclosure (up-front price information):** For scheduled care, facilities and providers would be required to provide a good faith estimate. Facilities and providers could not balance-bill patients after delivering nonemergency services unless they provided them with good faith estimates of balance-billed amounts before providing the services.

### Emergency Care

IN NETWORK

**Penalties on false and misleading information about network status:** Penalties would be established on insurers that represent facilities, and on facilities that represent themselves, as being in network when they permit balance billing for services delivered at that facility.

OUT OF NETWORK

**Prohibit balance billing and require reasonable reimbursement:** Facilities and providers could not balance-bill for any emergency services, as defined in EMTALA. Insurers would be required to provide facilities and providers with reasonable reimbursement for such services, as defined in existing regulations (45 CFR 147.138(b)(3)(i)).

Note: Balance billed amounts refer to what the provider bills the patient, minus what the insurer pays.

For more information, contact us at:

**sales@hedgeye.com**  
**(203) 562-6500**