



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

The 2027 Medicare Advantage (MA) Advance Notice [released](#) by CMS proposes a 0.09% net year-over-year rate increase, or just over \$700M, alongside a roughly 2.54% expected average payment change after accounting for risk score trends. Issuers [warn](#) that the modest increase could force them to cut benefits, raise costs for enrollees, or exit certain markets.

CMS [issued](#) an advance notice of proposed rulemaking seeking comment on policies to strengthen domestic supply chains by encouraging Medicare-participating hospitals to buy American-made personal protective equipment and essential medicines. The notice explores a “Secure American Medical Supplies” hospital designation linked to domestic purchasing thresholds, potential Medicare payment adjustments, and new structural quality reporting measures.

A [Special Advisory Bulletin](#) released from HHS and OIG [clarifies](#) that pharmaceutical manufacturers can sell lower-cost prescription drugs directly to cash-paying patients, including Medicare and Medicaid enrollees, without anti-kickback statute risks, provided the drugs are not billed to federal programs, not used to market other products, and not conditioned on future purchases or referrals.



Healthcare law and policy news

HHS and the Department of State [announced](#) the termination of American membership in the World Health Organization, terminating related funding and staffing commitments. The administration noted future engagement would be limited to withdrawal efforts while pursuing global health security through direct, results-oriented partnerships.

Novartis has [asked](#) the Supreme Court to review its challenge to Medicare’s drug price negotiation program, arguing the arrangement takes its property unconstitutionally, compels speech, and imposes punitive, tax-like penalties that evade judicial review. The company’s petition, filed after lower courts and the Third Circuit rejected its claims, aligns Novartis with several other major drug makers contesting the Inflation Reduction Act’s price-setting provisions, even as some of its products enter a [new round](#) of CMS negotiations.

10 technology vendors have [pledged](#) \$600M in discounted and free services to assist states in implementing national Medicaid work requirements beginning next year. The contributions aim to reduce setup costs for eligibility systems, supplemented by CMS’s open-source tool and technical support.



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