



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

Center for Healthcare Regulatory Insight



[January 18, 2019 | Issue 54](#)

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.

In order to continue receiving ATW 360 in future weeks, you will need to subscribe to our mailing list [here](#). Please share this email with colleagues and other interested individuals.

[Subscribe here](#)

Special Section: KPMG-Leavitt Partners Investment Outlook

KPMG and Leavitt Partners recently released the 3rd annual Health Care & Life Sciences Investment Outlook, which sheds light on how key disruptors, prevailing market trends, and evolving policies will impact investment in 2019. The white paper is [available here](#).



Healthcare regulatory news

The CMS Innovation Center [announced two new payment models: \(1\) to expand Value-Based Insurance Design \(VBID\); and \(2\) to incentivize Part D plans to take on financial risk for spending in the catastrophic phase.](#)

A CMS [proposed rule](#) establishes [regulatory and financial parameters](#) for qualified health plans for the 2020 ACA marketplaces... CMS is [developing guidelines](#) allowing states to receive Medicaid block grants.

FDA Commissioner Scott Gottlieb [announced that FDA](#) has enough drug user fee revenue to continue product evaluations for [approximately 5 weeks](#), and that hundreds of staff [will be brought back](#) to perform food safety checks... FDA [will issue policy guidance](#) to advance cell and gene therapies... FDA [developed a model Drug Facts label](#) to spur development of over-the-counter naloxone.

Medicare Advantage [enrollment increased 1.4 million](#) for 2019, now 22.4 million total... VA proposed guidelines [would shift billions of dollars](#) from VA hospitals to private healthcare providers.



Healthcare law and policy news

HHS Secretary Alex Azar discussed drug pricing proposals with [Senate Republicans](#) and [House Oversight Chair Elijah Cummings](#) (D-MD) and [hinted at support](#) for importation of prescription drugs; meanwhile Cummings [requested information](#) about pricing practices from a dozen drug manufacturers.

JAMA studies found that (1) [shifting the 75 drugs](#) with the highest Medicare Part B expenditures into Part D would save CMS between 7% and 18% after rebates; (2) Medicare Part D [could have saved \\$14.4 billion](#), or 44%, in 2016 if it obtained VA prices for the top 50 oral drugs.

Prescription drug price inflation [fell 0.6% in December](#), the lowest year-over-year growth in decades... Bloomberg [reported wide variation](#) in 31 states' Medicaid managed care plan spending on 90 highly-utilized generics... An AHA-FAH [survey found](#) that hospital drug spending increased 18.5% between 2015 and 2017... Premier [launched ProvideGx](#) to help address prescription drug shortages.

MedPAC [recommended](#) consolidating Medicare [hospital quality incentive programs](#)... Fewer hospitals merged in 2018 (90), but transactions [grew in size](#).

CVS-Aetna announced a [five-year \\$100 million initiative](#) to address social needs impacting health... Walmart pharmacies [may leave CVS PBM networks](#) over a pricing dispute... Walgreens is [partnering with Microsoft](#) to design in-store “digital health corners”... Apple is [partnering with MA plans](#) to subsidize Apple Watches as health-tracking devices.



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



[Privacy](#) | [Legal](#)

You have received this message from KPMG LLP. If you wish to unsubscribe from Around the world of U.S. healthcare in 360 words or less, please [click here](#). If you wish to unsubscribe from all KPMG communications, please [click here](#).

KPMG LLP, 3 Chestnut Ridge Road, Montvale, NJ 07645

© 2019 KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity. All rights reserved. NDPPS 698390

The KPMG name and logo are registered trademarks or trademarks of KPMG International.