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### Editor's note

This note is produced by the KPMG Center for Healthcare Regulatory Insight and is intended to be short and succinct, less than 360 words, to provide a digestible bite of news relevant to our clients and practices. Links are provided to source material (proposed and final regulations, agency guidance and press releases, reports, research, etc.) when available.

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## **Healthcare regulatory news**

President Trump <u>signed an executive order</u> directing federal agencies, including HHS, to implement work requirements for welfare program beneficiaries.

The CMS final 2019 ACA marketplace rule, among other things, provides more state flexibility on coverage of "essential health benefits;" adjusts the rate review threshold from 10% to 15% premium increases; and relaxes medical loss ratio (MLR) requirements...CMS also extended ACA non-compliant transitional health insurance plans through 2019 and broadened hardship exemptions for the individual mandate... A CMS

<u>coverage decision</u> makes it easier for beneficiaries with implantable devices to receive MRI scans.

FDA <u>approved marketing</u> of the first medical device using artificial intelligence and <u>restricted the sale</u> of Bayer's birth control implant Essure to facilities providing full information to patients about potential risks.





### Healthcare law and policy news

Old reported that HHS and the Justice Department won or negotiated over \$2.4 billion in healthcare fraud settlements and judgments in FY2017; and that Texas improperly billed the federal government for \$20.7 million in Medicaid claims... A GAO report identified several Medicare beneficiary data security vulnerabilities, including lack of timely software updates and failure to address low-risk security issues.

CBO projected that healthcare spending will rise faster than the rest of the economy over the next decade, with Medicare spending growing 7% annually, contributing to a \$1 Trillion projected annual federal deficit by 2020; meanwhile, Altarum reported that the annual growth rate of hospital prices was 3.7%, up from 1.5% in March 2017... Adam Boehler, Former CEO of Landmark Health, was appointed Director of the Center for Medicare and Medicaid Innovation (CMMI).

Novartis <u>will acquire</u> AveXis, a gene therapy company, for \$8.7 billion... <u>A CVS tool</u> will help patients and pharmacists identify potentially cheaper prescription alternatives... An <u>Annals of Internal Medicine study</u> concluded that money-back guarantees based on a drugs' effectiveness, such as PCSK9 cholesterol inhibitors, may not significantly reduce overall drug costs.

A House Ways and Means Committee white paper highlights ways to address the opioid crisis...Arizona enacted a drug price transparency law, prohibiting "gag clauses" to allow pharmacists to freely discuss drug prices with customers.... A Center for American Progress report examined the impacts of state-level payment and delivery reforms in Maryland, Massachusetts, Oregon, and Arkansas.



## Questions or comments, please send to <u>us-hcinsight@kpmg.com</u>



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