# REVISED FINAL STATEMENT OF REASONS

CALIFORNIA CODE OF

REGULATIONS TITLE 22,

DIVISION 7

CHAPTER 8.4 Hospital Equity Measures

Reporting Program

(New Chapter to be Added)

Sections**:** 95300-95316

## I. UPDATE TO INITIAL STATEMENT OF REASONS

As authorized by Government Code Section 11346.9, subdivision (d), the Department of Health Care Access and Information (HCAI) hereby incorporates the Initial Statement of Reasons (ISOR) prepared in this matter. Unless specifically discussed otherwise below, the ISOR's stated bases for the necessity of the proposed regulations continue to apply to the regulations adopted.

HCAI adds the following sentence to the specific purpose of section 95300, subdivision (i) under section "V. Specific Purpose of Each Section": HCAI is adopting the statutory definition of the term "hospital" as stated in Health and Safety Code Section 127371 so that all applicable definitions are viewed and accessed in the same place; therefore, avoiding confusion and providing further clarity to the regulated community.

HCAI adds the following sentence to the specific purpose of section 95300, subdivision (f) under section "V. Specific Purpose of Each Section": Furthermore, this definition adopts parts of the "disparity" definition that was adopted from the Agency for Healthcare Research and Quality (AHRQ) (https://www.ahrq.gov/topics/disparities.html).

In response to public comments received during the public comment period and additional review, HCAI has made the following substantive changes to the proposed regulations text**:**

**Changes Made to Article 1: General § 95300. Definitions:**

Subsection (g) has been modified to include the term "written" before the term "document" to reflect the same statutory definition in Health and Safety Code Section 127371.

Subsection (k) has been modified to include the terms "the entity or system of entities

that comprise a hospital system" to further clarify the hospital system definition. The modification further defines the mentioned terms referenced in Health and Safety Code section 127371, subdivision (f), and re-stated in the first sentence of the regulatory definition, by making clear that a hospital system also includes a single corporation or entity that controls two or more hospitals and an integrated system as defined in Health and Safety Code Section 127371, subdivision (f).

Subsection (m) has been modified to include a revised version number and date for the "Measures Submission Guide" so that "Measures Submission Guide" means the Hospital Equity Report**:** Measures Submission Guide (version 1.2), dated March 10, 2025, and hereby incorporated by reference. The Measures Submission Guide is available on HCAI's website. HCAI deemed it necessary to add this language for specificity and clarification. HCAI modified the version number and date to specify the version of the Measures Submission Guide referred to in the regulations text and indicated that changes have been made to the document.

Subsection (n) has been modified after evaluating initial public comments (see Comment 26 below). HCAI added the term "Patient" to the "Patient Population" definition to avoid confusion and to clarify the term "Patient" also means all of the people served by a hospital and that patient and patient population refer to the same population. Furthermore, HCAI replaced the term "individuals" with the term "people" to reflect the same statutory definition in Health and Safety Code Section 127371.

**Changes Made to Article 2: Section 95303. Hospital Equity Report**

Subsection (a) has been modified to refer to the statute, Health and Safety Code Section 127373, subdivision (d), to make clear that the data and information included in the reports is to the extent information is available and disclosed in a manner that protects personal information of patients pursuant to the applicable laws. Furthermore, the terms "and hereby incorporated by reference" are added to properly incorporate the Data De-Identification Guidelines (DDG) document dated September 23, 2016, by reference.

Subsection (d) has been modified as well. Specifically, subsection (d)(7) now includes the terms "or revisions thereto pursuant to section 95308, subdivisions (e) and (f)" to specify the website that has the hospital's equity report should also include the revised version of the equity report, if any. Furthermore, subsection (d)(8)(D) is removed from the regulations to clarify that the Measures Submission Guide is the methodology that hospitals will follow when preparing their equity reports. As stated in subsection (c), information included in the report is "to the extent data is available and consistent with the DDG." In cases where hospitals cannot follow the Measures Submission Guide, they may select "suppressed" or leave the field blank depending on the reason for the inability to follow the Measures Submission Guide.

