



HEALTH CARE Q&A

JUNE 17th AT 10:00AM ET

DISCLAIMER

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HEALTH CARE POSITION MONITOR

Best Ideas - Longs						Best Ideas - Shorts							
LONG						SHORT							
		Price	Mkt Cap (\$B)	Risk Score	Trend	Tail			Price	Mkt Cap (\$B)	Risk Score	Trend	Tail
Active Longs						Active Shorts							
ANTM	Anthem, Inc.	\$ 277.98	\$71.5B	(11.87)	✓	✓	HQY	HealthEquity Inc	\$ 65.36	\$4.1B	(14.89)	×	×
THC	Tenet Healthcare Corporation	\$ 19.96	\$2.1B	(29.30)	✓	✓	DVA	DaVita Inc.	\$ 43.42	\$7.2B	(12.92)	×	×
AMN	AMN Healthcare Services, Inc.	\$ 48.44	\$2.3B	(2.93)	✓	---	UNH	UnitedHealth Group Incorporated	\$ 241.80	\$229.8B	(6.27)	×	×
ZBH	Zimmer Biomet Holdings, Inc.	\$ 113.93	\$23.3B	(16.53)	✓	✓	MDRX	Allscripts Healthcare Solutions, Inc.	\$ 9.73	\$1.6B	(4.05)	×	×
TDOC	Teladoc Health, Inc.	\$ 58.12	\$4.2B	(46.25)	✓	✓	SYK	Stryker Corporation	\$ 183.24	\$68.4B	(6.39)	×	×
							DXCM	DexCom, Inc.	\$ 121.30	\$11.0B	(35.02)	×	×
Long Bias						Short Bias							
ILMN	illumina, Inc.	\$ 306.91	\$45.1B	(8.73)	---	✓	ABBV	AbbVie, Inc.	\$ 76.71	\$113.4B	(7.09)	---	---
HCA	HCA Healthcare Inc	\$ 120.96	\$41.4B	(6.80)	---	✓	MYGN	Myriad Genetics, Inc.	\$ 24.77	\$1.8B	(19.54)	---	---
UHS	Universal Health Services, Inc. Class B	\$ 119.55	\$9.9B	(8.77)	---	✓	EXAS	Exact Sciences Corporation	\$ 103.63	\$13.4B	(23.11)	---	---
MD	MEDNAX, Inc.	\$ 24.66	\$2.1B	(14.69)	---	✓							
DGX	Quest Diagnostics Incorporated	\$ 95.91	\$12.9B	(12.01)	---	✓							
LH	Laboratory Corporation of America Holdings	\$ 162.61	\$16.0B	(9.72)	---	✓							
GWPH	GW Pharmaceuticals PLC Sponsored ADR	\$ 173.24	\$5.3B		---	✓							

Hedgeye's Bias represents Hedgeye's outlook on companies currently under Hedgeye's review, or for which timing is not right for greater coverage. Hedgeye may or may not provide further commentary on any or all companies represented on the Bias list and representation of a company on the Bias list does not forecast whether Hedgeye will or will not issue any additional material on that company.

Risk score is an expression of the difference between out performance and under performance in stock price based on Hedgeye machine learning algorithm techniques that calculate the score by factoring a number of Hedgeye selected data inputs.

