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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 proposed 2025 Medicare Advantage (MA) and Part D reforms, including redefining "compensation" to set a clear, fixed amount that agents/brokers can be paid, increasing prior authorization/utilization management oversight, updating behavioral health network adequacy standards, and allowing plans to substitute biologics with non-interchangeable biosimilars without requiring CMS approval.

FDA <u>approved</u> Eli Lilly's type 2 diabetes drug Mounjaro to treat obesity under the name Zepbound.

CMS <u>added a "birthing-friendly" designation</u> to its <u>Care Compare</u> online tool.

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#### Healthcare law and policy news

President Biden <u>announced 1.6M individuals signed up for ACA</u> <u>marketplace coverage</u> in the first week of open enrollment, up 50% from last year.

The Senate confirmed (62-36) Monica Bertagnolli as NIH Director.

FTC is challenging more than 100 patents, implicating 17 brand-name drug products from 10 manufacturers, for improper/inaccurate Orange Book listings... A federal district court ruled HRSA exceeded its authority by using a narrow interpretation of a "patient" to limit access to 340B drug discounts.

Surescripts <u>acquired ActiveRADAR</u>... Virgin Pulse and HealthComp <u>completed their merger</u>... Amazon will begin <u>offering discounted One</u> <u>Medical memberships to Prime subscribers</u>.

MedPAC estimated that MA plans were paid \$65.4B and \$50.8B more than fee-for-service levels in 2020 and 2021, respectively, due to favorable selection and coding differences.

Leapfrog Group reported approximately 85% of hospitals have improved performance on at least one of three common infections after significant increases during the pandemic; however, patient experience worsened for the second straight year... An ICER analysis concluded most large health plan formularies studied provide "fair access" to 18 treatments for several serious diseases, although transparent coverage information is often lacking... An AAFP study found increased adoption of value-based payment models decreased burnout among family physicians... AMA reported 57.8% of physician practices belonged to an ACO in 2022, up from 2016 (44%).

Moody's <u>upgraded the 2024 nonprofit hospital sector financial outlook</u> from "negative" to "stable."

Senate Finance Committee <u>unanimously advanced</u> a <u>bill</u> to partially mitigate Medicare physician payment cuts, eliminate 2024/2025 DHS cuts, extend Advanced APM bonuses through 2024, reform PBM practices, increase mental health access, and extend expiring Medicare/Medicaid provisions... A <u>group of House Democrats</u> urged CMS to increase oversight of MA insurers' use of AI and algorithms to make coverage decisions.

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