Subsection (e)(2)(F) has also been modified. To align with the exact AHRQ measure name, the term "Uncomplicated" has been added to the end of "CMQCC Vaginal Birth After Cesarean (VBAC) Rate".

**Changes Made to Article 2: Section 95304. Hospital System Equity Report**

Subsection (b)(9)(D) is removed from the regulations to clarify that the Measures Submission Guide is the methodology that hospital systems will follow when preparing their equity reports. As stated in subsection (b)(8) information included in the report is "to the extent data is available and consistent with the DDG." In cases where hospital systems cannot follow the Measures Submission Guide, they may select "suppressed" or leave the category blank depending on the reason for the inability to follow the Measures Submission Guide.

Subsection (d) has been modified to include the terms "or revisions thereto pursuant to section 95308, subdivisions (e) and (f)" to specify the website that has the hospital system's previously submitted equity report should include the revised version of the equity report, if any.

**Changes Made to Article 2: Section 95308. Method of Submission:**

Subsection (b)(1) has been modified to include a revised version number and date for the HCAI's "Format and File Specifications for Submission of the Equity Report (Version 1.2) dated March 10, 2025" with which submitted report files must comply. These modifications reflect changes necessary to align the Format and File Specifications of the Equity Report with updates made to the Measures Submission Guide, ensuring consistency across both documents. HCAI deemed it necessary to add this language for specificity and clarification.

Subsection (e) has been added. The text of the proposed regulations, as originally noticed, did not include subsection (e) or clarification on a hospital or hospital system's ability to revise previously submitted reports as required under section 95303 and 95304 for up to 120 days after the due date specified in section 95306, subdivision (b). HCAI deemed it necessary to add this direction for specificity and clarification. HCAI added language to clarify a hospital or hospital system's ability to revise a previously submitted report, methods in which revisions shall be completed, and specified the due date for the submission of revisions. Furthermore, the subsection clarifies that revisions are not subject to a fine.

Subsection (f) has been added. The text of the proposed regulations, as originally noticed, did not include subsection (f) or any direction regarding when the online portal no longer accepts revisions and is closed for submissions. HCAI deemed it necessary to add this direction for specificity and clarification. HCAI added language to make it clear the Department's online portal for a report period will close 120 days after the original due date specified in section 95306, subdivision (b).

**Changes Made to Article 3: Section 95309. Fines for Late Filling of Reports**

Section 95309 no longer has subsections (a) and (b) as HCAI has combined both subsections into one section for clarity. Additionally, the language was amended to redact the following language "as specified in Section 95303." The language now makes it specific that hospitals will be fined if they fail to file a report by the due date. Lastly, HCAI

incorporated the language specifying the annual statutory maximum fine of $5,000.

Subsection (b) was redacted in its entirety. Language surrounding statutory maximum fines allowed, was added to subsection (a).

**Changes Made to Article 3: Section 95310. Fine Assessment**

Subsection (a) was amended to redact the following language “required by Section 95303.” This redaction makes it clear to hospitals that they will be fined if their report is filed after the due date as specified in Section 95306 and not based on the content they submit to the Department in their report.

**Changes Made to Article 3: Section 95312. Hearing Officer Contact Information:**

Subsection (b) has been modified. The text of the proposed regulations as originally noticed did not include the hearing officer’s email address for contact. HCAI deemed it necessary to add this direction for specificity and clarification. The email address was absent from the original text. The hearing officer's email address is now included in the language.

**Changes Made to Documents Incorporated by Reference:**

HCAI made the following changes to the Measures Submission Guide:

In the Introduction Section, “hospital systems” was added to clarify that they also have to submit an annual equity report.

In the Introduction Section and Stratification Section, language regarding submitting measures was modified to align with the regulatory language “to the extent data is available and consistent with the DDG”.

In the Table of Contents and the Core Quality Measures for General Acute Care Hospitals Section, “, Uncomplicated” has been added to the end of “CMQCC Vaginal Birth After Cesarean (VBAC) Rate” to align with the exact AHRQ measure name.

