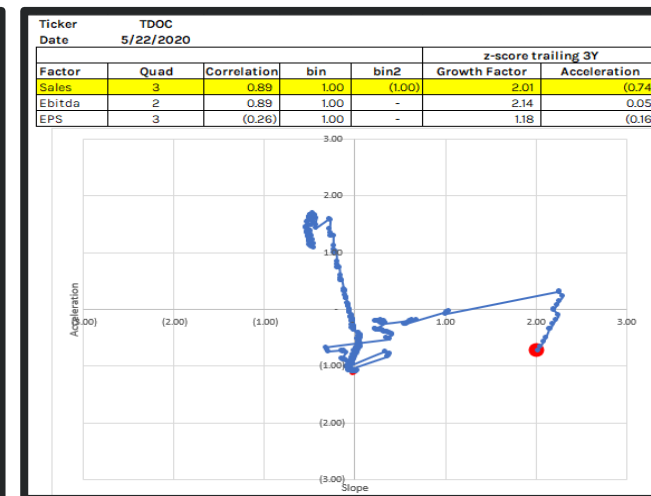
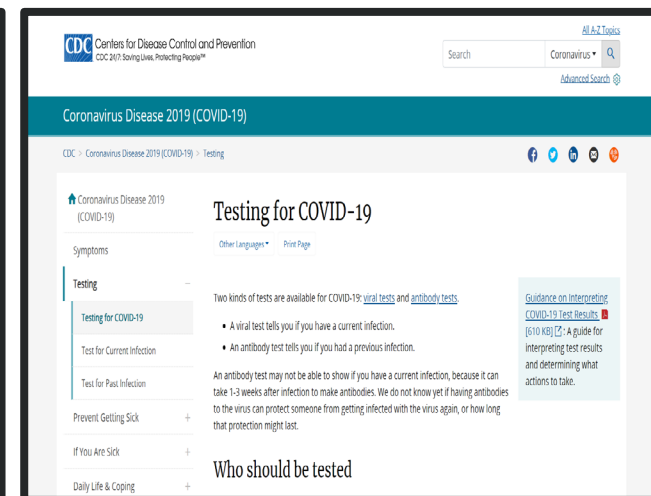


HEDGEYE

# Health Care Position Monitor Update

ONEM, Employment, COVID Testing Data & MASI, and New Look FEQ's

June 8, 2020



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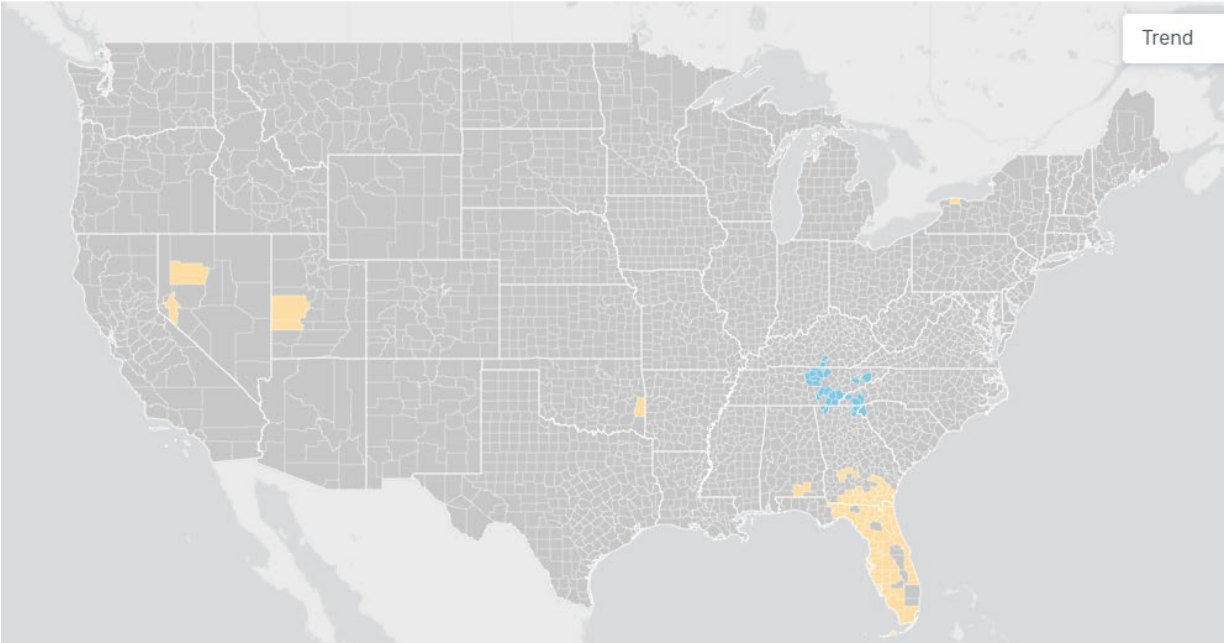
# Health Care Position Monitor

For Week of June 8, 2020

Best Ideas - Longs						Best Ideas - Shorts					
LONG		Price	Mkt Cap (\$B)	Trend	Tail	SHORT		Price	Mkt Cap (\$B)	Trend	Tail
Active Longs						Active Shorts					
ONEM	1Life Healthcare, Inc.	\$ 32.87	\$4.1B	✓	✓	AMN	AMN Healthcare Services, Inc.	\$ 49.23	\$2.3B	×	×
TDOC	Teladoc Health, Inc.	\$ 161.65	\$12.0B	✓	✓	GH	Guardant Health, Inc.	\$ 83.22	\$8.2B	×	×
						EXAS	Exact Sciences Corporation	\$ 86.73	\$13.0B	×	×
						HQY	HealthEquity Inc	\$ 65.81	\$4.7B	×	×
						NVTA	Invitae Corp.	\$ 17.34	\$2.2B	×	×
Long Bias						Short Bias					
TXG	10x Genomics Inc Class A	\$ 82.38	\$4.8B			MASI	Masimo Corporation	\$ 220.24	\$11.9B		
						HCA	HCA Healthcare Inc	\$ 115.56	\$39.0B		
						DVA	DaVita Inc.	\$ 88.28	\$10.8B		
						ILMN	Illumina, Inc.	\$ 354.11	\$52.1B		

