

Around the world of U.S. healthcare in 360 words or less

Center for Healthcare Regulatory Insight

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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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An <u>HHS proposed rule</u> requires "clear physical and financial separation" between Title X funds and groups that provide abortions... <u>GAO urged CMS</u> to continue prior authorization demonstrations, which could save nearly \$2 billion per year.

FDA will <u>release guidance</u> to speed development of gene therapies... FDA <u>warned parents</u> about over-the-counter teething remedies that could cause fatal side effects and threatened legal action against manufacturers that do not discontinue the products.



Healthcare law and policy news

HHS Secretary Alex Azar <u>will testify before the Senate HELP</u> <u>Committee</u> on June 12th on the drug pricing Blueprint... Azar also <u>pledged \$7 million</u> to fight the Ebola outbreak in Africa... Congress passed <u>right-to-try legislation</u> and a bill <u>increasing</u> <u>private care options</u> for veterans; President Trump is expected to sign both bills... Republicans plan to <u>release an ACA repeal bill</u> in June, while a <u>bipartisan House bill</u> would delay the ACA health insurer tax until 2021.

HHS <u>rejected Ohio's 1332 request</u> to waive ACA minimal essential coverage... Alaska's <u>Medicaid funding could run out</u> by the end of June which would delay funding to some hospitals and large providers.

CDC <u>reported that 9.1%</u> (29.3 million) of Americans were uninsured in 2017, not significantly different from 2016; the uninsured rate in states not expanding Medicaid increased from 17.9% to 19.0%... <u>CBO projected</u> that 5 million more Americans will be uninsured in 2027 than previous estimates, primarily driven by elimination of the individual mandate penalty... <u>Blue</u> <u>Cross Blue Shield Association estimates</u> premium increases for its plans ranging from single-digits to 80%, and averaging in the "low teens."

<u>Milliman reports</u> that the cost of employer-based health coverage increased 4.5% over the past year, the second-lowest growth rate since 2001; however employee expenses are increasing (5.9%) more than employer expenses (3.5%)... <u>Avalere found</u> that moving coverage of Part B drugs to Part D may cost some Medicare beneficiaries more in out-of-pocket costs for cancer therapies (\$3,200 vs. \$2,400); and that generics are being increasingly <u>placed on higher formulary tiers</u>, resulting in a 93% increase in patient cost-sharing in Part D between 2011 and 2015.

The Association of American Medical Colleges <u>reported that</u> <u>teaching hospitals</u> spent \$3.1 billion more on community benefit in 2015 than 2012.



Questions or comments, please send to us-hcinsight@kpmg.com

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