In the Stratification Section, language was added to align with regulatory requirements regarding how to enter report information that is missing or suppressed due to DDG.

The Health Equity Plan Section D is removed to clarify that the Measures Submission Guide is the methodology that hospitals will follow when preparing their equity reports. As stated in subsection (c), information included in the report is “to the extent the data is available and consistent with the DDG.”

HCAI made the following changes to the “Methodology for Calculating All Cause, Unplanned, 30-Day Hospital Readmission Rate, California Department of Health Care Access and Information”:

The revised and renamed reference document “Methodology for Calculating All Cause, Unplanned, 30-Day Hospital Readmission Rate, California Department of Health Care Access and Information” is located on the HCAI website at: https://hcai.ca.gov/wp-content/uploads/2024/10/HCAI-All-Cause-Readmission-Rate-Exclusions_ADA.pdf. This document provides more details on how to develop the readmission measures and is incorporated by reference because it is in a format that is cumbersome and impractical to publish the document in the California Code of Regulations. The “Methodology for Calculating All Cause, Unplanned, 30-Day Hospital Readmission Rate, California Department of Health Care Access and Information” is available on the HCAI website. This provision is necessary to provide clear technical guidance to hospitals and hospital systems in calculating the All Cause, Unplanned, 30-Day Hospital Readmission Rate, thereby avoiding confusion and errors that may lead to delay and/or non-compliance.

In the Summary of Inclusions/Exclusions for General Acute Care Hospital, the phrase “Psychiatric, substance abuse, long term, non-acute care, rehabilitation and some specialty hospitals (e.g., cancer, and children’s hospitals)” has been removed from the exclusions. Instead, a specific list of hospitals excluded from General Acute Care Hospitals has been added for clarity: Acute Psychiatric Hospitals, Chemical Dependency Recovery Hospitals, Psychiatric Health Facilities, Children’s Hospitals.

In the Summary of Inclusions/Exclusions for Children’s Hospitals, the phrase “Psychiatric, substance abuse, long term, non-acute care, rehabilitation and some specialty hospitals (e.g., cancer, and children’s hospitals)” has been removed, as the exclusion applies specifically to children’s hospitals.

In the Summary of Inclusions/Exclusions for Acute Psychiatric Hospitals, the phrase “Long-term, non-acute care, rehabilitation and some specialty hospitals (e.g., cancer, and children’s hospitals)” has been removed, as the exclusions applies specifically to acute psychiatric hospitals.

The language “This measure excludes index admissions for patients:” has been added to clarify patient exclusions across all hospital types.

Under “This measure excludes index admissions for patients:”, “Discharged against medical advice” has been added to the exclusion to align with CMS criteria across all hospital types.

Under “This measure excludes index admissions for patients:”, The term “a calendar year” has been added to clarify the timeframe in the exclusions across all hospital types.

Under “This measure excludes index admissions for patients:”, The word “Discharges” has been changed to “Discharged” for consistency in the exclusions across all hospital types.

Under “This measure excludes index admissions for patients:”, the phrase “an apparently” has been removed from “Discharges with an apparently high volume of readmission (10 or more visits in the year)”.

Under “This measure excludes index admissions for patients:”, “Admissions for patients to” has been revised to “Admitted for” to improve conciseness across all hospital types.

Under “This measure excludes index admissions for patients:”, “disease” has been changed to “diagnoses” in “Admissions for primary psychiatric disease” to improve clarity across all hospital types.

Under “This measure excludes index admissions for patients:”, the phrase “care; fitting of prostheses and adjustment devices” has been removed from “Admissions for “rehabilitation care; fitting of prostheses and adjustment devices” to improve conciseness across all hospital types.

## II. LOCAL MANDATE DETERMINATION

The proposed regulations do not impose a mandate on local agencies or school districts.