PATIENT VISITS BY INSURANCE COVERAGE

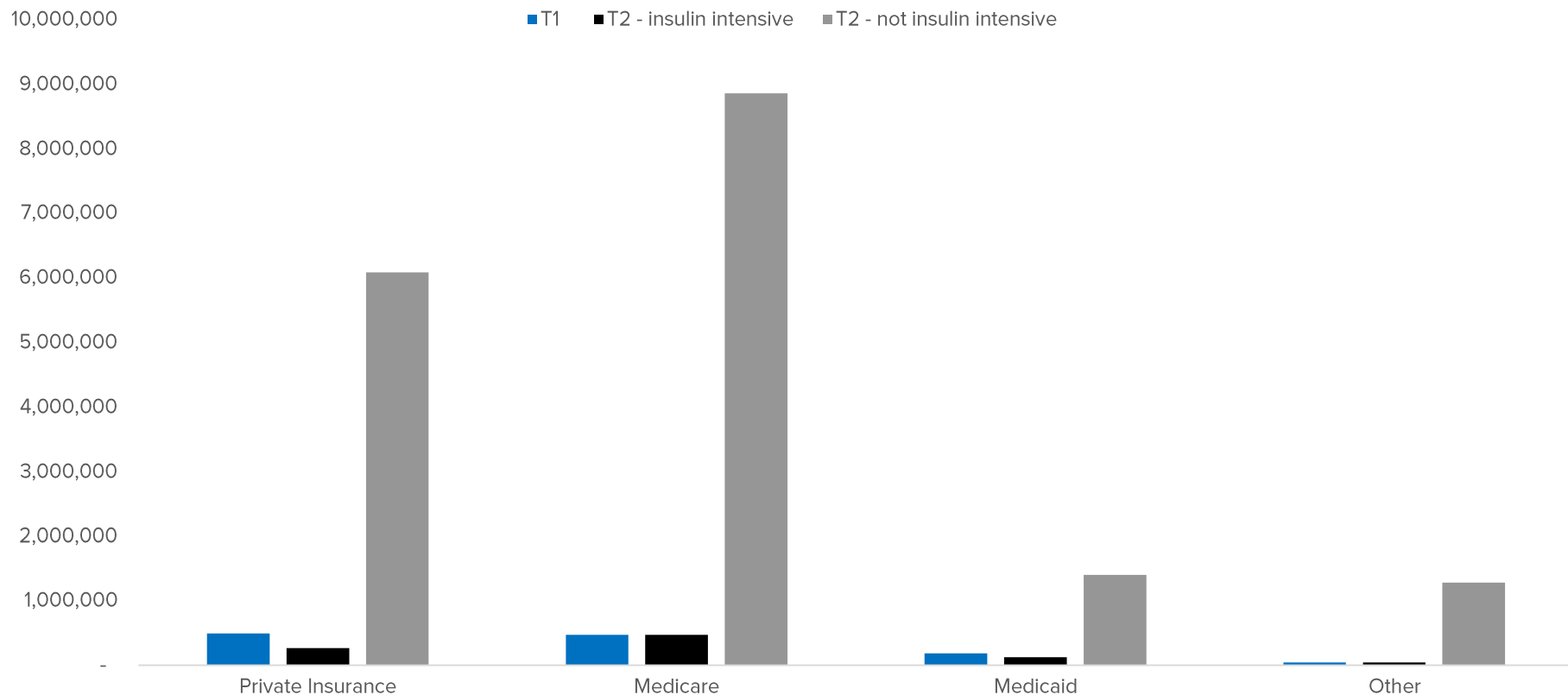
TYPE 1 DIABETICS VERSUS TYPE 2

Type 1 Diabetes	Private Insurance	Medicare	Medicaid	Other	Total
Under 15 years	305,243	-	300,130	-	605,373
15-24 years	101,199	-	99,999	34,348	235,546
25-44 years	307,129	-	-	-	307,129
45-64 years	912,419	187,339	237,466	18,720	1,355,944
65-74 years	86,087	818,946	-	78,176	983,208
75 years and over	-	629,055	-	11,193	640,248
Total	1,712,077	1,635,340	637,595	142,438	4,127,449

Type 2 Diabetes	Private Insurance	Medicare	Medicaid	Other	Total
Under 15 years	-	-	-	31,021	31,021
15-24 years	105,319	115,638	143,371	-	364,328
25-44 years	1,538,131	473,328	356,291	289,606	2,657,355
45-64 years	17,520,235	3,778,346	3,337,818	2,143,247	26,779,645
65-74 years	2,674,085	14,656,816	919,491	1,554,976	19,805,368
75 years and over	378,172	13,589,055	553,883	601,440	15,122,550
Total	22,215,942	32,613,182	5,310,853	4,620,290	64,760,267

