

HLB's Digital Health Blog

Insights

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Utah Medical Board Challenges State's Regulatory Sandbox Program

On April 20, 2026, the Utah Medical Licensing Board [sent a letter](#) to the Utah Office of AI Policy strongly recommending suspension of the state's pilot program with Doctronic. This program, the first in the country to authorize autonomous AI-driven prescription renewals, has been in operation since January 2026. Under terms of the [regulatory mitigation agreement](#) with the Utah Office of AI Policy, the program allows patients to use the Doctronic platform to refill 30-, 60-, or 90-day supplies of medications for chronic conditions, such as diabetes and hypertension, that were previously prescribed by a licensed provider. The Medical Licensing Board argues that it is best positioned to assess the whether the decision to refill a prescription meets the standard of care and to act in the interest of patient safety. In its [response letter](#), the Office of AI Policy declined to suspend the pilot, finding that Doctronic's platform is "operating safely at the standard of care," noting that the current phase of the program involves oversight by licensed physicians and regular model performance reporting. The Office of AI Policy also [reports on its website](#) that Doctronic's submission of case-level analyses comparing system outputs against supervising clinician decisions, categorized using a published medical risk framework, indicates that reported incidents have been of "no risk," "minor risk," or "minor-to-moderate risk" to patient safety.

This dispute may foreshadow similar interagency tension in other states with active regulatory sandbox programs, including [Arizona](#), [Delaware](#), and [Texas](#), where oversight authority over AI-driven clinical tools remains unsettled.

Nebraska and Maine Pass Laws Addressing Chatbots and Mental Health

On April 14, Nebraska enacted [LB 525](#), the Conversational AI Safety Act, making it the fourth state this year to regulate the use of chatbots in health care. The law requires any conversational AI service to disclose to users that they are interacting with AI rather than a human, and prohibits the service from representing itself as designed to provide professional mental or behavioral health care. It also imposes a specific disclosure obligation when the user is a minor.

Maine has enacted [LD2082](#), legislation that prohibits any person from providing, advertising, or offering therapy or psychotherapy services to the public unless those services are delivered by a licensed professional. Both laws are part of a significant expansion of legislative interest in conversational AI platforms, particularly those with clinical or mental health functionality, that have followed the enactment of Illinois's [Wellness and Oversight for Psychological Resources Act](#) in August 2025, one of the first laws to explicitly prohibit the use of AI in mental health and therapeutic decision-making.

ONC Data Brief on EHR Adoption Among Substance Use and Mental Health Facilities

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In a new [data brief](#), the Office of the National Coordinator for Health Information Technology (ONC) shows that behavioral health providers have largely adopted electronic health records (EHRs)—68% use EHRs exclusively, with another 25% combining EHRs and paper records—marking strong progress in digitization. However, use of EHRs for care coordination and data exchange remains limited: only 19% of facilities participate in a health information exchange (HIE), and many report low awareness of HIE options. Adoption also varies widely by ownership, with state-run facilities significantly trailing federal and private providers, highlighting ongoing gaps in interoperability and infrastructure.

CMS Issues Drug Interoperability and Prior Authorization Proposed Rule

The Centers for Medicare and Medicaid Services (CMS) released a proposed [rule](#) which would build upon the previously finalized Interoperability and Prior Authorization proposed [rule](#) by including drugs in the scope of the requirements. Under the proposal, impacted plans must support electronic prior authorization of drugs starting on October 1, 2027. CMS also proposes to update prior authorization metrics for both drugs and non-drug items and services. The proposed rule includes a series of requests for information (RFIs) including those on step therapy and cybersecurity. Comments are due June 15, 2026.

HHS Makes Announcement on KidneyX and HIT Improvements in Nephrology

The Department of Health and Human Services (HHS) along with the American Society of Nephrology (ASN) [announced](#) the [2026 KidneyX EMPOWER Prize Challenge](#), a \$4 million competition to accelerate innovation supporting living organ donation through digital health and other tools. In addition, ONC also announced it would work with the nephrology community on data standardization and health information technology (HIT) improvements across the kidney care ecosystem to support these efforts.

CMS Launches First Wave of HealthTech Ecosystem Tools

The CMS [announced](#) the first wave of HealthTech Ecosystem tools designed to accelerate the transition to a fully digital, patient-centered health care system. The launch brings together new CMS infrastructure, a [Medicare App Library](#), and an initial set of patient-facing digital applications that allow individuals to securely access, share, and use their health information through trusted technologies. The initiative aims to reduce administrative burden, replace paper-based processes like clipboards and fax machines, and improve care coordination through interoperable, standards-based tools supported by public- and private-sector partners.

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