



Around the world of US healthcare in 360 words or less



October 6, 2025 | Issue 388

Editor's note

[This series](#) 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 [subscribe to our mailing list here](#).

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Healthcare regulatory news

CMS [released](#) final guidance for the third cycle of the Medicare Drug Price Negotiation Program, which includes policies on negotiation eligibility for drugs payable under Medicare Part B and expanded protections for orphan drugs. The prices of drugs chosen for negotiation in the third cycle will take effect in 2028. The agency also delayed a proposal aimed at closing a [loophole](#) that allows drugmakers to avoid Medicare price negotiations by making minor changes to their products.

The White House [issued](#) an executive order directing the use of AI for improved diagnoses, treatments, and cures for pediatric cancer. The initiative includes expanding federal funding, encouraging private sector technology adoption, and integrating AI-driven solutions in national healthcare research.



Healthcare law and policy news

A federal [government shutdown](#) began on October 1, 2025, after Congress could not pass a spending bill, primarily over [disagreements](#) about ACA Marketplace subsidies. The shutdown has caused partial or full suspension of operations for many HHS agencies, while essential services like Medicare and Medicaid generally continue with some disruptions.

Pfizer [secured](#) a drug pricing deal with the Trump administration under which the company will cut prices on many of its primary care and specialty medicines for Medicaid patients, while also offering discounted prices directly to consumers via a new federal website called “TrumpRx,” set to launch in 2026. In exchange, Pfizer received a limited reprieve from planned pharmaceutical tariffs that had been planned for October 1, although they have [yet to be implemented](#) on any manufacturer.

A federal judge in Texas [struck down](#) a 2024 CMS rule that changed how states fund their share of Medicaid costs, ruling that the agency exceeded its authority by reinterpreting which provider tax arrangements constituted impermissible “hold harmless” agreements and blocked its enforcement nationwide.

New York Governor Kathy Hochul [announced](#) \$25M in capital project grants to develop Regional Disability Health Clinics through the New York State Office for People With Developmental Disabilities, aimed at improving access to and the quality of healthcare services for people with developmental disabilities, especially in areas where healthcare services may not be easily accessible.



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