



Around the world of US healthcare in 360 words or less



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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 the 2026 Physician Fee Schedule [final rule](#) with two conversion factors, bumping payments by 3.77% for alternative payment model participants and 3.26% for non-participants. By shifting more funds to office-based care and cutting some payments in facility settings, the rule aims to promote value-based care and cost efficiency, but

payment reductions for certain specialties are [sparking](#) strong reactions among provider groups.

FDA is [considering](#) how to regulate therapy chatbots powered by large language models, with its Digital Health Advisory Committee meeting to discuss potential frameworks and risks associated with AI-based mental health tools.

[According to CMS](#), all 50 states submitted applications for the \$50B Rural Health Transformation Program, which will distribute funding over five years beginning in 2026. The program aims to help states strengthen their rural health systems through broad, state-driven initiatives that improve care and access, with awards announced by December 31, 2025.

The Innovation Center at CMS is launching the [GENEROUS \(GENERating cost Reductions fOr U.S. Medicaid\) Model](#) in January 2026, seeking to reduce Medicaid drug costs by aligning prices with other nations through supplemental rebates from manufacturers to participating states.



Healthcare law and policy news

The longest [federal government shutdown](#) in history appears to be nearing an end as a small group of Senate Democrats voted to [advance a bipartisan deal](#) that would fund parts of the government through next year and provide backpay to furloughed workers, while promising a future vote on expiring healthcare subsidies. The bill will still need to be approved by the House and signed by the president before the government can reopen.

Eli Lilly & Co. and Novo Nordisk [reached agreements](#) with the Trump administration to reduce prices for their leading weight-loss medications. The deals intend to lower government and cash pay prices for obesity drugs starting in 2026 and include a \$50 copay for Medicare patients; the companies also reported that the deal would exempt them from proposed tariffs for three years.

According to Secretary Robert F. Kennedy Jr., HHS and Agriculture [will announce](#) new dietary guidelines in December 2025 aimed at addressing obesity and transforming the nation's food culture. The guidelines are expected to introduce shifts in recommendations

around saturated fats, ultra-processed foods, and dairy consumption to better combat chronic diseases linked to diet.



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