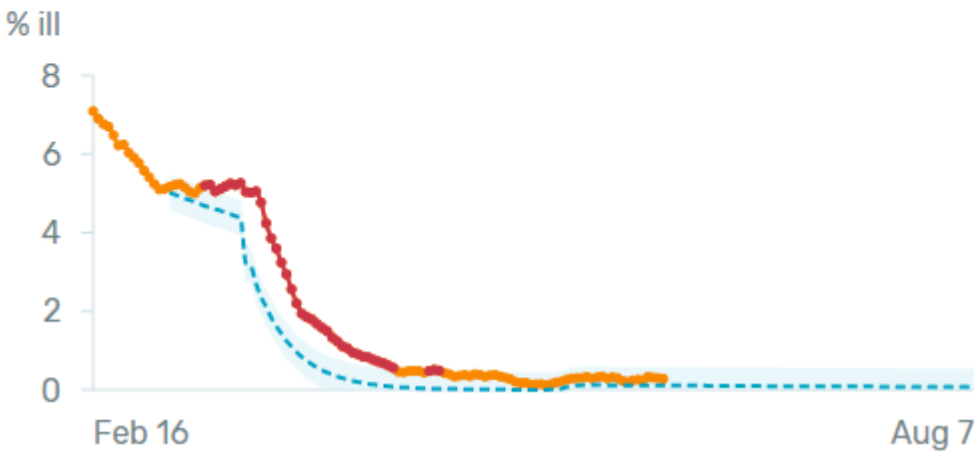
# COVID-19 Kinsa Health Weather

According to individual thermometer readings, fever trends remain low



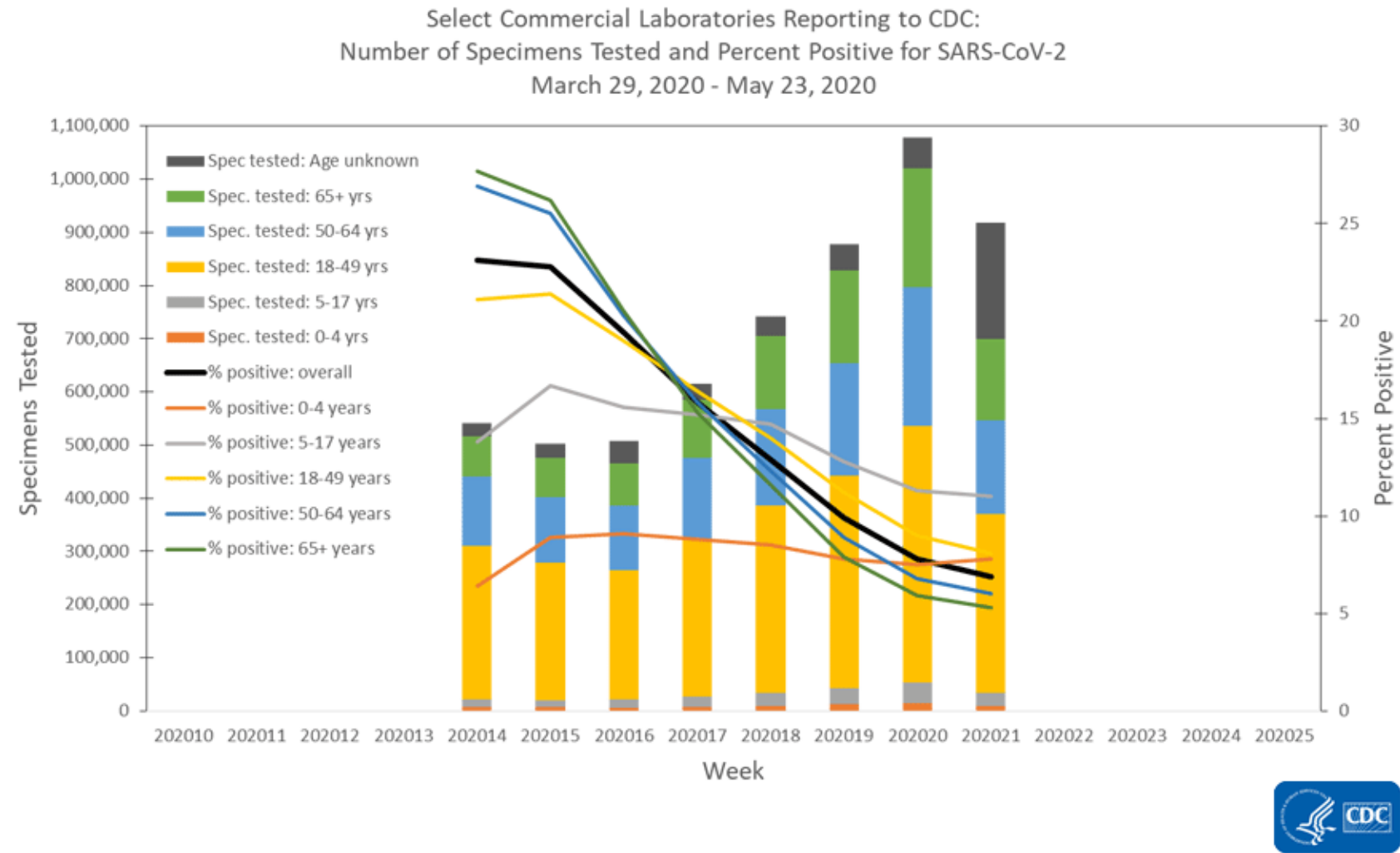
## United States

● Observed    ● Atypical    ● Expected    ● Typical Range



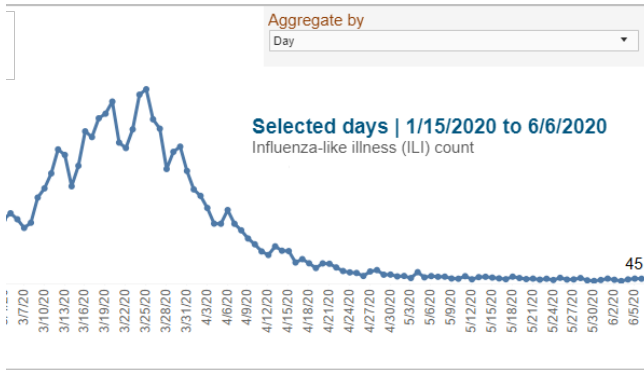
# COVID-19 Protest Impact

## Demand for testing beginning to slow?



Testing volumes and the percent positive rate are pointing to sustainable test volumes well below the 5M to 20M tests per day advocated by some epidemiology groups.

Current protests entering their second week offer a potential opportunity for a flair up in COVID-19, but as of yet, that has not appeared.