## III. SUMMARY AND RESPONSE TO COMMENTS RECEIVED DURING 45-DAY COMMENT PERIOD.

The following organizations submitted written comments on the proposed regulations during the public comment period from June 28, 2024 to August 13, 2024**:**

California Association of Public Hospitals and Health Systems
California Children’s Hospital Association
California Hospital Association
Cedars-Sinai Medical Center
Cottage Health
Los Angeles County Department of Health Services
Los Angeles County Department of Public Health
Zuckerberg San Francisco General Hospital and Trauma Center
Scripps Health

**California Association of Public Hospitals and Health Systems California, Children’s Hospital Association, and California Hospital Association:** Comments 1 to 26 were submitted by Trina Gonzalez on behalf of California Association of Public Hospitals and Health Systems, California Children’s Hospital Association, California Hospital Association, Cedars-Sinai, and Scripps Health.

**Comment 1:** The commenter recommends delaying or phasing in the Hospital Equity Measures Reporting Program, aligning with some federal and national efforts by removing some selected measures, and providing standard benchmarks/reference points for hospitals.
**Response:** HCAI disagrees, and no change has been made in response to this comment. HCAI and the Hospital Equity Measures Advisory Committee (HEMAC) understand that some hospitals will not have collected all measure information. Per statute, data and information shall be reported to the extent information is available.

**Comment 2:** The commenter requests HCAI phase in the Hospital Equity Measures Reporting Program by reducing the required measures in the first year. The current measures and stratifications will be challenging for hospitals, especially rural, critical access and district hospitals.
**Response**: HCAI disagrees, and no change has been made in response to this comment. HCAI and HEMAC have evaluated this issue. Hospitals are required to report to the extent the information is available.

**Comment 3:** The commenter recommends HCAI provide additional clarification on stratification categories that are not currently required by federal or national agencies.
**Response:** HCAI disagrees, and no change has been made in response to this comment. Comment does not request or justify a regulatory change. The stratification groups have been developed based on HCAI's review of current national standards and data collection processes and in consultation with the HEMAC.

**Comment 4:** The commenter states that implementing the proposed regulations will require additional resources, costs, and take time. They emphasize that hospitals will need to take a patient-centered approach and to do this will take time and resources. Compliance with reporting requirements may pose challenges for hospitals.
**Response**: While any reporting takes staff resources this is required reporting under the law so no change has been made in response to this comment. Per statute, hospitals' health equity plan shall address performance across priority areas including person-centered care.

**Comment 5:** The commenter suggests establishing common reference points across the measures and that HCAI should use national performance medians for each group. They express concern that the best-performing group might represent a smaller population within a hospital and suggest instead using the largest stratification category as the reference based on a statewide analysis of distribution.
**Response:** HCAI disagrees, and no change has been made in response to this comment. HCAI and HEMAC have evaluated this issue and determined that using the best performing group allows hospitals to make comparisons based on their hospital patient population and promotes action based on local context and needs. The selected methodology was deemed appropriate for the initial implementation and goals of the Hospital Equity Measures Reporting Program.

**Comment 6:** The commenter suggests HCAI include significance thresholds to ensure data reliability and validity. They recommend HCAI set minimum volume thresholds separate from California Health and Human Services (CalHHS) Data De-Identification Guidelines (DDG) for both quality measures and stratification categories and align with other state guidance.
**Response:** HCAI disagrees, and no change has been made in response to this comment. HCAI will not set a minimum volume threshold. CalHHS DDG is sufficient for calculations that are based on each hospital's patient population. HCAI technical assistance and the Measures Submission Guide will help hospitals to ensure data reliability and validity.

**Comment 7:** The commenter requests HCAI provide a detailed guidance template for system level reports like the one provided for the hospital level report.
**Response:** HCAI accepts this request and made changes to the file specifications to include system level reports.

**Comment 8:** The commenter states that American Sign Language was omitted from the stratification categories in the Measures Submission Guide.
**Response:** HCAI disagrees, and no change has been made in response to this comment. American Sign Language has not been omitted. It is included under the stratification group "Preferred Language Spoken".

