

AVALON HEALTHCARE SOLUTIONS **HEALTHCARE IN 2025: NAVIGATING CHALLENGES, DRIVING CHANGE, AND UNLOCKING OPPORTUNITIES**

January 28, 2025





WELCOME & INTRODUCTIONS

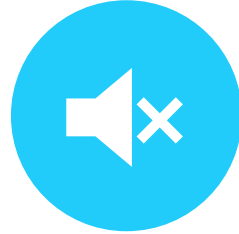
Michele Norton - Senior Vice President, Product Marketing, Avalon



Before We Start



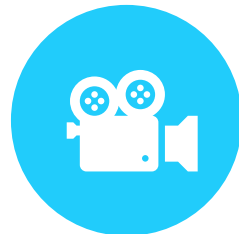
This meeting is being recorded.



We will be **MUTING** everyone except the presenter to make sure the audio is clean and clear.



Q&A will be done by using the “**Questions**” feature.



The recording and slides will be **available** on our website later during the week.

Agenda

OVERVIEW & INTRODUCTIONS

Michele Norton – SVP, Product Marketing, Avalon

HEALTHCARE OUTLOOK: CHALLENGES, INDUSTRY SHIFTS, AND EMERGING OPPORTUNITIES

Julie Barnes – CEO, Maverick Health Policy

Bill Kerr, MD – CEO, Avalon Healthcare Solutions

Q&A

Michele Norton, SVP, Product Marketing, Avalon



2025 HEALTHCARE OUTLOOK: CHALLENGES, INDUSTRY SHIFTS, AND EMERGING OPPORTUNITIES



Julie Barnes - CEO, Maverick Health Policy

Bill Kerr, MD - CEO, Avalon Healthcare Solutions



Maverick Health Policy



avalon

Poll Question: What keeps you up at night?

1. Regulatory uncertainty
2. Health insurance industry reputation impact on business
3. High costs of treatment, drugs, tests
4. Failing to keep up with technology changes
5. All of the above

Outline

- 1 New Administrative Leadership
- 2 Policy Impacts
- 3 Artificial Intelligence
- 4 Prior Authorization

Poll Question: In your opinion what do you think the biggest healthcare impact of the new administration will be in 2025?

1. Increasing mergers and acquisitions
2. Less focus on regulatory compliance and enforcement
3. Bigger emphasis on technology

Trump Administration: Healthcare & Tech Leadership

HHS



Secretary Nominee
Robert F. Kennedy Jr.



Deputy Secretary
Jim O'Neill



CMMI
Abe Sutton



Administrator Nominee
Dr. Mehmet Oz



Chief Operating Officer
John Brooks



Medicare
Chris Klomp



Medicaid
Drew Snyder

CMS

Public Health
Agencies



CDC Director
Dave Weldon, MD



FDA Commissioner
Marty Makary, MD



NIH Director
Jay Bhattacharya, MD

Other Key Roles



DOGE Co-Chair
Elon Musk



****DOGE Co-Chair**
Vivek Ramaswamy



DOGE Lead
Brad Smith



**U.S. Department
of Labor Secretary
Nominee**
Lori Chavez-DeRemer

Policy Impacts: Opportunities & Challenges for Healthcare

1

GLP-1 Coverage



2

PBM Transparency



3

Food as Medicine



4

Cybersecurity



5

Competition



Poll Question: Which of the following categories most represents how your company is using AI?

1. Automation/backroom operations
2. Clinical Decision Support or ambient listening tools
3. Predictive analytics
4. Chatbots for member or patient engagement
5. Not at all

Artificial Intelligence: What's Next?

PRESIDENTIAL ACTIONS

REMOVING BARRIERS TO AMERICAN LEADERSHIP IN ARTIFICIAL INTELLIGENCE

EXECUTIVE ORDER

January 23, 2025

PRESIDENTIAL ACTIONS

PRESIDENT'S COUNCIL OF ADVISORS ON SCIENCE AND TECHNOLOGY

January 23, 2025

Prior Authorization: What's Next?



Federal rules to streamline prior auth

- CMS's 2024 MA rule -- electronic PA + human review
- Payers must adopt an API for electronic PA by 2027

State action outpacing federal action

- 12 states passed reforms to improve PA transparency in 2024
- Other states expected to follow

U.S. House AI Task Force report

- AI will help make the system more efficient, improve care and outcomes
- Need uniform standards

January 10, 2025 – HHS
Released AI Strategic Plan



U.S. Department of Health and Human Services:
Strategic Plan for the Use of Artificial Intelligence in
Health, Human Services, and Public Health
Overview Version

January 2025

United States Department of Health and Human Services





Q&A

Michele Norton, Senior Vice President, Product Marketing



What to Expect in Healthcare in 2025 – Available on our Website

- **Shaping Healthcare Beyond Politics:** While much focus is on President-elect Trump's healthcare appointees, broader developments in 2025 will significantly influence the industry.
- **Challenges and Opportunities:** Healthcare faces rising costs, cybersecurity risks, AI concerns, and workforce issues, but emerging technologies offer potential to improve outcomes and streamline operations.
- **Unpredictable Landscape:** Some trends, like increasing costs, are predictable, but unexpected developments will also play a role in shaping the future of healthcare.



What to Expect in Healthcare in 2025

From **BILL KERR, MD**, CEO, Avalon Healthcare Solutions

While much of the talk about healthcare this year has centered on President-elect Trump's picks to lead Health and Human Services and the Centers for Medicare & Medicaid Services, there is more to watch in 2025 than those appointees.

There are developments underway that will fundamentally shape healthcare regardless of politics. Healthcare is at a critical point, under pressure from rising costs, cybersecurity risks, AI questions, financial burdens, workforce problems, and more. At the same time, new technologies promise to improve outcomes and streamline operations and interoperability.

As is the case every year, some developments will be predictable (higher costs!) while others will surprise us.

Here's what I'm watching in 2025.

Rising Costs, Falling Access

The cost of almost everything healthcare-related rose in 2024 and will continue to climb in 2025. PwC's Health Research Institute predicts an 8% year-on-year medical cost increase, the highest level in 13 years. There are many causes, including growing labor costs, an aging population, an increase in chronic conditions, high prescription drug prices (particularly GLP-1 medications), and more. These factors exert crushing pressure on healthcare, leading to more system mergers and acquisitions, layoffs, and closures of small and rural hospitals.

As costs rise, access falls for various reasons, including affordability, a shortage of available providers, closed facilities, social determinants of health, and more.

When I think about where this might lead, I look at

www.avalonhcs.com

Thank you



Clients Contact:

Derek Anderson, EVP Account Management
Derek.Anderson@avalonhcs.com

Prospective Contact:

Sara Sabin, SVP Business Development
Sara.Sabin@avalonhcs.com

To register for our upcoming webinars and sign up for our newsletters,
please visit: www.avalonhcs.com