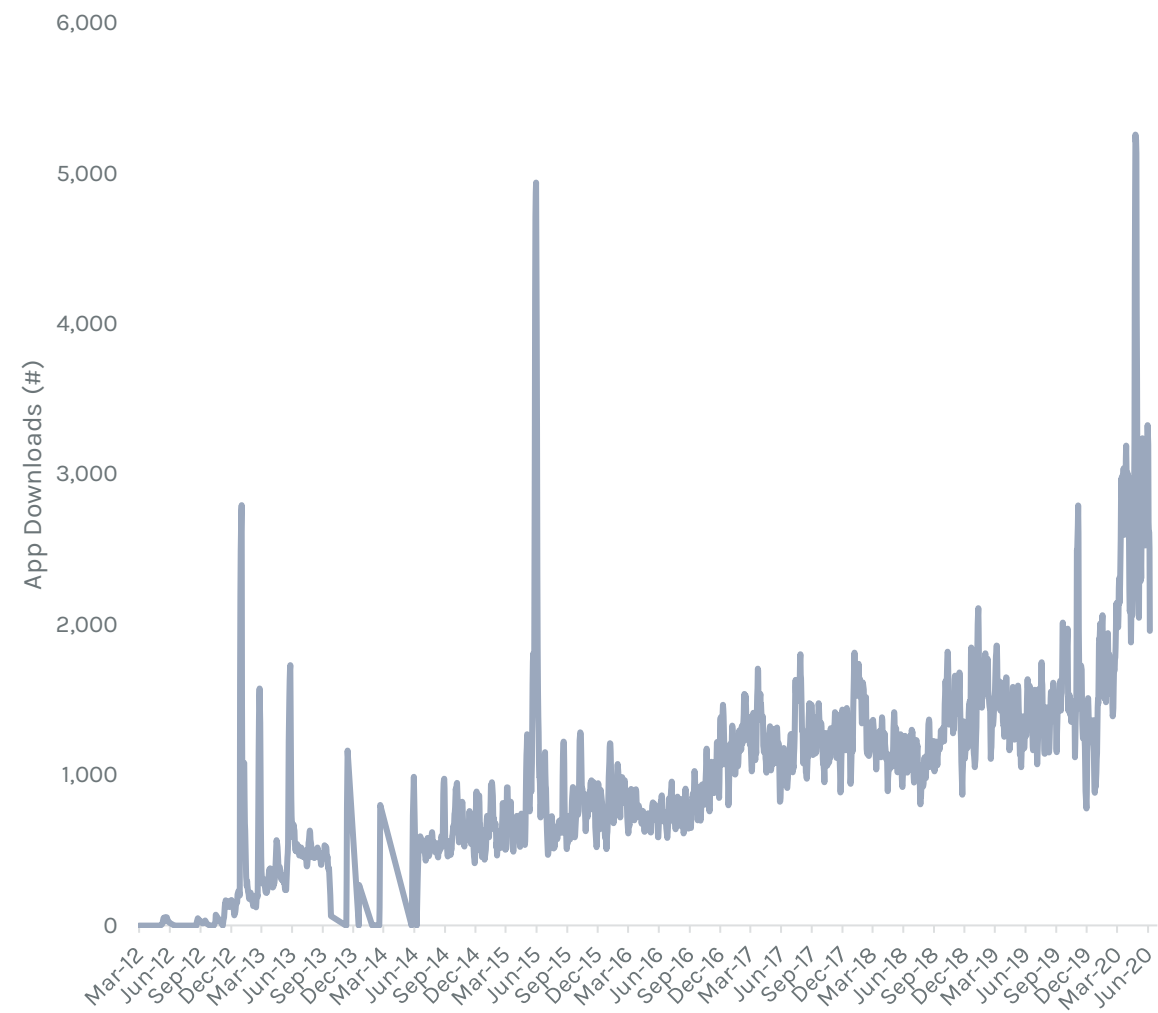
# Field Notes | PEO NYC and Northeast Region

## Benefits PEO, increased demand, low penetration

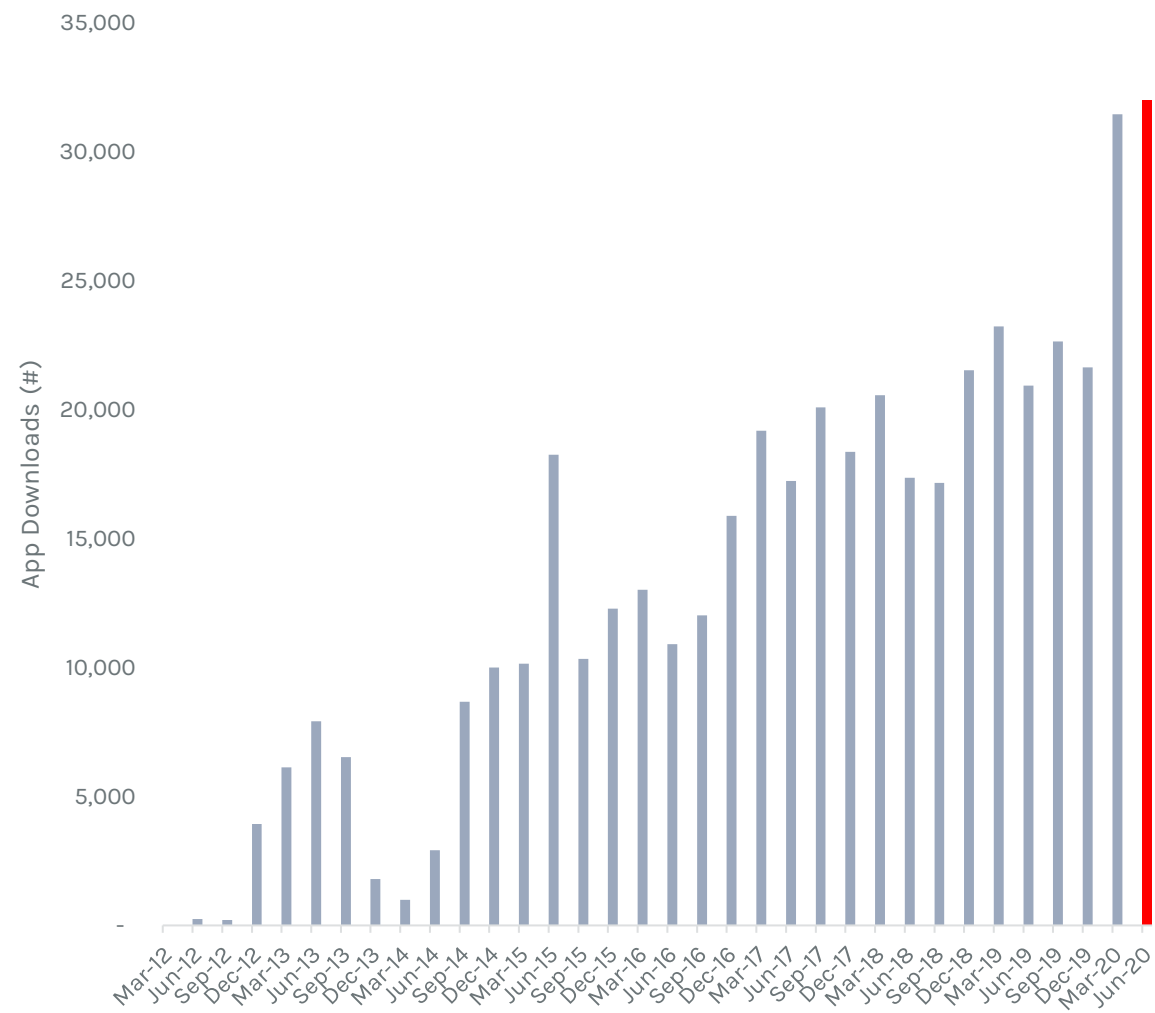
- “A lot more room left” “still so much to go”
- Income ranges from tech start up with higher incomes, top heavy salaries and benefits
- Many firms have employees already using ONEM
- Multi-site employers will sign up as soon as ONEM geography covers all employees
- Tech start ups, non-profits, typical adopter, not seeing attrition due to COVID lock down
- Attrition has been “very low”
- Re-opening new business? “Some new clients looking for testing program and to have the doctor in the loop”
- Health Advocate <https://www.healthadvocate.com/site/> a service/benefit that is also gaining traction among employers