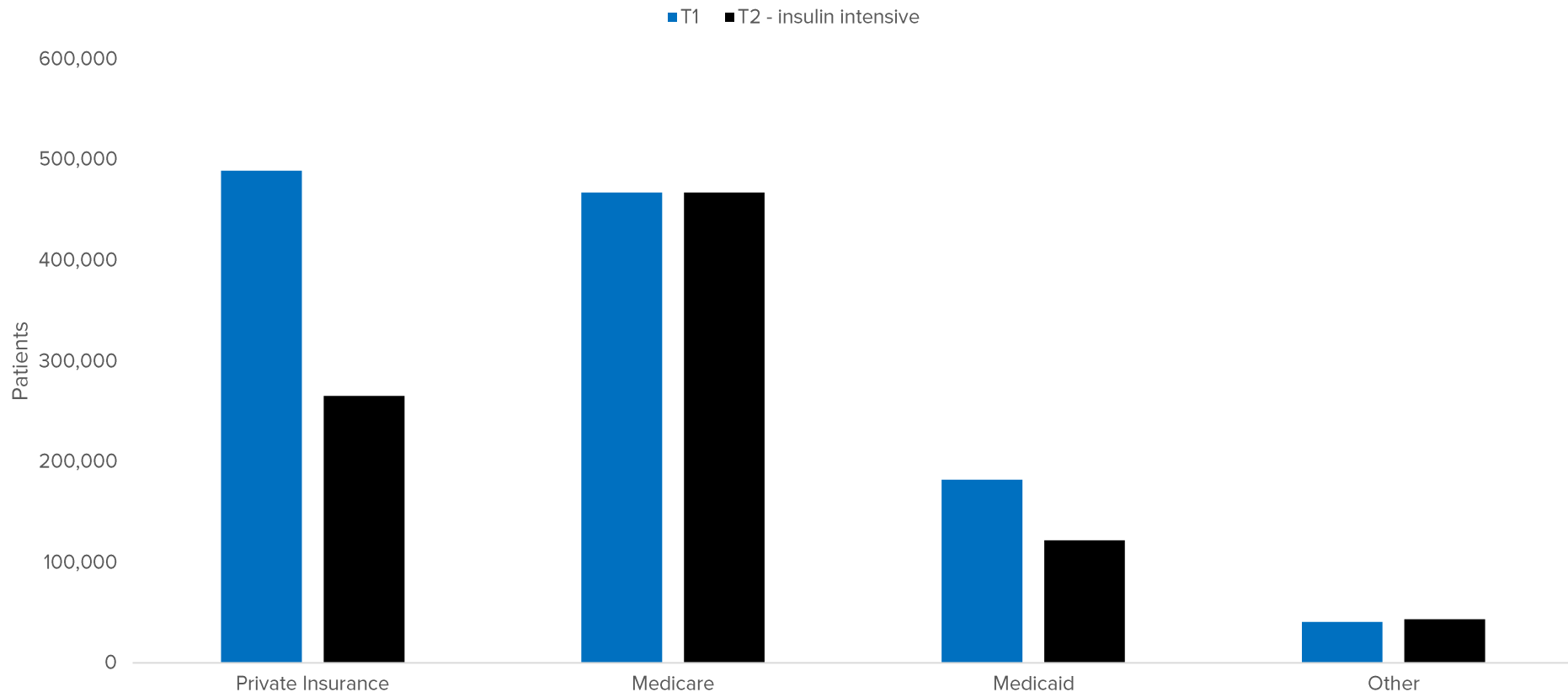
DIABETICS BY INSURANCE

T2 INSULIN INTENSIVE ~75% OF THE T1 POPULATION



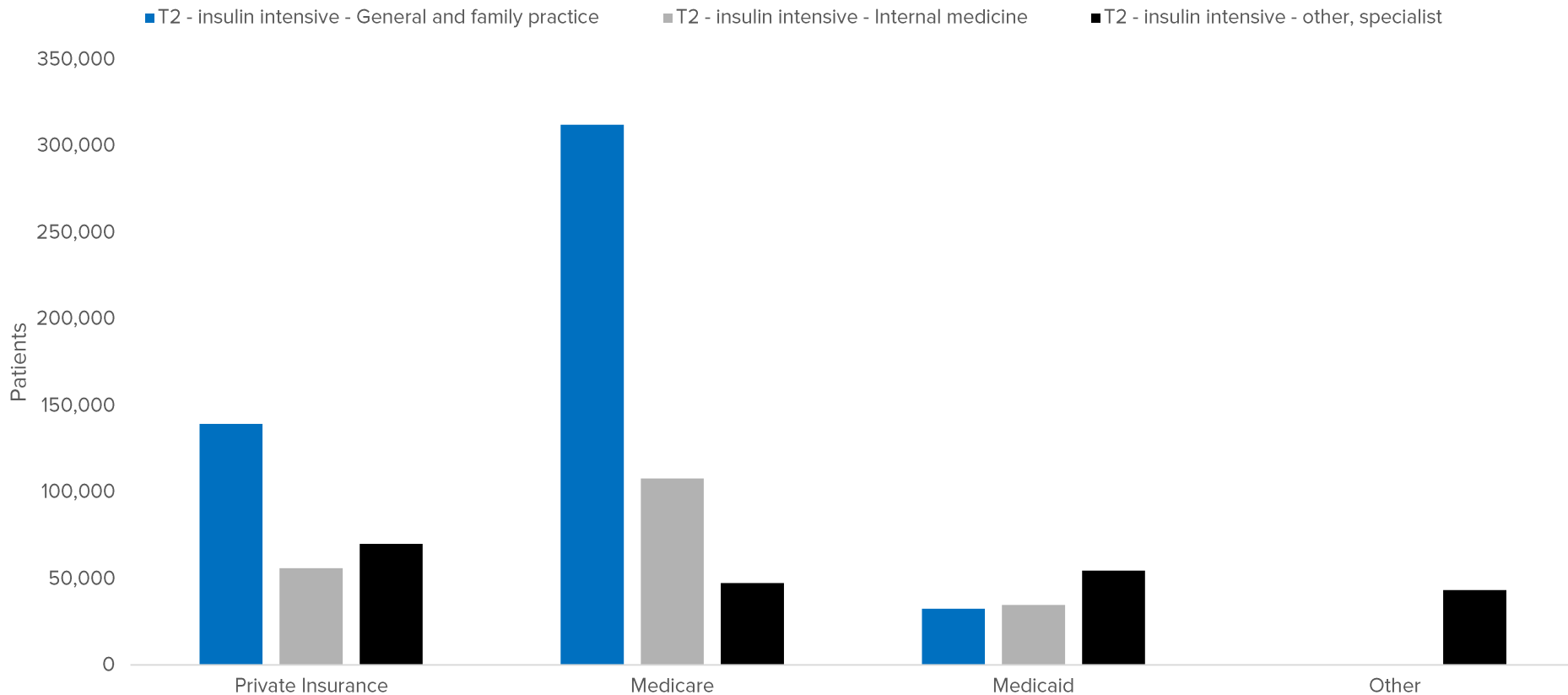
