

HLB's Digital Health Blog

Insights

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HHS Realigns Health Technology Leadership to Advance Data and AI Goals

The Department of Health and Human Services [announced](#) it would reverse changes made during the Biden Administration and realign its health technology leadership to strengthen data sharing, affordability, and responsible use of artificial intelligence across the health care system. The change reverts the name of the technology agency back to the Office of the National Coordinator for Health IT (ONC) and moves some of its leadership back to previous departments within HHS, namely, the Office of the Chief Information Officer (OCIO). The move seeks to restore a unified, department wide technology model by returning enterprise IT, data, and AI leadership to the OCIO, while refocusing the ONC on interoperability, standards, and data liquidity. HHS officials say the changes will improve coordination between policy and operations, support secure and scalable technology platforms, and help accelerate innovation that lowers costs and improves care for patients.

President Trump's Budget Released: Includes ONC Proposals

On April 3, The Trump Administration released its Fiscal Year (FY) 2027 [budget](#) request. HHS also released its Budget in Brief [document](#), which included Office of the National Coordinator for Health Information Technology (ONC) proposals. The budget includes an ONC FY 2027 budget request of \$50 million (-\$19 million below FY 2026) and ONC collaboration efforts, such as ONC working with CMS to draft rules updating payment policy/programs and working with HHS's Office of Civil Rights (OCR) to ensure secure patient access to electronic health information. As a reminder, the President's budget request is a framework and not binding.

California Attorney General Reinforces State's Corporate Practice of Medicine Prohibition in Amicus Filing

The California Attorney General filed an amicus brief in a pending California Court of Appeal case, *Art Center Holdings, Inc., et al. v. WCE CA Art, et al.*, reaffirming the state's long-standing ban on the corporate practice of medicine. The brief supports a trial court ruling that contractual provisions allowing a private equity-backed management services organization (MSO) to replace a physician-owner or otherwise exert excessive control over an affiliated medical practice violate California law, underscoring that MSOs are limited to administrative support. In announcing the filing, the AG emphasized the state's commitment to protecting independent medical judgment—particularly as private equity investment in health care expands. The brief marks the latest signal of heightened state scrutiny of PC-MSO arrangements, alongside recent legislative activity, including [California's passage of SB 351](#) and [Oregon's passage of SB 951](#).

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