# App Downloads Continue to Accelerate

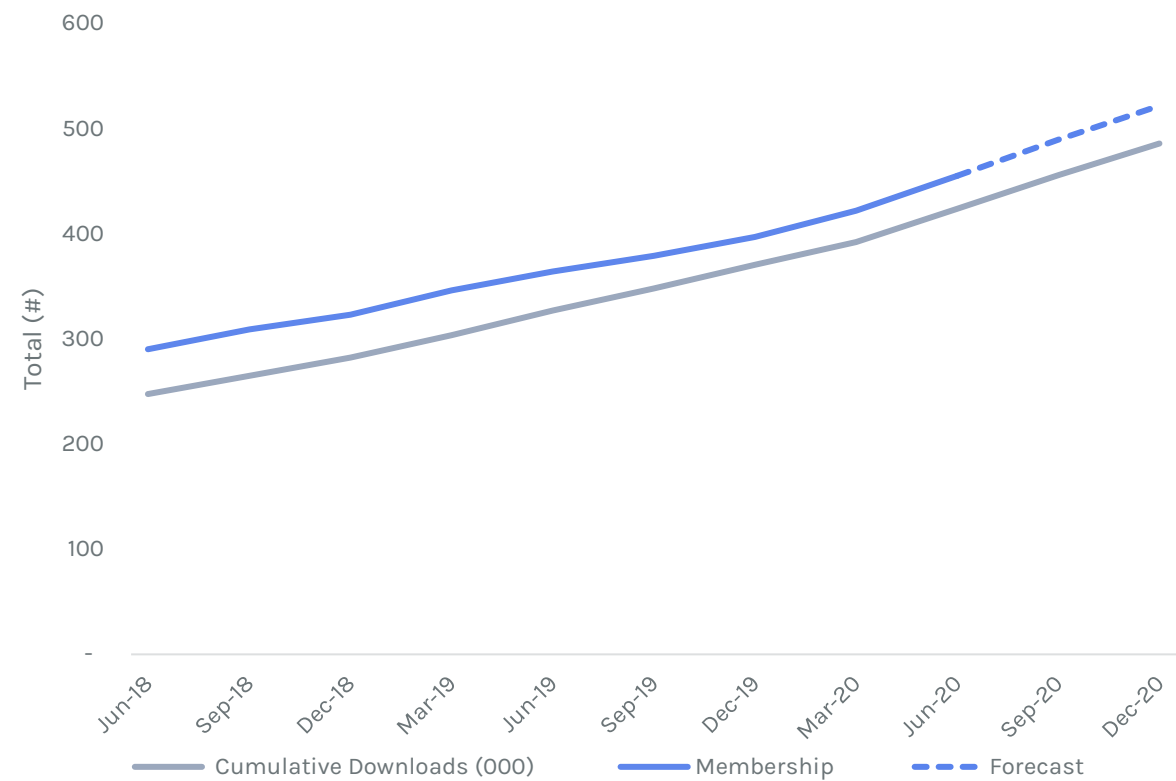
Sustained Uptick as Economies Re-Open



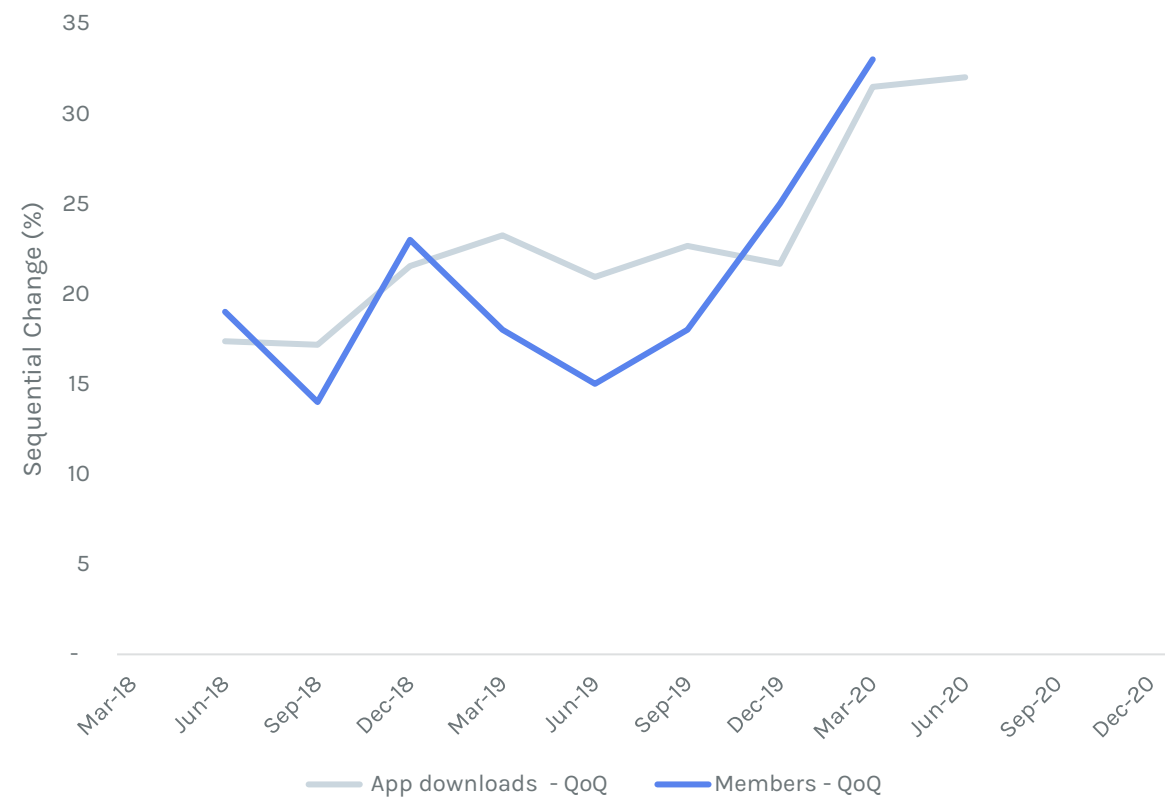
Quarterly Pace is Elevated



# App Download Data Tracking Membership



The relationship between app downloads and members remains solid.