DIABETICS ON INTENSIVE INSULIN THERAPY

T2 INSULIN INTENSIVE PRIVATE INSURANCE ~50% OF MEDICARE



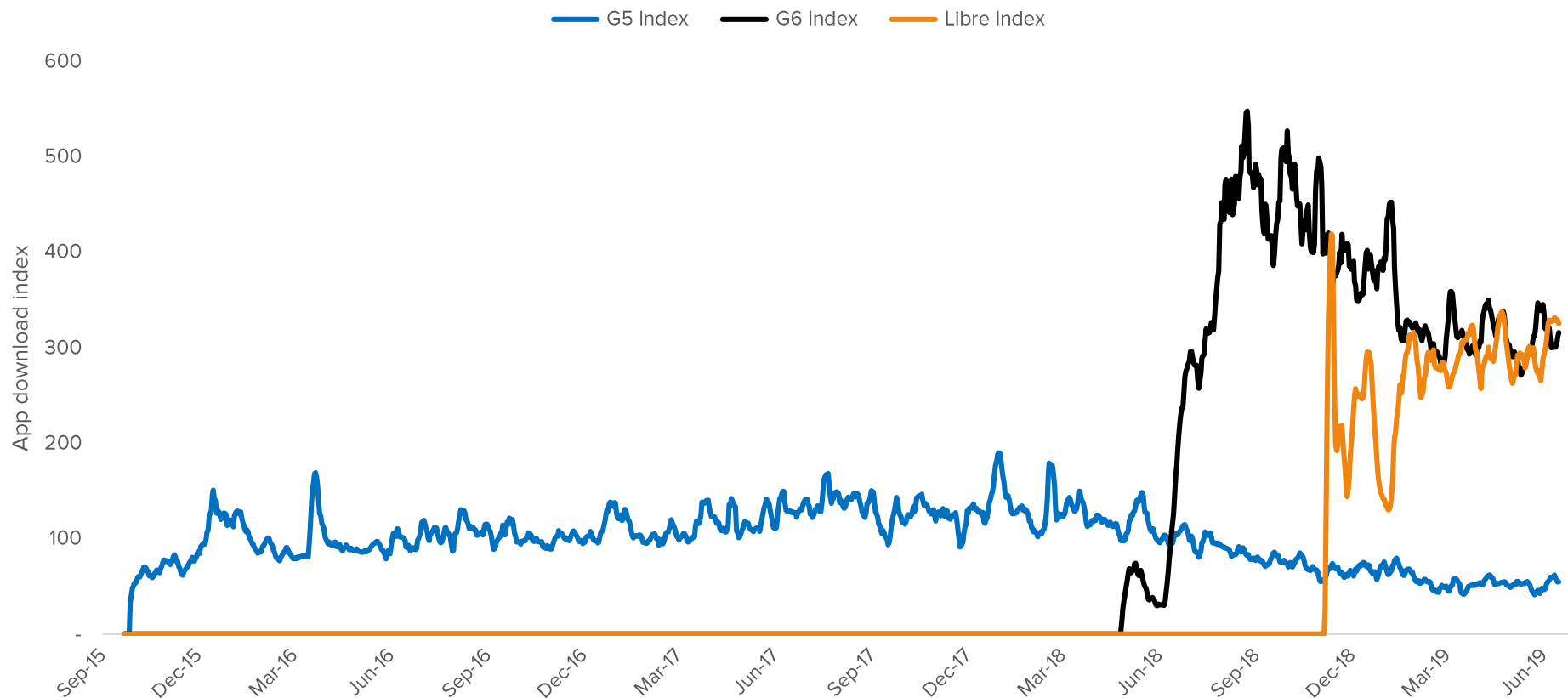
T2 INTENSIVE INSULIN USE BY PHYSICIAN SPECIALTY

