



Around the world of US healthcare in 360 words or less



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Editor's note

Please note that ATW will pause for the next two weeks, and the next issue will be on July 13, 2026. Have a safe and happy holiday!

[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](#) a [proposed rule](#) establishing a long-term, codified framework for the Medicare Drug Price Negotiation Program starting in 2029. The proposal expands the

program by selecting up to 20 additional drugs for negotiations while implementing statutory provisions like a temporary price floor for small biotech drugs.

To guide the implementation of 2028 Medicare Part D PBM reforms under the [Consolidated Appropriations Act](#), CMS issued an [RFI](#) seeking input on PBM business practices. Key areas of inquiry include defining PBM "affiliates," identifying additional reporting data, and distinguishing current sponsor-PBM remuneration structures from "bona fide service fees."

HHS Secretary Robert F. Kennedy Jr. [announced](#) the opening of applications for over \$700M in delayed federal grants targeting homelessness, mental illness, and addiction, including a new \$96M "Safety Through Recovery" program. The announcement was as part of the Trump administration's broader [Great American Recovery Initiative](#).

Following a [court ruling](#) for Clover Health, CMS has recalculated 2026 Medicare Advantage star ratings, eliminating several administrative and prescription drug metrics. MA plans that receive four or more stars after the recalculation will receive quality bonuses for 2027, while plans who newly fall below the bonus threshold will not be penalized. Plans that receive higher bonuses may resubmit their 2027 bids by June 29, according to a [CMS memo](#).



Healthcare law and policy news

CBO is [requesting](#) new research on the No Surprises Act's Independent Dispute Resolution process because it is yielding higher-than-expected arbitration awards, potentially contributing to increased healthcare prices and insurance premiums. Consequently, these elevated payment rates threaten to undermine the law's [projected](#) \$17B in federal deficit savings.

Recent HHS OIG [reports](#) found that major Medicaid managed care organizations (MCOs) may be maintaining inaccurate maternal health provider directories, [including](#) out-of-network listings and missing in-network providers, potentially creating "ghost networks" that may limit access to care. To ensure provider data accuracy and assist states in holding MCOs accountable, OIG recommended that CMS work collaboratively with state authorities.



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