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#### Editor's note

<u>This series</u> is produced by KPMG Healthcare and is intended to be short and succinct, less than 360 words, to provide a weekly digestible bite of healthcare regulatory, policy, and industry news relevant to our clients. Links are provided to source material (proposed and final regulations, agency guidance and press releases, reports, research, etc.) when available. Please share this email with colleagues and other interested individuals, and encourage them to <u>subscribe to our mailing list here</u>.

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# Healthcare regulatory news

CMS is <u>set to launch</u> a new income verification app for states to support the implementation of Medicaid work requirements, accompanied by a \$200M fund to aid states in deploying these new rules. The initiative aims to streamline verification processes and help states manage the rollout of work requirements.

A new GAO <u>report</u> highlights concerns about rising costs and inconsistent data reporting for Medicaid Section 1115 waivers, which hinders effective oversight. According to GAO, federal

spending on Medicaid demonstrations nearly doubled from 2013 to 2023, with CMS setting budget-neutral spending limits based on outdated spending projections. GAO recommends that CMS use valid methods for assessing budget neutrality of waivers.

CMS <u>created</u> a Special Enrollment Period (SEP) for Medicare Advantage (MA) enrollees who relied on inaccurate provider directories, allowing them to make changes to their plan outside the usual enrollment periods. The agency <u>previously announced</u> that provider directories will be included in the 2026 Medicare Plan Finder for the first time.



## Healthcare law and policy news

A federal appeals court has <u>blocked</u> the Trump administration's proposed overhaul of HHS, which included reorganizing agencies and terminating 10,000 employees. The court upheld a previous injunction requested by 19 states and the District of Columbia, ruling that the administration lacks authority to make such changes.

House Republicans <u>advanced</u> a continuing resolution (CR) to prevent a government shutdown, which contains several healthcare provisions including delaying Medicaid disproportionate share hospital cuts, extensions to Medicare telehealth waivers, and the <u>allocation</u> of \$15M to HHS to continue implementing the remaining provisions of the No Surprises Act.

A new <u>NIH research initiative</u> will advance the study of the integrated function of the entire body rather than isolated organs or diseases. The 5-year project aims to develop a comprehensive model linking physiological functions such as blood pressure, glucose metabolism, and muscle strength to better understand health and prevent disease.

New oral alternatives to injectable GLP-1 drugs, set to be <u>launched</u> by several pharmaceutical companies including Novo Nordisk and Eli Lilly, aim to provide greater convenience for patients. The oral medications, however, may not be as effective for weight loss as the injectable options, which currently deliver more consistent and significant results.



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