Based on the current pace through June 1, member growth or activation should be significantly higher sequentially, and ahead of the guidance range.



# Sales Estimate Fundamental Quad Set Up

## Quad 1

IDXX	PRAH	GMED	OFIX
SYK	WAT	BEAT	BIOS
TFX	CHE	LMAT	CUTR
ADUS	MTD	IIN	HAE
PODD	CNMD	HCA	MGLN
PEN	USPH	ALGN	OMCL
TMO	ILMN	BKD	RMD
BSX	CSII	MDT	SEM
RCM	PKI	GKOS	
ISRG	IQV	TCMD	
BDX	Q	LNTH	
TECH	EHC	IRTC	
MEDP	ABT	ATRS	
BIO	EXAS	ABMD	
EW	CRY	MMSI	
A	IART	ATRC	

## Quad 2

CVET  
DGX  
NEOG  
NSTG

## Quad 3

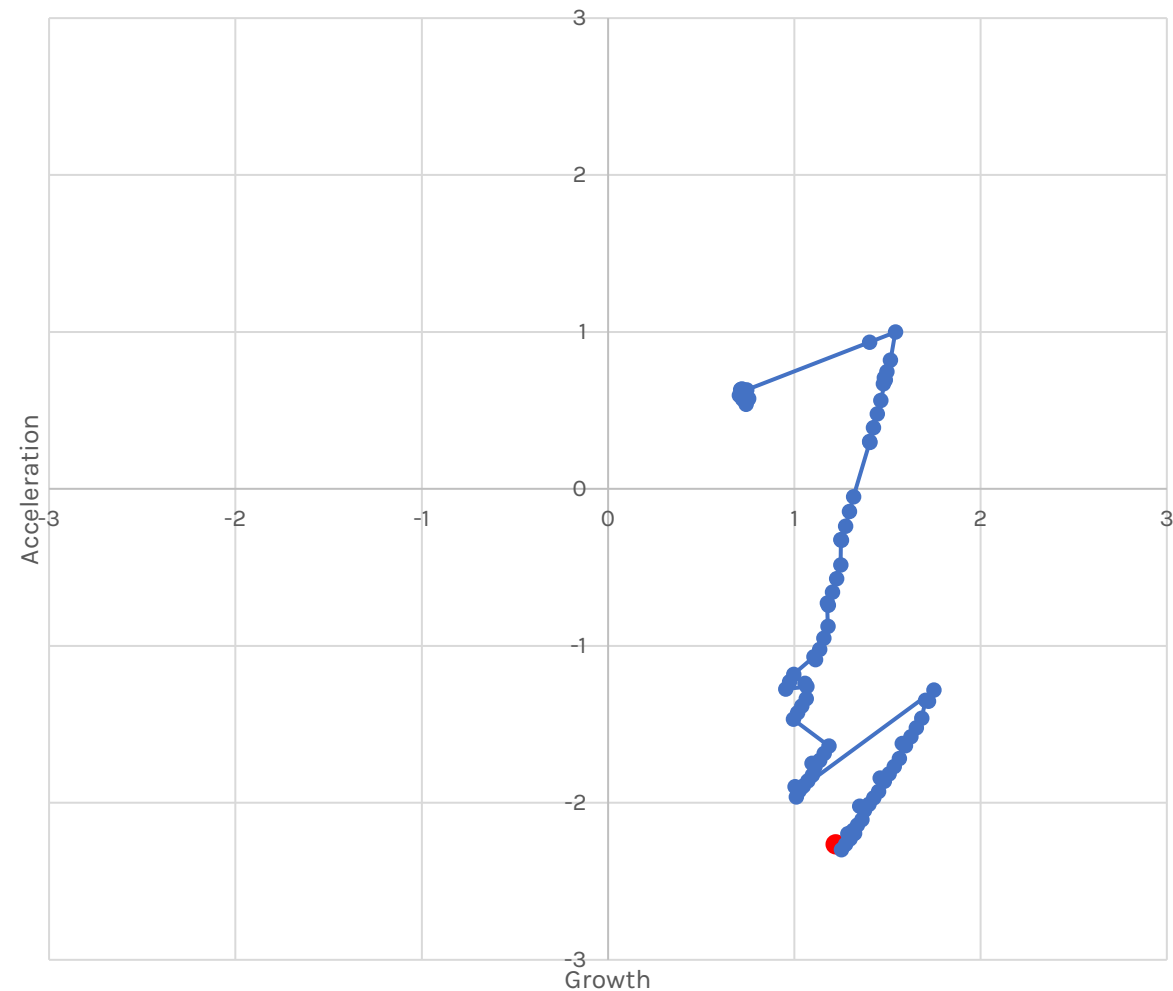
MASI  
ANTM  
QDEL  
ENSG  
TDOC  
HMSY  
HRC  
HСКА  
HUM  
VEEV

