



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

An OMB [proposed rule](#) would [transfer](#) some control over federal health research grants from peer reviewers to political appointees, allowing them to review all discretionary awards, terminate active grants inconsistent with administration priorities, and restrict international collaborations. Scientific organizations have [criticized](#) the proposal, warning

that replacing expert peer review with political alignment could compromise research quality and public trust.

CMS [issued](#) an [interim final rule](#) on Medicaid work requirements ahead of the January 1, 2027, implementation deadline, limiting the "medically frail" exemption strictly to five statutory categories and prohibiting states from broadening the definition. Some cancer and health advocacy groups have [criticized](#) the approach, warning that complex documentation requirements could threaten vital healthcare access for seriously ill patients.

FDA issued [draft guidance](#) enabling gene therapy developers to streamline regulatory submissions by leveraging publicly available scientific and manufacturing data. The policy [aims](#) to accelerate the approval and delivery of safe, effective genome-editing treatments.

An OIG [audit](#) found that MA plans received an estimated \$462M in overpayments in 2021 after submitting acute stroke diagnoses that were unsupported by patient medical records. In response to the issue, OIG [recommended](#) that CMS implement new policies to block stroke diagnosis codes that lack corresponding hospital documentation.



Healthcare law and policy news

The House Appropriations Committee [released](#) the Fiscal Year 2027 Labor, HHS, and Education bill, which includes a 4% reduction in funding for HHS from the previous year's enacted level. The bill calls for increasing funding for NIH by \$100M and rescinding nearly \$2B in Marketplace user fees from CMS.

According to a Commonwealth Fund [survey](#), one in five privately insured adults faced medical service denials from their health insurance in the past year, resulting in delayed care, worsened health conditions, and medical debt. [Among](#) those with denied claims, 69% incurred higher costs, 30% faced delayed care, 21% suffered worsened health, and 43% accumulated medical debt.

HHS Secretary Robert F. Kennedy Jr. is [seeking](#) federal access to identifiable patient data from state medical record systems to research a potential link between vaccines and autism. Public health leaders have raised legal and privacy objections to this effort, which

coincides with President Trump signing an [executive order](#) to reduce recommended childhood vaccines.



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