**Comment 9:** The commenter states that even though the specifications for the California Maternal Quality Care Collaborative (CMQCC) Nulliparous, Term, Singleton, Vertex (NTSV) Cesarean Birth Rate require the rate to be reported as a proportion, it is usually reported as a percentage. They suggest changing the rate to a percentage.
**Response:** HCAI disagrees, and no change has been made in response to this comment. The measure adheres to the definitions provided by CMQCC. Hospitals may convert proportions to percentages for their own use.

**Comment 10:** The commenter recommends aligning the terminology with the Office of Management and Budget 2024 Standards for Race and/or Ethnicity.
**Response:** HCAI accepts this request and made changes to the Measure Submission Guide and/or file specifications.

**Comment 11:** The commenter requests clarification on whether the age stratification refers to age at admission or at discharge and recommends using age at discharge. They also seek clarification on categorizing Missing/Unknown/ Invalid values and dual eligible individuals.
**Response:** HCAI accepts this request and made changes to the Measure Submission Guide and/or file specifications. HCAI will define age as age at discharge. Missing/ Unknown/ Invalid values should be reported as NA. The classification of dual-eligible individuals will align with the method used in the HCAI Patient-Level Utilization Data Reporting Program.

**Comment 12:** The commenter states that disability status is not available as defined in the discharge data and therefore not useful for the equity reports.
**Response:** HCAI disagrees, and no change has been made in response to this comment. Statute requires stratification by disability status. At some hospitals, disability status may be captured in data sources other than the discharge data. Hospitals are required to report to the extent the information is available.

**Comment 13:** The commenter requests the addition of a “No Behavioral Health Condition” group to the HCAI All-Cause Unplanned 30-Day Hospital Readmission Rate, stratified by behavioral health diagnosis measure.
**Response:** HCAI accepts this request and made changes to the Measure Submission Guide and/or file specifications by adding “No Behavioral Health Condition” group to the

HCAI All-Cause Unplanned 30-Day Hospital Readmission Rate, stratified by behavioral health diagnosis measure.

**Comment 14:** The commenter requests an option for hospital to report "patient declined to answer" due to the sensitive information and compliance requirements of the California Data Exchange Framework.
**Response:** HCAI disagrees, and no change has been made in response to this comment. "Declined to answer" is not a stratification category used to determine the top 10 disparities. HCAI aligns with the defined response categories from the data standards setting organizations. Hospitals may collect "patient declined to answer" and not report it as part of this program. Including a "patient declined to answer" answer may also result in data de-identification issues.

**Comment 15:** The commenter recommends HCAI forgo inclusion of Patient Safety Indicator**:** Death Among Surgical Inpatients with Serious Treatable Complications as an acute hospital core measure because CMS is replacing it with the 30-day Risk-Standardized Death Rate among Surgical Inpatients with Complications measure.
**Response:** HCAI disagrees, and no change has been made in response to this comment. HCAI will retain the current measure. Any future updates will be considered if CMS's revised measure is proven effective and aligns with the regulatory goals. Hospitals are required to report to the extent the information is available.

**Comment 16:** The commenter requests HCAI delay the inclusion of the HCAHPS survey questions 17 and 19 until 2026 due to changes occurring in the HCAHPS survey in 2025. They also comment that this measure is unavailable for acute psychiatric, rehabilitation, and critical access hospitals.
**Response:** HCAI disagrees, and no change has been made in response to this comment. HCAI and HEMAC evaluated this issue. Regulatory updates will be aligned with any modifications made by the measure custodian to ensure consistency. Hospitals are required to report to the extent the information is available.

**Comment 17:** The commenter notes Inpatient Quality Program participation is only required for general acute care hospitals so it would be an undue burden to calculate AHRQ Quality Indicator 20**:** Pneumonia Mortality Rate Core Measure for Acute Psychiatric Hospitals.
**Response:** HCAI disagrees, and no change has been made in response to this comment. HCAI and HEMAC are implementing the governing statute. Hospitals are required to report to the extent the information is available regardless of hospital type.

**Comment 18:** The commenter requests direction in categorizing dual eligible (expected payor type) individuals. They recommend including them in the Medicaid expected payor type group.
**Response:** HCAI accepts this request in part and made changes to the Measure Submission Guide and/or file specifications. HCAI will align the classification of dual eligible with the method used in the HCAI Patient-Level Utilization Data Reporting Program.