## Quad 4

MLAB  
UNH

# MASI | Added to Short Bias

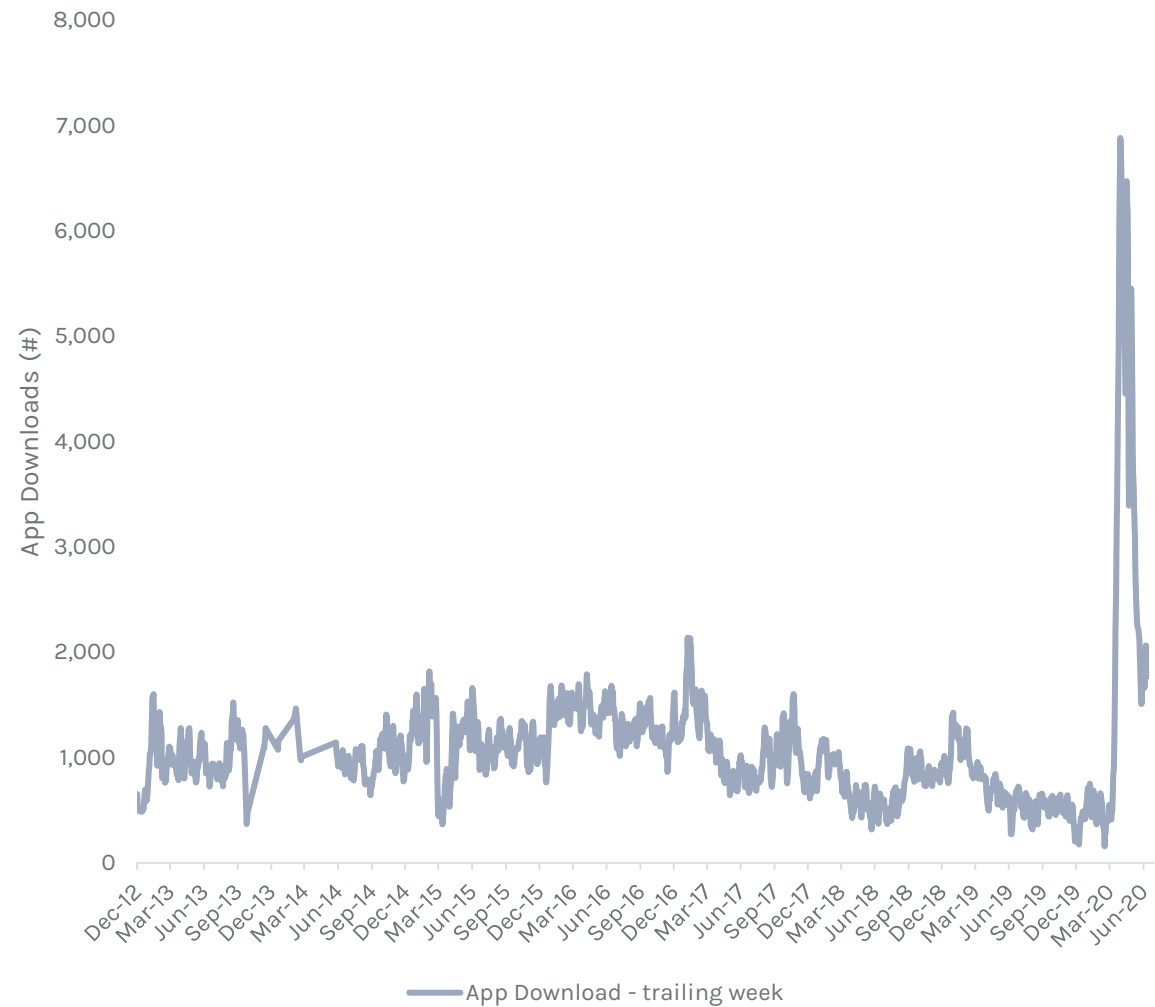
NTM sales estimates decelerating versus the upper end of its range



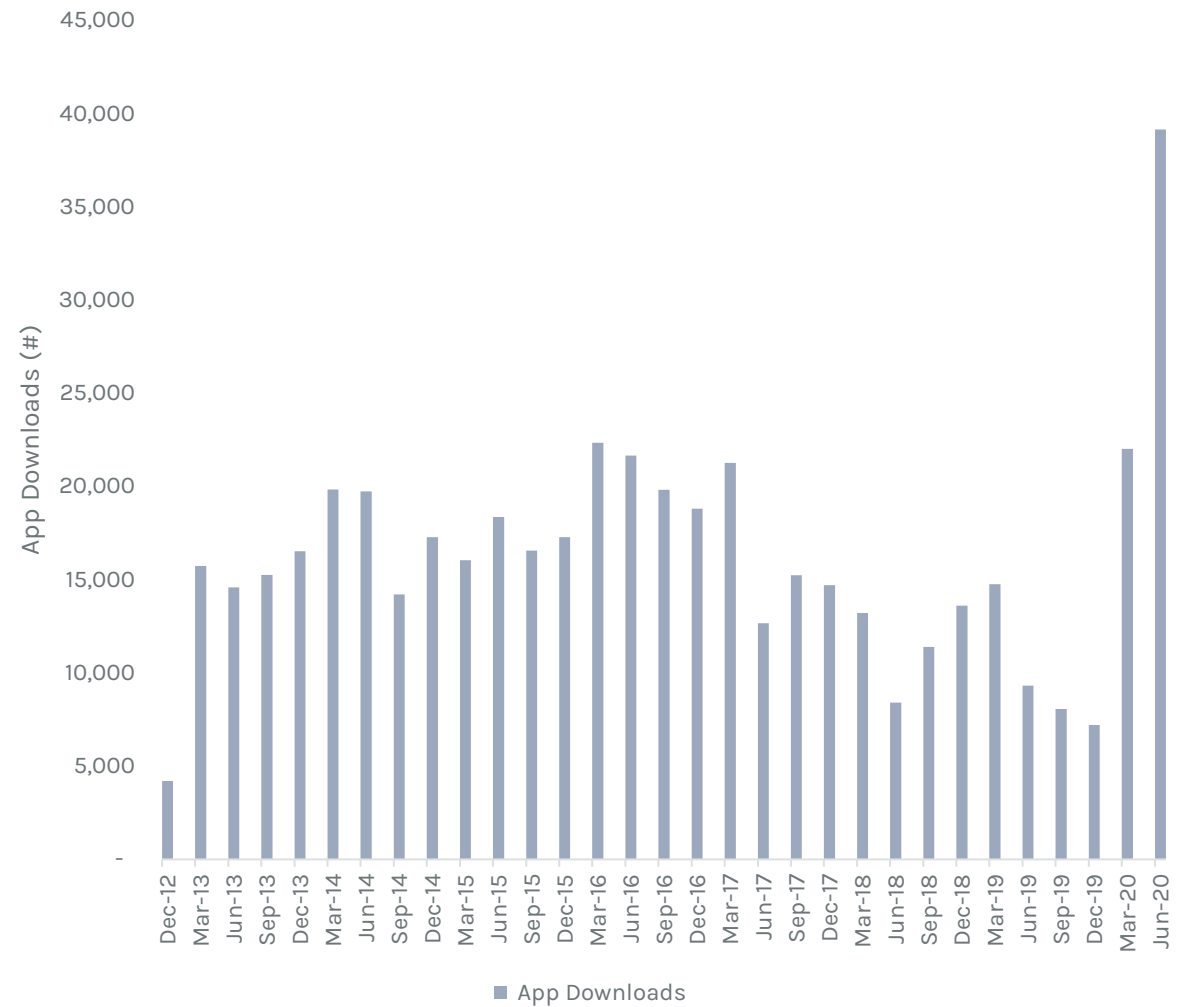
Ticker	MASI
Factor	sales_ntma
Correlation	0.96
Quad	3.00
Bin1	+1
Bin2	-1
Df	1.22
D2f	-2.27