INTERNAL MEDICINE DOMINATES



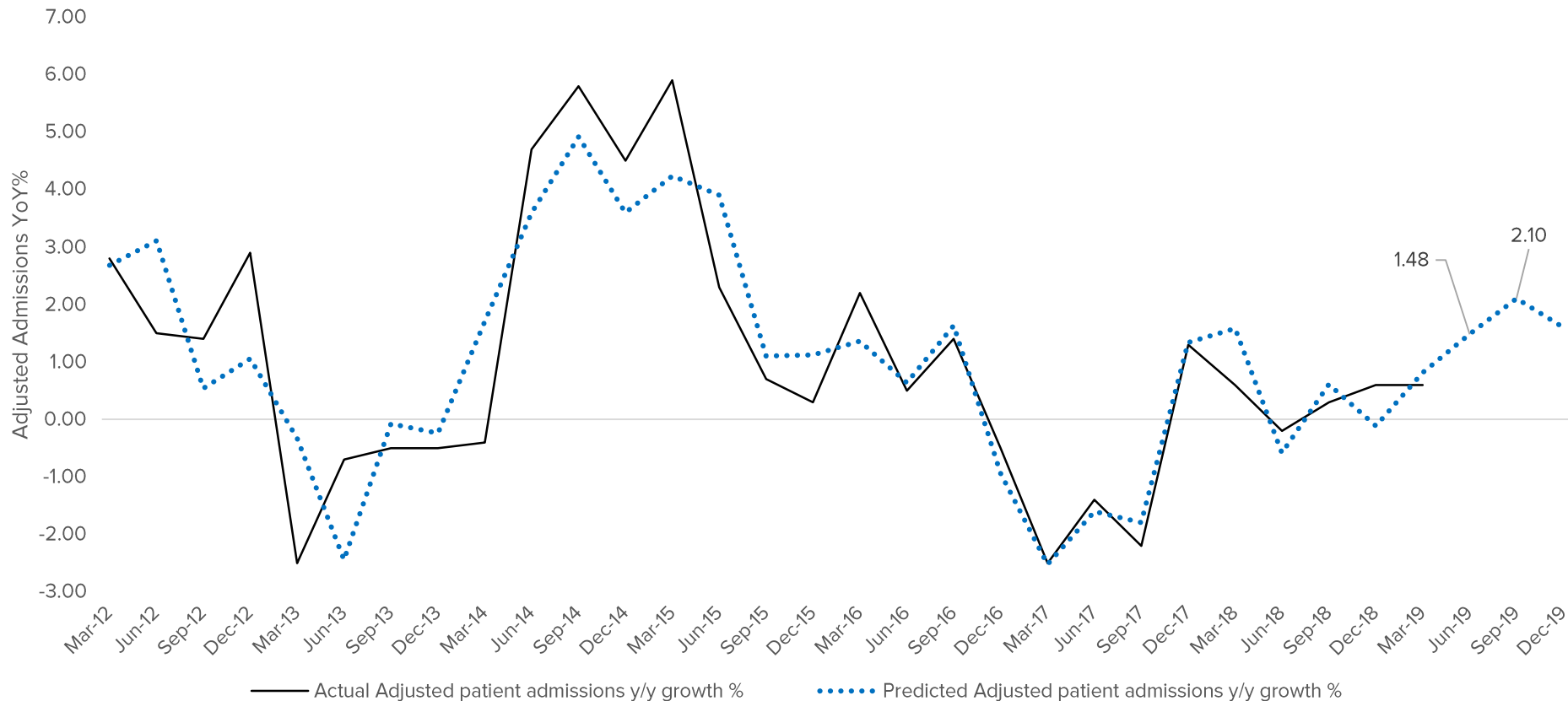
DEXCOM APP DOWNLOAD INDEX

G6 HOLDING UP BETTER THAN EXPECTED



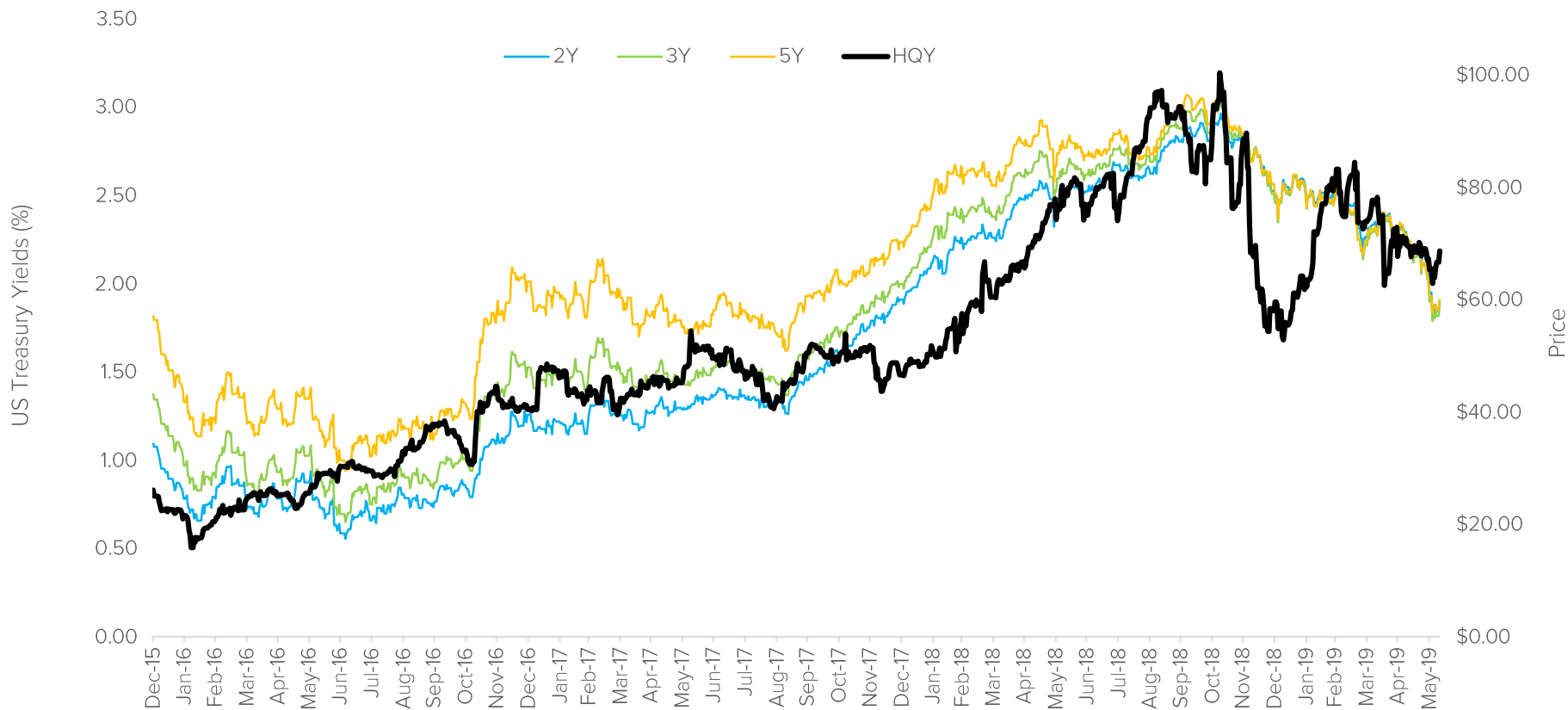
THC SAME FACILITY ADJUSTED ADMISSIONS

ALGORITHM BASED VOLUME FORECAST VS CONSENSUS OF ~0.0%



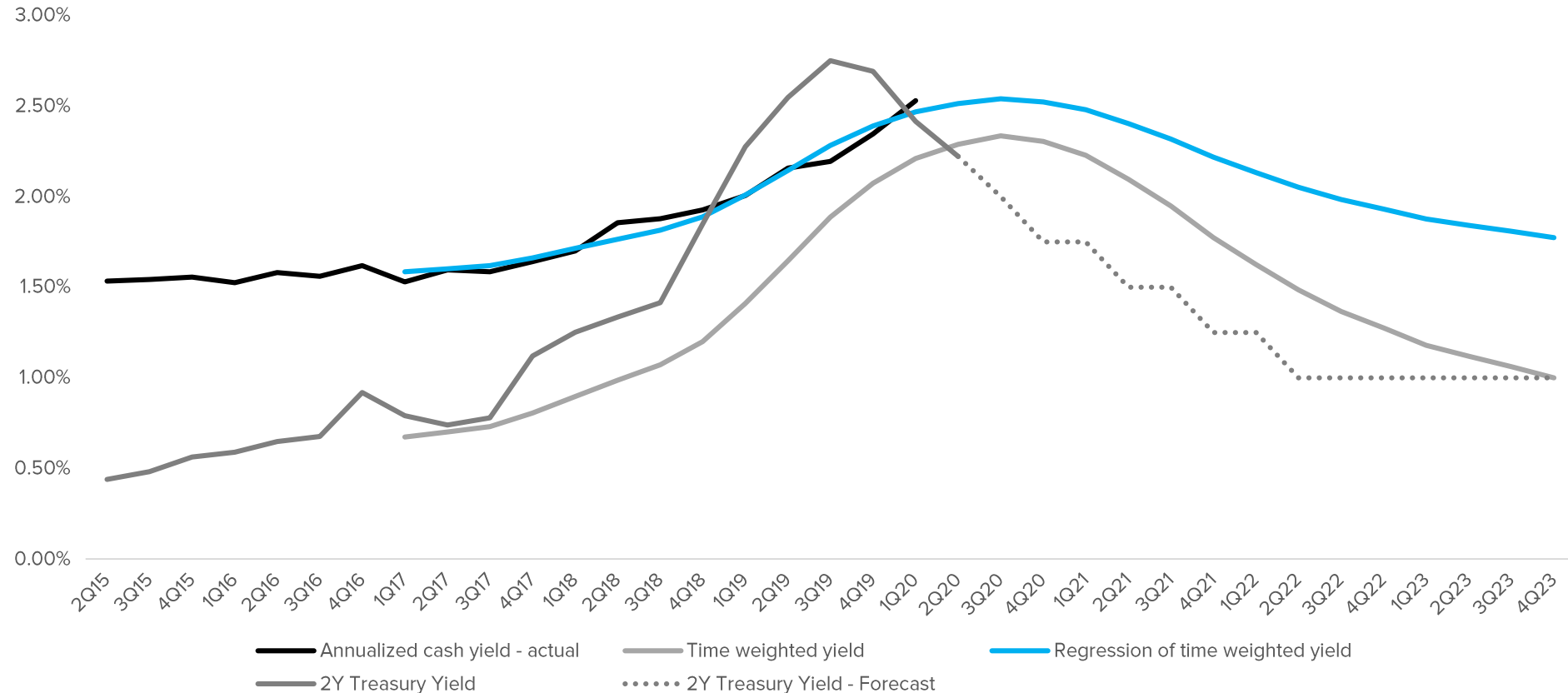
HQY VS 2-5 YEAR TREASURY YIELDS

FALLING YIELDS SHOULD RETURN FOCUS TO HSA MEMBER DECELERATION



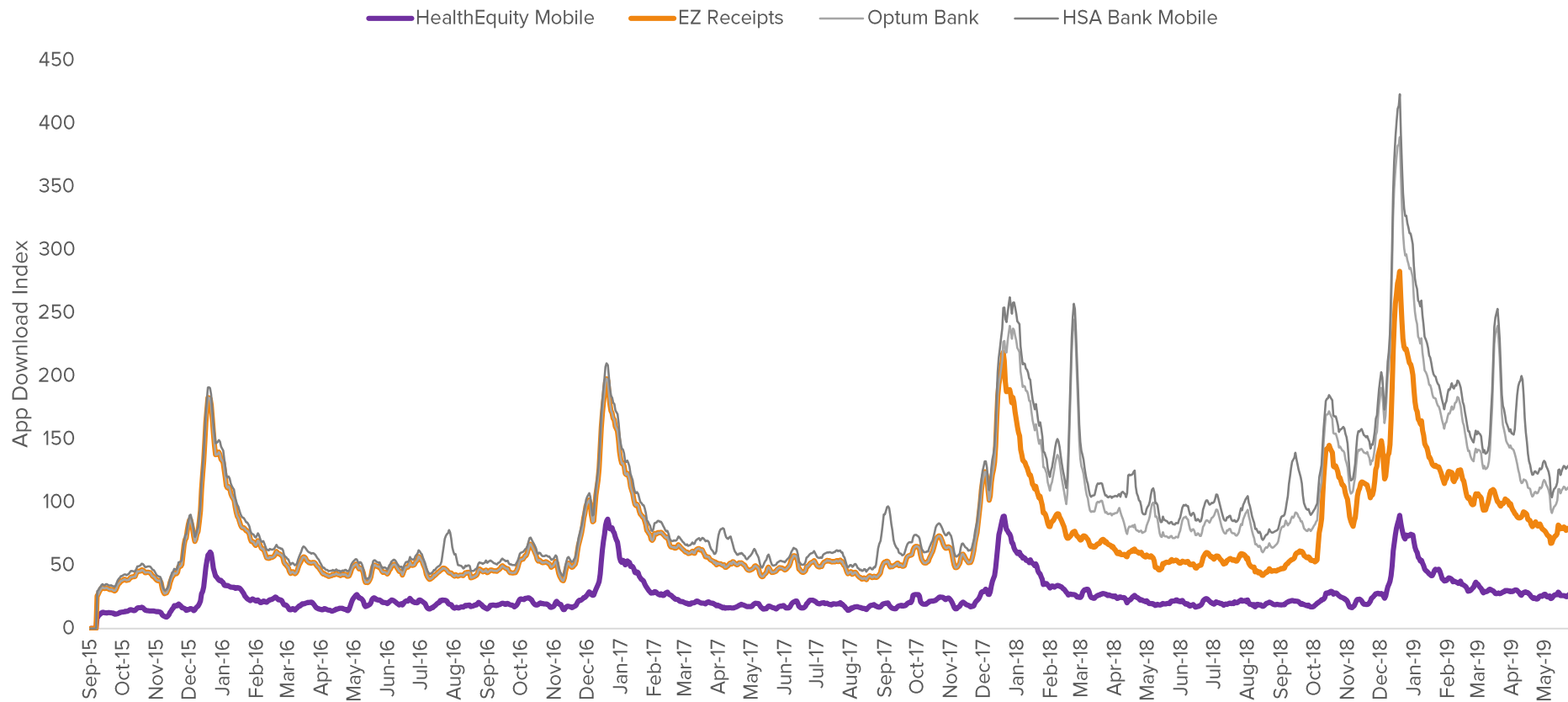