**Comment 19:** The commenter recommends the Health Equity Structural (HCHE) Measure be changed to the same 0–5-point HCHE score as adopted by CMS.
**Response:** HCAI accepts this recommendation and made changes to the Measure Submission Guide and/or file specifications.
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**Comment 20:** The commenter opposes the requirement to report social drivers of health (SDoH) intervention because of the added workload. They request HCAI remove the intervention component from the proposed measure and fully align with the CMS SDoH standard.
**Response:** HCAI disagrees, and no change has been made in response to this comment. HCAI and HEMAC evaluated this issue and determined it was important to include intervention in the measure. Hospitals are required to report to the extent the information is available.

**Comment 21:** The commenter states support of the two core quality measures for children's hospitals.
**Response:** HCAI appreciates this comment of support. No change has been made as the comment concurs with the proposed regulations.

**Comment 22:** The commenter requests HCAI delay compliance with the Hospital Equity Measures Reporting Program until 2026 for acute psychiatric hospitals. Acute psychiatric hospitals were ineligible for funding from the Federal Health Information Technology for Economic and Clinical Health Act to implement electronic health records systems.
**Response:** HCAI disagrees, and no change has been made in response to this comment. The statute does not include the requested exemption for acute psychiatric hospitals. Hospitals are required to report information to the extent information is available.

**Comment 23:** The commenter requests HCAI exempt acute psychiatric hospitals from reporting the two HCAHPS measures.
**Response:** HCAI disagrees, and no change made in response to this comment. The statute does not allow for exemptions for acute psychiatric hospitals. Hospitals are required to report information to the extent information is available.

**Comment 24:** The commenter requests HCAI exempt rehabilitation and long-term acute care hospitals from compliance with the Hospital Equity Measures Reporting Program.
**Response:** HCAI disagrees, and no change has been made in response to this comment. Statute does not allow for exemptions for rehabilitation and long-term acute care hospitals from compliance with the Hospital Equity Measures Reporting Program. The proposed regulations also allow for hospitals to submit a supplementary report with additional information if desired. HCAI technical assistance will be provided. Hospitals are required to report information to the extent information is available.

**Comment 25:** The commenter reiterates that the program must take a patient-centered approach and that asking patients for sensitive information can hinder the patient's care

experience.
**Response:** No change has been made in response to this comment. Comment does not request or justify a regulatory change. The measures reporting considers patient-centered principles while balancing the need for comprehensive data to support the program goal.

**Comment 26:** The commenter states in the definitions, the term “patient” is not defined. It is unclear whether inpatient and outpatient individuals should be included. To clarify, commenter recommends replacing “patients” with “patient population,” in regulations text, with updates to the Measures Submission Guide accordingly.
**Response:** HCAI accepts this recommendation and made a change to §95300(n). “Patient population” and “Patient” are both defined as “all of the people served by a hospital”.

**Cedars-Sinai Medical Center:** Comments 27 to 40 were submitted by Emma Cohen on behalf of Cedars-Sinai and CEO Thomas M. Priselac.

**Comment 27:** The commenter requests guidance on how to define and stratify Dual Eligible patients (patients eligible for both Medicaid and Medicare).
**Response:** HCAI accepts this request and made changes made to the Measure Submission Guide specifying how to categorize patients with dual eligibility. The classification of dual-eligible individuals will align with the method used in the HCAI Patient-Level Utilization Data Reporting Program.

**Comment 28:** The commenter requests definitions of each disability stratification and states that data collection varies across healthcare environments. They express concern about grouping “Self-Care” and “Independent Living” disabilities with the other listed disabilities (e.g., “Mobility”, “Cognition”) and ask HCAI to clarify how hospitals should report disability data when disability data is only collected for a subsection of the disabilities listed in the Measure Submission Guide.
**Response:** Changes made to Measure Submission Guide specifying how to report data when a subsection of data is missing or not collected.

