



# 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 issued the Contract Year 2027 MA and Part D [final rule](#), which restructures MA star ratings by eliminating the Health Equity Index and several administrative measures to focus on clinical outcomes and overall performance. The rule also codifies major updates to the Part D benefit and strengthens the administration and transparency of supplemental benefits for the chronically ill. Notably, CMS decided not to finalize a

proposed special enrollment period that would have allowed beneficiaries to switch plans if their provider leaves the network.

The Departments of Labor, HHS, and Treasury published a [FAQ document](#) extending enforcement discretion for plans using the 2021 methodology to calculate Qualifying Payment Amounts (QPAs) for services furnished between February 1 and October 1, 2026. The action provides temporary relief and stability for providers and issuers amidst ongoing litigation around QPA calculation rules.

The Trump administration [released](#) a plan to overhaul the pharmaceutical supply chain by imposing tariffs on imported patented drugs and their ingredients. The policy would exempt generic and biosimilar drugmakers, along with companies that have agreed to the administration's "most favored nation" pricing, creating a system of penalties and incentives to encourage domestic production.



## Healthcare law and policy news

HHS is [reversing](#) a 2024 Biden-era restructuring of its technology functions, by returning the Office of the National Coordinator for Health IT to its original name and structure. The reorganization moves the chief technology, AI, and data officers to the HHS' Office of the Chief Information Officer, aiming to improve coordination of AI, data, and cybersecurity policy across the department.

Digital rights advocates are [suing](#) CMS for greater transparency into its AI-powered prior authorization program, [WISeR](#), alleging the agency has ignored information requests about the model's operations. Citing concerns of algorithmic bias and potentially wrongful denials, 30+ House Democrats are also [pushing](#) to repeal the program in the next appropriations bill.

A [lawsuit](#) brought by over 100 hospitals is challenging a 2023 HHS [rule](#) that retroactively alters the calculation of Disproportionate Share Hospital (DSH) payments. The hospitals argue the change, which adjusts how MA patients are counted, will unlawfully result in the loss of billions in funding for safety-net hospitals and are seeking to have the rule vacated.



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