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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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# Special Section: 2018 Midterm Elections

Democrats gained control of the House...and after races in AZ and FL, and a run-off in MS are decided, Republicans could increase their majority in the Senate. A divided Congress means that efforts to repeal and replace Obamacare are dead for now; however, we can expect a lot more oversight (hearings and investigations) from the House... along with a possibility that the House, Senate and White House could work together on drug price legislation.

A plurality of voters in <u>exit polls</u> said healthcare was their "most important" issue... so while the 116th Congress may not be able to pass major healthcare reform legislation, we can expect that healthcare will be an important positioning issue for both parties in the run-up to the 2020 election.

Voters in <u>Idaho</u>, <u>Nebraska</u>, and <u>Utah</u> approved ballot measures to expand Medicaid, bringing the <u>total number of expansion states to 36 plus DC</u>. Newly-elected governors in <u>Maine</u>, <u>Kansas</u>, and <u>Wisconsin</u> vowed to complete and pursue Medicaid expansion in their respective states... meanwhile, <u>Montana voters rejected</u> an initiative to permanently expand Medicaid through a tobacco tax increase... <u>California shot down</u> an initiative to cap payments to dialysis centers; <u>Massachusetts rejected</u> a measure to institute mandatory nurse-to-patient staffing ratios; and <u>Maine voters rejected</u> a universal home care referendum through increased taxes.



## Healthcare regulatory news

A CMS proposed rule aims to improve ACA exchange program integrity, including increasing oversight of state-based exchange enrollment and validation of tax credit and subsidy eligibility... A CMS Managed Medicaid and CHIP proposed rule seeks to streamline the regulatory framework, including more state flexibility on network adequacy standards and relaxed provider directory requirements... A CMS letter to clinicians outlined agency efforts to reduce documentation requirements and implement payment and coding changes in 2021.

Following approval of <u>AcelRx Pharmaceutical's opioid</u>, <u>Dsuvia</u>, FDA Commissioner <u>Scott Gottlieb acknowledged</u> the need to reassess opioid drug approvals... FDA and DoD <u>agreed</u> to collaborate on accelerated military access to medical products... FDA <u>released an app</u> to support <u>collection of real-world patient data</u> to help inform regulatory decisions... FDA will <u>ban the sale of flavored e-cigarettes</u> at gas stations and convenience stores and establish ageverification requirements.





#### Healthcare law and policy news

CMS <u>announced that 371,676 individuals</u> selected Healthcare.gov plans in Week 1 of open enrollment, down from <u>over 600,000</u> <u>last year...</u> CMS <u>reported that 93% of MIPS-eligible clinicians</u>

earned a positive payment adjustment for 2017 performance... HHS Secretary Alex Azar announced that CMS will <u>launch</u> <u>episode-based payment models</u>, some mandatory, for radiation oncology, cardiology, and other clinical areas.

AHA <u>will sue HHS</u> to stop site-neutral payment policies in the <u>OPPS final rule</u>... A <u>federal court rejected</u> an appeal from two insurers to reconsider denial of billions in ACA risk-corridor payments; the decision will <u>be appealed</u> to the Supreme Court... Idaho will <u>move forward with state-based</u> ACA-non-compliant health plans without submitting a 1332 waiver to CMS.

<u>14% of Americans</u> (34.3 million) smoked cigarettes in 2017, the lowest ever recorded; a <u>Pediatrics study</u> found that e-cigarettes do not deter teenager cigarette smoking... A <u>JAMA study</u> found that opioids are overprescribed for post-surgery recovery (patients used only 27% of prescribed opioids, and larger prescriptions increased use).

A <u>Health Affairs</u> study found that only 21% of hospitals improved work environment scores and patient safety between 2005 and 2016... Leapfrog Group <u>released its 2018 hospital safety grades</u>, including a new <u>medication error measure</u>... Premier will <u>acquire Stanson Health</u>, a clinical decision support company, for \$51.5 million... Google <u>hired Geisinger CEO</u>, <u>David Feinberg</u>, to lead its healthcare initiatives.



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