**Comment 29:** The commenter states that the preferred language categories are not specific enough and requests a more granular level that includes**:** English Language, Spanish Language, African Languages, Asian/Pacific Islander Languages, European Languages, Latin American Languages, Middle Eastern Languages, Native American Languages, and Sign Languages.
**Response:** No change has been made in response to this comment. HCAI and HEMAC evaluated this issue. HCAI chose the language categories based on HCAI’s Preferred Languages Spoken in California Facilities visualization, an existing public data analysis performed using the HCAI Patient-Level Utilization Data. Requiring more granular level of preferred languages spoken may cause small cell issues for some hospitals.

**Comment 30:** The commenter requests removing the “Male-to-Female” and “Female-to-Male” components from the definition of “Transgender Female” and “Transgender Male” to align with accepted language standards by the Human Rights Campaign.
**Response:** HCAI disagrees, and no change has been made in response to this comment. The stratification category is based on national standards and was selected in consultation with the HEMAC. As a national standard, there were two available approaches that could have been followed – USCD version 2 or USCDI version 3. HCAI reviewed both v2 and v3 to determine which standard was most appropriate for this program. As a part of that analysis, it was determined that USCDI v3 will not go into effect until January 01, 2026, and this program needs to reference currently available standards. Additionally, USCDI v2 is currently required by the California Data Exchange Framework, supporting further alignment HCAI will continue to evaluate this area work with the Hospital Equity Measures Advisory Commission as a part of their 2027 recommendations, to make adjustments in future regulatory packages as necessary and as the national standards community further matures in this area of data collection.

**Comment 31:** The commenter requests guidance on developing and reporting the health equity plans.
**Response:** No change has been made in response to this comment. The health equity plan is an opportunity for hospitals to identify meaningful action items. HCAI technical assistance will be provided and guidance on the health equity plan is included in the Measures Submission Guide.

**Comment 32:** This commenter states that hospitals need more independence in identifying the top ten disparities to be redressed in the health equity plans. Hospitals shouldn’t be limited to the top ten disparities as determined by rate ratio without considering trends across patient populations, measure types, or institutional priorities. Secondly, they suggest HCAI decrease the number of disparities hospitals are required to address in the health equity plans to five for the first year and gradually increase to ten over time.
**Response:** HCAI disagrees, and no change has been made in response to this comment. HCAI and HEMAC have evaluated this issue and will not decrease the number of measures required in the first year of the program. The requirement for hospitals to identify their top ten widest disparities was set by statute. Health and Safety Code Section 127372, subdivision (d)(1), authorizes the advisory committee to specify measures for equity plans to achieve disparity reduction by identifying 10 widest disparities in health care quality as well as other considerations specified in the statute. HCAI technical assistance will be provided in addition to the guidance presented in the Measure Submission Guide. Hospitals are required to report to the extent information is available.

**Comment 33:** The commenter requests HCAI provide guidance, definitions, and more specification regarding the priority areas.
**Response:** No change has been made in response to this comment. HCAI has determined that hospitals should interpret the priority areas, definitions, core constructs, and performance metrics. HCAI technical assistance will be provided.

**Comment 34:** The commenter believes HCAI should clarify whether hospitals are required to use the methodology outlined in the Measure Submission Guide, wherein the best performing group is the reference group, to identify disparities. They comment that using different methodologies will not allow comparisons across hospitals. Additionally, they suggest HCAI provide annual statewide or regional benchmarks.
**Response:** HCAI disagrees, and no change has been made in response to this comment. HCAI and HEMAC evaluated this and decided to use the best performing group as the reference group allowing hospitals to make comparisons based on their patient population and promote action based on local context and needs. The proposed regulations also allow for hospitals to submit a supplementary report with additional information if desired.

**Comment 35:** The commenter opposes the requirement to report SDoH selected intervention specifications because of the added documentation burden. They request HCAI remove the intervention component from the proposed measure and fully align with the Centers for Medicare and Medicaid Services (CMS) SDoH standards.
**Response:** HCAI disagrees, and no change has been made in response to this comment. HCAI determined that interventions at hospitals are important when addressing disparities.

