

# HLB's Health Equity Essentials Blog

Insights

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On behalf of the Hooper, Lundy & Bookman, PC Health Equity Task Force, here is our most recent HLB Health Equity Essentials.

## Record Number of Enrollees Exit ACA Marketplace

Faced with higher premium payments without enhanced tax credits beyond 2025, plan sign-ups during the Affordable Care Act's (ACA) Marketplace 2026 open enrollment period dropped by [over a million](#). And the rates of effectuated enrollment, i.e., how many individuals will actually pay their premiums following enrollment, may be even lower. That number could plummet to a monthly average that is 6 million fewer than in 2025. KFF [reports](#) that enrollee premium costs increased by an average of 58%, from \$113 to \$178 per month in 2026, while deductibles increased by 37% (\$1,027 per person) to a record high of \$3,786.

## CMS Constricts Medicaid's Definition of Medical Frailty for Work Requirement Exemptions

The Centers for Medicare & Medicaid Services (CMS) issued an [interim final rule](#) on June 3 that attempts to narrow the definition of "medical frailty" for purposes of determining work requirement (or community engagement) exemptions for Medicaid beneficiaries in most states. Such states must comply with the work requirement rules by January 1, 2027, including developing lists of health conditions that constitute medical frailty. However, the rule prohibits states from categorically exempting beneficiaries with those health conditions and requires them to instead evaluate an individual's ability to satisfy the work requirement based upon their overall health. Nonetheless, through 2027, the rule permits states to accept self-declaration of work or exemption status when reliable data are not otherwise available. Key provisions of the rule can be found in [CMS's Fact Sheet](#).

## Effects of Trump Administration's Dismantling of DEI Efforts Analyzed One Year Later

Early in his second term, President Trump issued a flurry of Executive Orders and directives targeting the elimination of diversity, equity, and inclusion (DEI) initiatives and programs within the federal government. [KFF reports](#) that these policies – despite the myriad of court orders and other legal challenges following in their wake – are having widespread implications, including reductions in research and interventions previously aimed at addressing disparities in health outcomes. Moreover, the report indicates the Administration's actions to suspend certain national surveys and omit DEI-related data elements have also compromised the integrity and accessibility of public health information, the effects of which could jeopardize the validity and accuracy of future health care-related research.

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### **Nursing Associations' Challenge Revoked Exclusion from Federal Student Loan Caps**

Numerous [nursing associations have joined](#) a [federal lawsuit](#) launched by [several Democrat-led states](#) in response to the Department of Education's [final rule](#) that removes advanced nursing degrees from the definition of "professional degree" for federal student loan purposes. Absent such inclusion, nurses seeking post-baccalaureate nursing degrees will be subject to the \$100K aggregate cap on federal loans for graduate education. This move could force many graduate nursing students to rely upon high-interest loans or forego furthering their education altogether. In turn, fewer advanced practice nurses (APNs) may enter the workforce in coming years, threatening an already severe shortage of primary care practitioners. The [Department of Education](#) claims the rule will incentivize institutions to control increasing tuition costs. The rule goes into effect July 1.

### **DOJ Admonishes Medical Schools for Continued Race-Conscious Practices in Admissions Decisions**

In early May, the Department of Justice (DOJ) sent letters to the schools of medicine at both [Yale University](#) and the University of California, Los Angeles ([UCLA](#)), notifying them that it has found, in the course of its compliance review, that the schools' admissions decisions "intentionally discriminate against applicants based on their race." The DOJ's letters follow the [U.S. Supreme Court's decision](#) in [Students for Fair Admissions Inc. v. President & Fellows of Harvard College](#), 600 U.S. 181 (2023), holding that certain race-conscious admissions programs in higher education are unconstitutional and in violation of Title VI of the Civil Rights Act of 1964. The DOJ's actions could jeopardize medical schools' ongoing efforts to diversify the physician workforce. Such diversification is often viewed as one means by which to effectively improve health outcomes for minority and other underserved populations.

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