



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 has [distributed half](#) of the \$200M authorized by H.R. 1 to the 50 states and D.C. to support implementation of Medicaid work requirements and more frequent eligibility checks; the remaining of half of the funding will become available later this year. Some experts suggest this funding will be insufficient as administrative costs are [projected to be higher](#) than the amount allocated by Congress.

FDA is [consolidating](#) its fragmented safety surveillance systems into a single, unified dashboard called the [Adverse Event Monitoring System](#). The platform [intends](#) to streamline the detection of potential issues with drugs, vaccines, and other products, enhancing utility and reducing costs.

New guidance from CMS [aims](#) to uphold safeguards and accountability in the organ donation process by preventing potentially rushed or coerced decisions. The action clarifies the responsibilities of hospitals and Organ Procurement Organizations, aiming to ensure that patients receive full medical care regardless of donor status.

In responses to an [RFI](#) released by HHS' ASTP/ONC, behavioral health providers [have cited](#) the lack of clear reimbursement pathways as the primary obstacle to AI adoption, urging HHS to establish funding and expand reimbursement codes for AI tools that streamline administrative and diagnostic tasks.



Healthcare law and policy news

In its annual [report to Congress](#), MedPAC recommends targeted payment increases for hospitals and physicians, while simultaneously freezing or cutting rates for skilled nursing, home health, and hospice care. The commission's analysis also found that Medicare is on track to overpay for MA enrollees by 14% amounting to a \$76B gap in 2026 compared to traditional Medicare, driven primarily by favorable selection and coding intensity.

Elevance Health has widened the scope of its [policy](#) financially penalizing providers for referring patients to specialists outside of its approved network. The move is designed to encourage healthcare professionals to keep patient referrals within the insurer's network.

A new [study](#) in JAMA Internal Medicine indicates that [removing](#) race from a key kidney function algorithm, which had previously inflated scores for Black patients and masked illness severity, has increased their access to transplants. Despite increasing transplants for Black candidates, the policy change did not resolve racial disparities, as it primarily benefited patients with consistent access to care.



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