



Around the world of US healthcare in 360 words or less



June 1, 2026 | Issue 419

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](#).

We welcome your feedback. Let us know if KPMG can help. Please reply to this email with any comments or requests.

[Subscribe here](#)



Healthcare regulatory news

HHS, Labor, and Treasury [issued](#) the [Independent Dispute Resolution \(IDR\) Operations Final Rule](#), aiming to improve transparency and efficiency in the Federal IDR process.

The rule finalized several technical modifications: establishing a registry for improved insurer identification, clarifying negotiation timelines, revising rules for grouping similar

items or services (“batching”), and reducing the administrative fee from \$115 to \$15 per dispute.

As part of its strategy to become an “AI first” agency, former CMS Chief of Staff Stephanie Carlton is taking on a new [role](#) to improve clinical AI and Medicaid quality program updates. Rebekah Armstrong, who most recently led the CMS Office of Legislation, will take over the chief of staff role.

HHS is [deploying](#) AI to scrutinize the past five years of audits over states and grantees spending at least \$1M annually in federal funds. As part of a broader anti-fraud campaign, organizations identified as noncompliant [risk](#) the complete withdrawal of federal financial support, including Medicaid funding.

FDA advisers [recommended](#) updating next-season mRNA and protein-based COVID-19 vaccines to target the dominant XFG variant, despite potential [concerns](#) over declining strain surveillance data. The recommendation now awaits formal acceptance by the FDA, while the CDC ultimately will make formal vaccine recommendations.



Healthcare law and policy news

CVS [filed](#) a lawsuit against Tennessee’s pharmacy board, [arguing](#) that a new state law prohibiting PBMs from owning pharmacies restricts out-of-state competition, and warned that if the law takes effect, the company will need to close 136 retail and specialty pharmacies and stop mail-order services in the state.

A federal judge [dismissed](#) a BCBS of Texas lawsuit against HaloMD, ruling that courts lack jurisdiction to review arbitration decisions under the No Surprises Act. The [decision](#) marks the fourth federal court rejection of insurer attempts to relitigate these determinations in six weeks, though BCBS has already [filed](#) an appeal.

CVS Caremark is [restoring](#) coverage for Eli Lilly’s obesity drugs on its most common commercial formularies, rolling out access to both the Foundayo pill and the Zepbound injection. While Novo Nordisk’s rival medication Wegovy will retain its preferred status, this expansion [ends](#) a period of exclusivity that previously triggered a class-action [lawsuit](#) from Zepbound users.



Please send your questions or comments to us-hclspractice@kpmg.com.

KPMG. Make the Difference.

Learn about us:



kpmg.com



Subscribe

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

[Privacy](#) | [Legal](#)

You have received this message from KPMG LLP. If you wish to unsubscribe from this publication or from other KPMG communications, please click [here](#) to visit your KPMG Communication Preferences Center. To unsubscribe from all KPMG communications, click [here](#).

© 2026 KPMG LLP, a Delaware limited liability partnership, and its subsidiaries are part of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

USCS035556-1A