CUSTODIAL YIELD PEAK MID 2019

TIME WEIGHTED YIELDS REGRESS WELL TO REPORTED CUSTODIAL CASH YIELD



CUSTODIAL YIELD PEAK MID 2019

TIME WEIGHTED YIELDS REGRESS WELL TO REPORTED CUSTODIAL CASH YIELD



POLICY UPDATES

HEALTH REIMBURSEMENT ACCOUNTS & REBATE RULE ADVANCING

HQY | On Thursday, CMS finalized a rule that would permit employers to pay premiums for their employees in the individual market through, what is known as, Health Reimbursement Accounts. This change presents a competitive alternative to the High Deductible Plan-HSA combination that is currently favored by small employers. The White House expects HRAs to take share from HSAs and thus presents HQY with a significant headwind in 2020 and beyond.

UNH | **ANTM** | Earlier than expected, the CMS sent to the White House for review and approval the final rule that would require manufacturer rebates to be shared with Medicare beneficiaries at the point of sale. We expect the rule to delay implementation until mid-2020 instead of the proposed Jan. 1, 2020. UNH has aggressively used rebates to manage medical cost trend and keep Medicare Advantage plan premiums consistently low. ANTM on the other hand has not had the benefit of rebates and ceded market share in Medicare Advantage. The playing field will level under the new set of rules.

FORECAST USE OF HEALTH REIMBURSEMENT ACCOUNTS

10.7 MILLION ADDED BY 2028

