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Editor's note

This note is produced by KPMG's Federal Healthcare Advisory Practice and is intended to be short and succinct, less than 360 words, to provide a digestible bite of news relevant to our clients and practices. Links are provided to source material (proposed and final regulations, agency guidance and press releases, reports, research, etc.) when available.



Healthcare regulatory news

President Trump issued an <u>executive memo</u> seeking to limit Medicaid spending by ensuring provider payment rates do not exceed those in Medicare, aiming to clamp down on state directed payments, which have led to <u>over \$9B</u> of additional funding across 15 states in 2025.

HHS Secretary Robert F. Kennedy Jr. <u>appointed</u> eight new members to the CDC's Advisory Committee on Immunization Practices (ACIP), following the <u>recent dismissal</u> of all 17 former members. Kennedy described the new panel as being committed to evidence-based medicine, but experts have <u>raised concerns</u> about the anti-vaccine activism by some of the new members.





Healthcare law and policy news

The <u>expiration</u> of the enhanced premium tax credits at the end of 2025 is expected to cause a more than 75% increase in premiums paid by ACA marketplace enrollees, as the federal government will cover less of the total premium and individuals will face higher out-of-pocket costs. Plans anticipate a 4% average increase in gross premiums due to healthier individuals dropping coverage, which would worsen the risk pool and further increase premiums for remaining enrollees.

Oregon Governor Tina Kotek signed <u>SB 951</u> into law, restricting private equity involvement in healthcare by banning ownership, control, or management of medical practices by non-physician investors and

management services organizations (MSOs). The legislation, effective for new entities starting January 2026 and requiring existing arrangements to comply by 2029, also invalidates restrictive covenants between MSOs and physicians.

A <u>Health Affairs study</u> found that MA plans denied 17% of initial claims in 2019 with 57% of those denials eventually overturned. Denial rates have increased over time, particularly for outpatient services, reflecting growing administrative and financial challenges for providers.

Between 2010 and 2019, the incidence of diagnosed mental health disorders among publicly insured children increased significantly, according to new <u>JAMA study</u>. Researchers specifically found increases in the rates of ADHD, anxiety, autism spectrum disorders, and depression.

A Cleveland Clinic <u>study</u> found that injectable GLP-1 medications for obesity result in significantly smaller weight loss in real-world settings compared to randomized clinical trials, largely due to treatment discontinuation and the use of lower maintenance dosages. Additionally, early discontinuation of these medications negatively affected blood sugar control in patients with prediabetes.





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