

3 kidney care entities merge to form a \$2.3 billion value-based care company

Article

The news: Three kidney care companies—physician network **Interwell Health**, value-based care firm **Fresenius Health Partners**, and digital health startup **Cricket Health**—will band

together to form a new value-based care (VBC) company valued at **\$2.3 billion** operating under the Interwell Health brand.

What this means: The new entity will combine Interwell Health's and Fresenius Health Partners' large footprints with Cricket Health's analytics prowess to curb kidney care costs.

- Interwell Health **employs more than 1,600 nephrologists** across the US, while Fresenius Health Partners claims it teamed up with payers to **enroll over 500,000 VBC participants** over the past eight years.
- While Interwell Health and Fresenius Health Partners have a massive network of in-network providers and customers, Cricket Health's algorithms will be important to ensure the new company catches patients' kidney disease early on before it becomes costly to treat.
- For example, Cricket Health's predictive analytics model **determines patients' risk for chronic kidney disease with 96% accuracy**, according to the company.

Why it matters: Dialysis becomes a necessity for chronic kidney disease as it advances into later stages, and this treatment weighs heavily on commercial insurers. This is likely why payers like **Cigna** and **Blue Shield California** are leading investors in the newly merged company.

- Private payers paid more than five times what Medicare paid for dialysis from 2012 to 2019, according to claims data from Blue Cross Blue Shield.

Interoperability will be a major barrier for VBC: It will be difficult for physicians to completely shift over to VBC models unless they have access to all of a patient's data—which means the new Interwell Health will have to promote data sharing among its nephrologists and any external doctors.

VBC models financially incentivize clinicians based on patients' good health outcomes rather than the volume of services provided. Physicians need a full picture on the patient's health to better inform their care conditions. But different softwares used by different health systems means data sharing among hospitals is still poor, making it quite difficult for clinicians to put all the pieces together and make a diagnosis.

Without “bringing that data [from places like at-home care and retail clinics] it is impossible for the person who ultimately makes the decision, meaning the physician, to actually control the cost,” according to chief medical officer at **Athenahealth**, Nele Jessel, MD at the

HIMSS22 conference. To this end, the new Interwell Health will have to ensure its physicians are using the same EHR system and are pulling in data from patients’ primary care doctors as well—or risk poor health outcomes.

Leading Likely Benefits/Outcomes for the Healthcare Industry from Data-Sharing Efforts* According to US Healthcare Finance Executives, Fall 2020**
% of respondents



Note: n=26; in the next 3 years; *includes data interoperability and hospital price transparency; ** of large health systems with revenues greater than \$500 million; four respondents said "no foreseeable benefit"
Source: Deloitte, "Hospital Price Transparency and Interoperability Survey," Jan 25, 2021
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