



## 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 every Friday by the [KPMG Center for Healthcare Regulatory Insight](#) and is intended to be short and succinct, no more than 360 words, to provide a digestible bite of healthcare and life sciences news from the past week. 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 [finalized](#) an average [3.3% payment increase for 2024 Medicare Advantage \(MA\) plans](#); risk adjustment changes will phase in over three years... CMS [finalized MA policies](#) limiting [prior authorization/utilization management](#), prohibiting certain misleading advertising practices, and adding a health equity index to Star Ratings for 2024... CMS proposed increasing payments for [hospice providers 2.8% \(\\$729M\)](#), [inpatient rehabilitation facilities 3.7% \(\\$4435M\)](#), [inpatient psychiatric facilities 1.9% \(\\$555M\)](#), and [skilled nursing facilities 3.7% \(\\$1.2B\)](#).

FDA will [require opioid manufacturers provide prepaid mail-back envelopes](#) to outpatient pharmacies for safe/secure disposal of unused pills.

FDA [withdrew approval](#) of the preterm-birth drug Makena, approved under the accelerated approval pathway.



## Healthcare law and policy news

HHS [released](#) a [National Cancer Plan](#).

Medicare Trustees [projected the Hospital Insurance Trust Fund will be insolvent by 2031](#), three years later than projected last year, but that “substantial changes [will be needed] to address Medicare’s financial challenges.”

FTC [ordered Illumina to unwind](#) its \$7B acquisition of Grail; Illumina [appealed](#)... FTC [can proceed](#) on a case alleging Surescripts conspired to maintain e-prescribing market monopolies.

Johnson & Johnson [proposed paying \\$8.9B to resolve allegations](#) its talc-based baby powder caused cancer.

Sparrow and U-M Health [closed their merger](#)... Sanford and Fairview [delayed their merger for a second time](#)... Rock Health reported digital health is [on pace for the lowest annual funding](#) since 2019... DaVita and Medtronic [launched a medical device venture](#) to develop kidney care technologies.

SSR Health [data indicate](#) that prescription drug [list prices increased 5% and net prices decreased 0.4%](#) in Q4 2022... Mark Cuban Cost Plus Drugs [will sell two Janssen diabetes drugs for \\$244/month](#), significantly lower than average retail price (\$676).

*Health Affairs* studies found: (1) 17% of [unprofitable rural hospitals merged with another organization](#) between 2010-2018, while 7% closed; (2) 98.6% of hospital websites [use online data trackers to share visitor information with third-parties](#) (HHS announced [investigations into multiple provider websites](#) for HIPAA violations); (3) hospital [cash prices were lower than median commercial negotiated rates](#) in 47% of instances studied; and, (4) reducing MA benchmarks would [only “modestly” reduce benefits](#) and increase premiums/copays.

Urban Institute reported [inflation and higher health spending drove ACA monthly premiums](#) up 3.4% between 2022 and 2023.



## Special Section: COVID-19 News

FDA [plans to authorize a second omicron-specific COVID-19 vaccine](#) for individuals who are at least 65 years old or have weak immune systems... FDA [granted emergency use authorization for use of Gohibic](#) (vilobelimab)

injection for treatment of COVID-19 in hospitalized patients on mechanical ventilation or artificial life support.

FDA will [retain requirements for 180 days after the public health emergency ends](#) that drug manufacturers notify FDA at least six months in advance of any significant manufacturing disruptions.

HHS [touted progress in its “whole-of-government” response](#) to long COVID; meanwhile, Principal investigators of NIH RECOVER study hubs [urged the federal government to take additional steps](#), including additional funding, to support research and treatment of long COVID... A National Academies of Sciences, Engineering, and Medicine committee began work on [developing a standard, working definition of “long COVID-19.”](#)

CDC-Census Bureau data show [27% of adults who have had COVID-19 reported experiencing long COVID symptoms](#) at some point, with females (33%), those reporting multiple races or other races (32%), and those with a disability (46%) being disproportionately more likely to report long COVID; rates varied significantly across states ranging from 41% in West Virginia to 17% in DC.

KFF [estimated disenrollment due to Medicaid eligibility redeterminations](#) in the 10 states that have not expanded Medicaid under the ACA will leave an estimated 1.9M individuals in a coverage gap... A [KFF survey found 53% of Americans](#) would “very likely” (32%) or “likely” (21%) get an annual COVID-19 vaccine if offered similar to an annual flu shot.

Pfizer [reported its experimental RSV vaccine](#) was [nearly 82% effective in preventing severe infection in infants](#) in the first 90 days of life when administered to pregnant mothers in the second half of pregnancy... A [separate NEJM study found](#) the vaccine was 86% effective among older adults with three or more symptoms and 67% effective among those with two symptoms.

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