HLB's Health Equity Essentials Blog

Insights 08.26.26

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

AMA Announces Restructuring of CPT Codes for Maternity Services

The American Medical Association (AMA) recently announced an overhaul of its current procedural terminology (CPT) codes for maternity health care services, effective January 1, 2027. The new structure is a significant departure from the "global" CPT code that currently covers most such services, which the AMA acknowledges simplifies billing but obscures care variation and complexity. Unbundling the various services that comprise the full pregnancy care spectrum will help address these issues. Moreover, it will establish the data foundation necessary to further improve maternal health. However, health insurance plans have raised several concerns, not the least of which is the impending effective date does not give them adequate time to revise their reimbursement payment structures and contracted rates with providers. In the 2027 Medicare Physician Fee Schedule (MPFS) proposed rule, CMS proposed to both adopt the new CPT codes and create Healthcare Common Procedure Coding System (HCPCS) codes to preserve the existing payment structure, a move that the American College of Obstetricians and Gynecologists (ACOG) and other provider groups have expressed concerns about.

Washington Rolls Out Benefits Under First Ever State-Run LTC Insurance Program

The State of Washington has begun payment benefits under "WA Cares", the nation's first state-operated long-term care (LTC) insurance program designed to help cover costs for home care, equipment, and residential facilities. Funded by a 0.58% payroll tax surcharge on participating workers, the initiative addresses a major gap in the U.S. eldercare system – where private LTC insurance has become prohibitively expensive and standard Medicare or Medicaid coverage remains extremely limited or restricted to impoverished individuals. Under the program, workers who contribute for 10 years qualify for an inflation-adjusted lifetime benefit starting at $36,500. As federal LTC reform initiatives remain stalled, other states like Illinois, Hawaii, and West Virginia are closely watching Washington's model to potentially implement similar programs.

AI Being Used to Bolster Medi-Cal Reenrollment

Artificial intelligence (AI) has already been gaining prominence and widespread adoption in delivering health care. Now, it is even being employed by some Medi-Cal managed care plans, such as Kern Family Health Care (KFHC), to assist current members with reenrollment. Under the One Big Beautiful Bill Act (OBBBA) signed into law by President Trump last summer, Medicaid reenrollment must, in most cases, be performed every 6 months. Using AI to assist in this process can significantly reduce overhead costs for plans such as KFHC while helping members complete renewals, though critics have expressed concerns about labor displacement,

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Baltimore Deploying Mobile Mental Health Teams Rather Than Police When Responding to Individuals Experiencing a Mental Crisis

Baltimore is expanding its mobile crisis teams, which divert certain 911 calls from police, emergency medical services (EMS), or other traditional first responders to mental health professionals when the circumstances suggest that a clinical response is more appropriate. A study published last year found that people experiencing a mental health crisis achieve a more favorable outcome when they are met with appropriate intervention instead of perceived punitive action. The Baltimore mobile crisis teams try to determine what individuals in crisis need and then connect them to appropriate resources rather than arresting them, in contrast to what typically occurs when police respond.

CMS Releases Proposed 2027 MPFS with Rural Updates

On July 14, the Centers for Medicare & Medicaid Services (CMS) published its Fact Sheet summarizing its proposed Medicare Physician Fee Schedule (MPFS) for calendar year (CY) 2027. The proposed changes for Rural Health Clinics (RHCs) and Federally Qualified Health Centers (FQHCs) include expanding preventative services by recognizing Diabetes Self-Management Training (DSMT) and Medical Nutrition Therapy (MNT) as qualified under the RHC benefit. Under the proposed MPFS, these services would be covered at the all-inclusive rate as stand-alone billable visits, aligning RHC payment policies with FQHCs and physician offices, thereby expanding access in rural areas. The proposed MPFS would also provide that in-person visit requirements for mental health visits not apply to any services furnished through Dec. 31, 2027, in conformity with the Consolidated Appropriations Act, 2026.

HRSA-Funded Health Centers Achieve Record Year in 2025

On August 3, the Department of Health and Human Services (HHS) issued a press release, announcing that, in 2025, Health Resources and Services Administration (HRSA)-funded health centers served more than 32.7 million patients, a record breaking number in the program's 61-year history. The HRSA program's goals are to foster growth in rural community care along with increased preventative services, screenings, and management of chronic conditions, including hypertension and diabetes. The announcement also highlights more than $125 million invested through the Expanding Nutrition Services initiative, the role of health centers in workforce training, and the presentation of Community Health Quality Recognition badges to top-performing health centers.

CMS Releases Toolkit to Assist States in Protecting Integrity of Autism Care for Children

Earlier this month, CMS published a lengthy Applied Behavior Analysis toolkit to help state Medicaid and Children's Health Insurance Program (CHIP) agencies protect autistic children and maintain program integrity amid rapid spending growth and concerns over inconsistent clinical practices. The toolkit was developed using Medicaid data, peer reviewed literature, and stakeholder feedback. It provides practical strategies—such as setting prior authorization thresholds, tracking clinical outcomes, and establishing care duration limits—that will aid states in curtailing fraudulent schemes, preventing the overprescription of services driven by financial incentives, and ensuring that children receive individualized, evidence-based care.

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