# MASI | App Downloads

Trailing Week

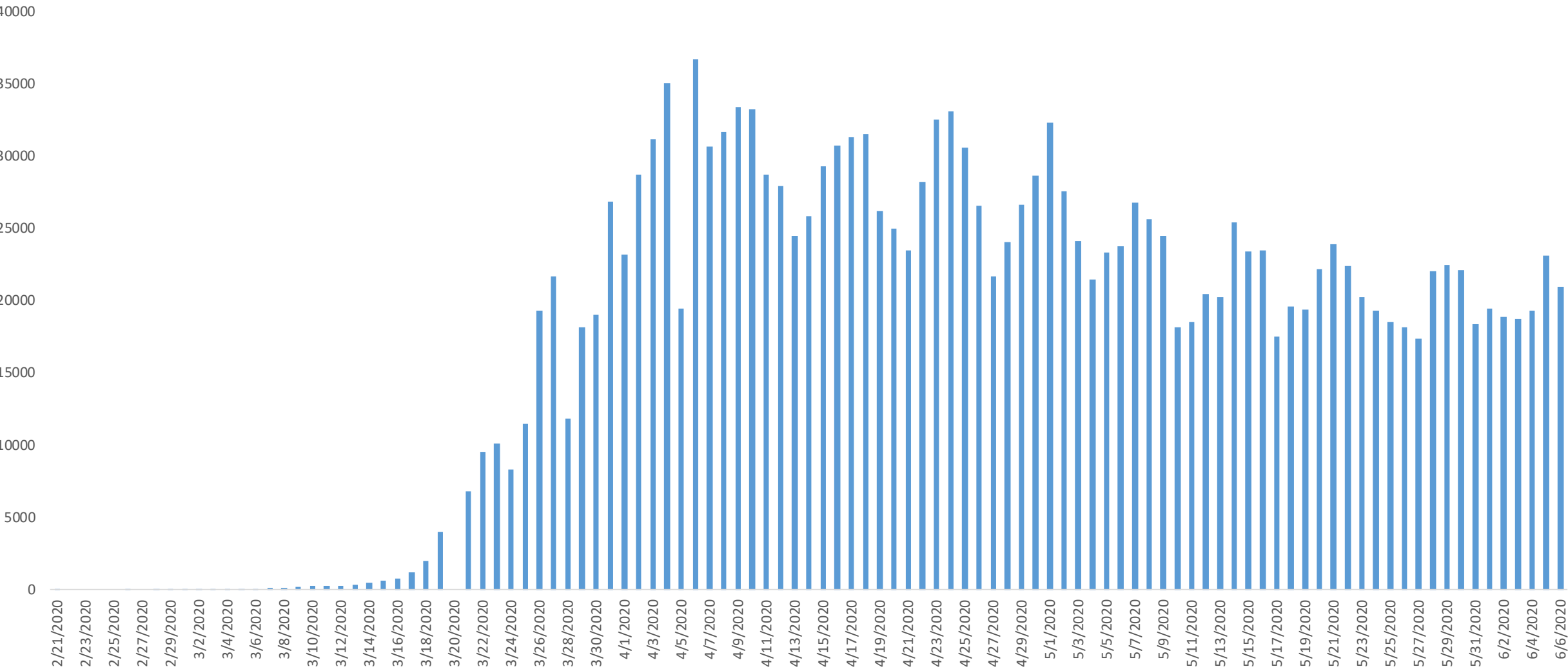


Quarterly



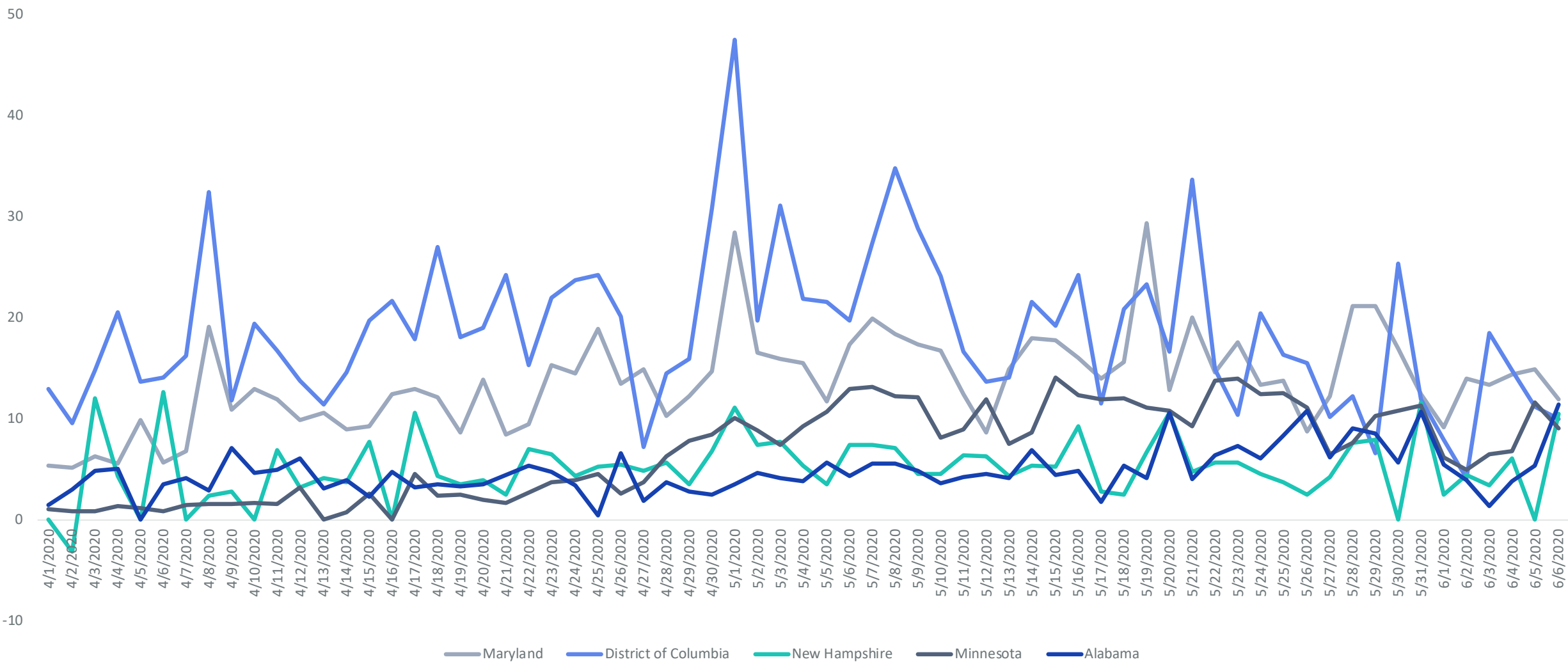
# Daily Confirmed Cases - US

Trend still down and to the right



# New Confirmed Cases – Top Five States

Creating some consternation

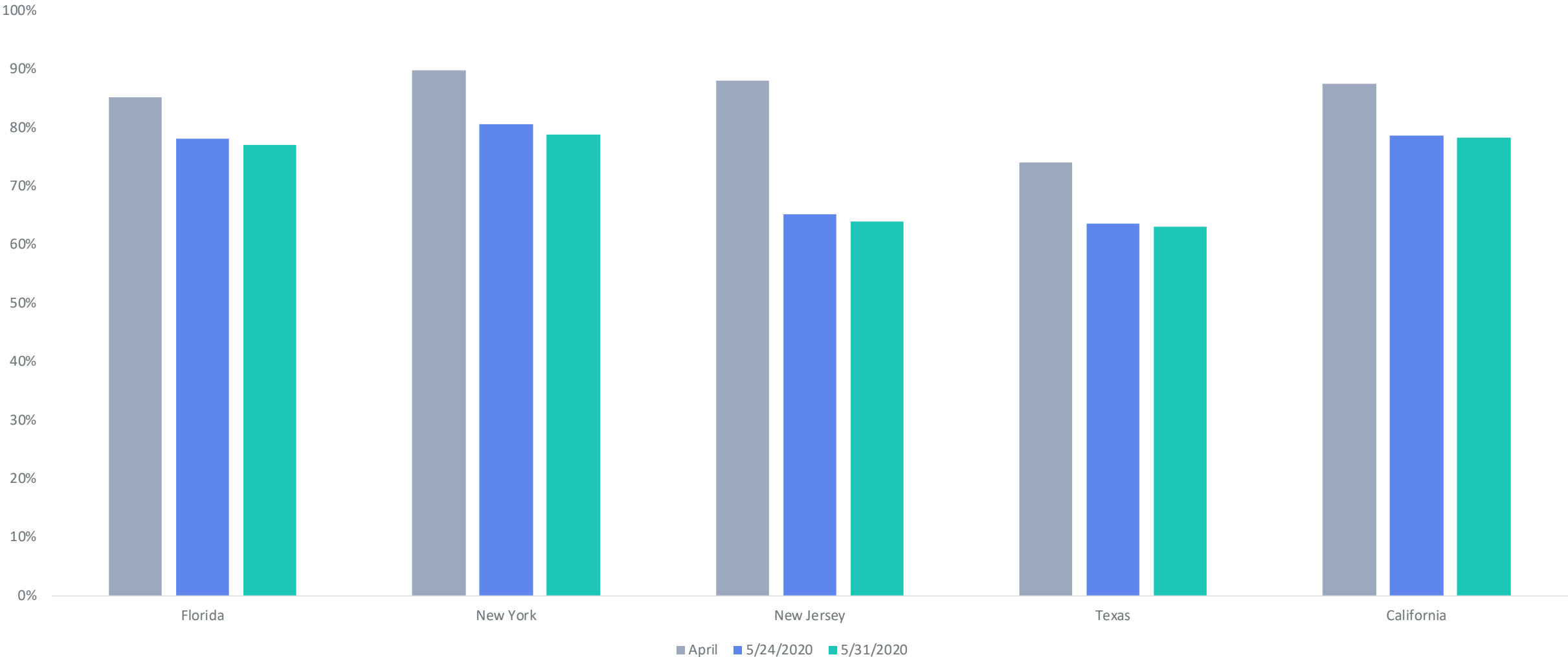


# In Considering Case Count Remember:

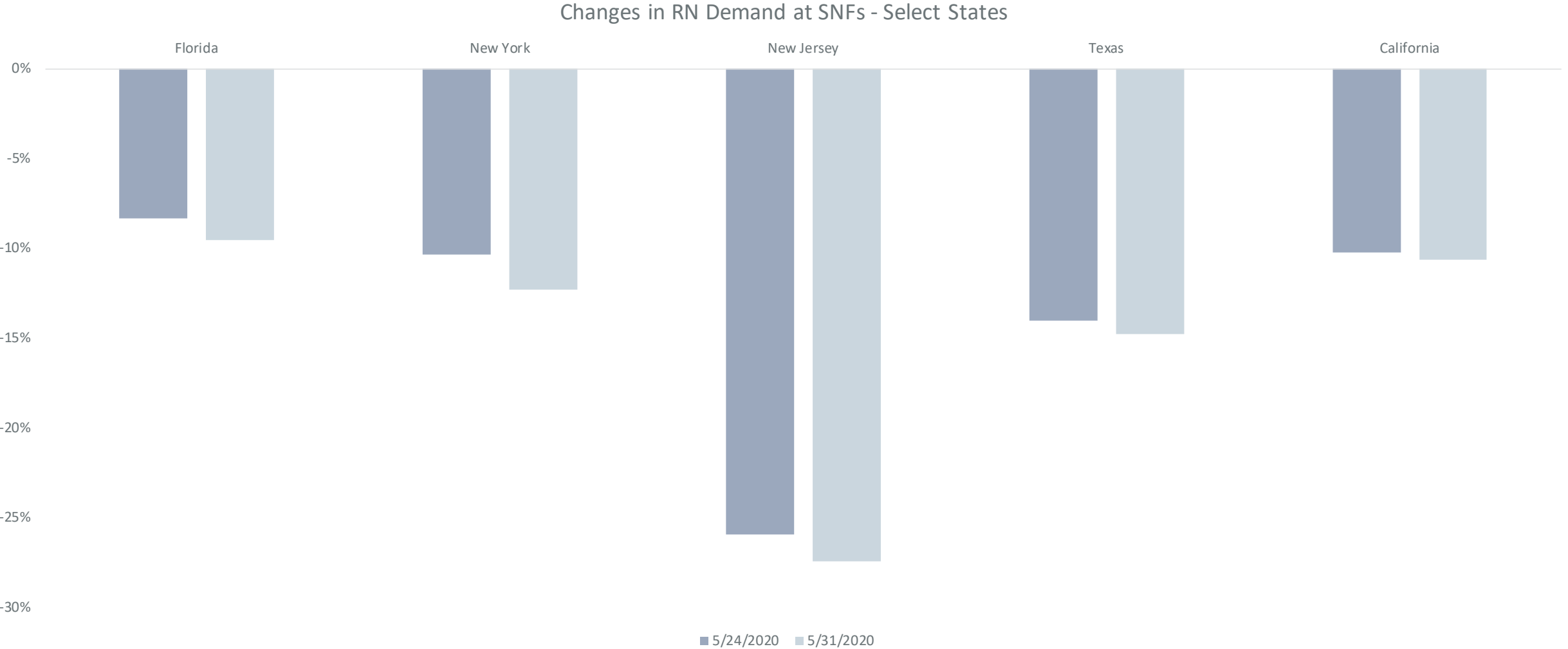
- [ 1 ]** Is the Case confirmed for COVID-19?
- [ 2 ]** If Confirmed will patient get sick?
- [ 3 ]** If the patient gets sick, will they be hospitalized?
- [ 4 ]** If hospitalized will they need advanced care?
- [ 5 ]** If they need advanced care will they die?

# Nursing Home Occupancy is Falling

And likely to continue to fall



# Estimated Reductions in Nurse Demand





For more information, contact us at:

**HealthCareTeam@Hedgeye.com**