HLB's Health Equity Essentials Blog

Insights 07.23.26

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

Medicaid Waiver Payments for Innovative SUD Programs Show Promising Results

Since 2015, 38 states (including Washington, D.C.) have received Medicaid Section 1115 demonstration waiver approvals that permit them to use Medicaid funds to pay Institutions for Mental Disease (IMD) for short-term residential and inpatient treatment of patients with substance use disorders (SUDs) during the applicable waiver period. IMDs include certain psychiatric and SUD treatment facilities with greater than 16 beds that are primarily engaged in serving patients with mental health issues or SUDs. On July 9, KFF published a brief that assessed the outcomes of the IMD waivers. KFF's early evaluations suggest improved SUD treatment access across multiple measures, including increased SUD residential and inpatient care and improved access to medications to treat opioid use disorder. But numerous challenges, including housing instability, administrative barriers, fragmented and uneven treatment systems, and workforce shortages, continue to threaten the long-term sustainability and success of these programs.

Democrats Sound Alarm on OBBBA's Impact on Maternal Health Care

Earlier this month, certain Democrat ranking members of the U.S. House Energy and Commerce Committee and Senate Finance Committee released a report, claiming that the One Big Beautiful Bill Act (OBBBA) – which they dubbed the "Big Ugly Bill" – has triggered the closing of hospital maternity care units and other maternity care providers throughout the country. According to the report, the planned OBBBA cuts to state-directed Medicaid payment programs are already hurting rural hospitals that rely on such funding to keep labor and delivery services operating, as they are being forced to budget and plan for those losses now, prompting closures and service reductions. Even before the OBBBA went into effect, the U.S. was experiencing a national maternal health crisis, with more than one-third of all U.S. counties lacking a single birthing center or obstetrics clinician. The report argues that the OBBBA has only exacerbated the situation, including by halting all federal Medicaid funding for certain clinics affiliated with abortion care providers, including those clinics that provide prenatal care services women rely upon to maintain healthy pregnancies.

DOJ Signals Shift in Interpretation of Landmark Supreme Court Case Protecting Independence of Individuals with Disabilities

In June 2026, the U.S. Department of Justice (DOJ) Office of Legal Counsel issued a memo that reinterprets the landmark 1999 U.S. Supreme Court case, *Olmstead v. L.C.* The memo argues that neither Title II of the Americans with Disabilities Act (ADA) nor Section 504 of the Rehabilitation Act mandates that states provide disability care in the "most integrated setting appropriate to the needs of a qualified person with a disability," despite long-standing regulations, guidance, and

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enforcement actions from the DOJ and the U.S. Department of Health and Human Services (HHS) to the contrary. Consequently, the memo provides legal justification for federal agencies to stop enforcing the "integration mandate," which has historically protected disabled individuals from unnecessary institutionalization. Disability rights organizations strongly oppose the DOJ's position, warning that it threatens decades of progress by allowing states to shift resources away from in-home care and Home and Community-Based Services (HCBS), and, instead, rely on institutionalization, despite research showing the latter is considerably more expensive for states to provide.

New Jersey Imposing Fees on Companies with Employees Enrolled in Medicaid

On June 30, New Jersey enacted a mandatory annual fee (ranging from $325 to $725 per Medicaid covered employee and dependent) to be paid by companies that have at least 50 employees enrolled in Medicaid. Proponents of the fee initiative believe it will help pay for the state's share of the Medicaid program's costs, particularly as federal policy changes are expected to make the program more expensive. Proponents further argue that the fee initiative is fair, as employers benefit financially from having fewer employees enrolled in their health insurance plans. Opponents, however, argue that the fee initiative is an unfair penalty on employers, and could lead to employers hiring fewer Medicaid-eligible employees or employees foregoing enrollment in Medicaid knowing it would make them less attractive to employers, notwithstanding statutory prohibitions against such adverse employment action. Other states are considering taking actions similar to New Jersey.

New Study Identifies Cancer-Specific Racial Inequities in Pain Management

A new study of breast, pancreatic, and prostate cancer patients published in May found that clinically meaningful racial differences in time to pain medication initiation and strong opioid prescribing were observed for breast and prostate cancer. Black and Asian patients experienced delays in pain management, and Asian patients consistently received fewer strong opioid prescriptions. The findings highlight that inequities in pain management vary across the type of cancer and categories of pain medication. Moreover, they demonstrate the need for cancer interventions to be more culturally informed to promote equitable symptom management.

Widespread Ageism in Health Care Creating Inequities for Older Patients

A *Health Affairs* policy brief published on June 11 describes how discrimination against older adults is commonplace in health care settings, negatively affecting health care quality, use, and costs as elderly patients face such problems as inappropriate care and undertreatment. Recommendations from the study to counteract ageism in health care delivery include strengthening the geriatric care workforce through specific training and implementing new health care delivery models that ensure more appropriate care for older patients. Ageism is a vital, though historically often overlooked, component of diversity, equity, and inclusion (DEI) programs. As reported in our Health Equity Blog last month, the Trump administration has acted to eliminate DEI initiatives and programs within the federal government, including eliminating the collection of data previously aimed at addressing disparities in health outcomes. These rollbacks may make effectively combatting ageism in health care even more arduous.

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