**Comments 36 and 37:** This commenter requests HCAI delay the inclusion of the HCAHPS survey questions 17 and 19 until 2026 due to changes occurring in the HCAHPS survey in 2025.
**Response:** HCAI disagrees, and no change has been made in response to this comment. HCAI and HEMAC evaluated this issue. Regulatory updates will be aligned with any modifications made by the measure custodian to ensure consistency. Hospitals are required to report to the extent information is available.

**Comment 38:** This commenter requests HCAI change the Agency for Healthcare Research and Quality (AHRQ) Patient Safety Indicator**:** Death Rate among Surgical Inpatients with Serious Treatable Conditions to the 30-Day Risk-Standardized Death Rate among Surgical Inpatients with Complication to align with CMS's decision to change the measure.
**Response:** No change has been made in response to this comment. HCAI will retain the current measure. Any future updates will be considered if CMS's revised measure is proven effective and aligns with the regulatory goals. Hospitals are required to report to the extent information is available.

**Comment 39:** The commenter opposes the inclusion of the Exclusive Breast Milk Feeding measure, noting that it does not consider clinical exceptions to breastfeeding or the birthing parent's choice to formula feed. They request the measure be removed.
**Response:** No change has been made in response to this comment. While HCAI acknowledges the commenter's concern, the measure remains valuable for promoting best practice in maternal and infant health. The measure is intended to encourage breastfeeding as a standard of care. Hospitals are required to report to the extent information is available.

**Comment 40:** The commenter requests clarification on the HCAI All-Cause Unplanned 30-Day Hospital Readmission Rate, stratified by behavioral health diagnosis clarifying that the measure is “All-Cause” and not due to primary behavioral health concern.
**Response:** HCAI disagrees, and no change has been made in response to this comment. The referenced readmission document clarifies that the HCAI All-Cause Unplanned 30-Day Hospital Readmission Rate, stratified by behavioral health diagnosis is “All-Cause.”

**Cottage Health:** Comments 41 to 46 were submitted by Emma Friesen on behalf of Cottage Health.

**Comment 41:** The commenter asks about the expectation when a data source does not capture all stratifications and the threshold for blank values.
**Response:** No change has been made in response to this comment. The comment does not request or justify a regulatory change. Hospitals are required to report to the extent information is available. There is no threshold for blank values.

**Comment 42:** The commenter asks about reporting stratified data for the Hospital Consumer Assessment of Health Care Providers and Systems (HCAHPS) questions 17 and 19. Responders to the HCAHPS survey have the option to withhold their patient details from the facility, which limits the facility’s ability to stratify this data. The commenter also raises concerns about whether this limitation may skew the data and asks if “non-available fields” should be left blank.
**Response:** HCAI disagrees, and no change has been made in response to this comment. Data that is not available for any reason should be entered as blank. Hospitals are required to report to the extent information is available.

**Comment 43:** The commenter asks whether cell size is an issue for calculating the rate ratio for identifying disparities and creating a health equity plan and if there is a minimum sample size requirement. The commenter notes some stratified populations are small, making comparisons with larger stratification groups challenging.
**Response:** Comment does not request or justify a regulatory change. HCAI and HEMAC evaluated this issue. HCAI will not be establishing a sample size minimum. Hospitals are not required to calculate statistical significance but can include additional information regarding cell size issues in their equity plan.

**Comment 44:** The commenter states that the health equity plan portion of the report, which requires descriptions of up to 5,000 characters, lacks sufficient detail. They also request more specific definitions for the priority areas.
**Response:** HCAI disagrees, and no change has been made in response to this comment. Priority areas and definitions for the health equity plan are up to each hospital. Open text fields allow each hospital to provide supplemental information, additional context, and descriptions of their equity plan. Priority areas and definitions are up to each hospital. HCAI technical assistance will be provided.

**Comment 45:** The commenter states that open text fields for data collection are troublesome and questions how the data collected will be utilized and reviewed. They

also question the type of comparisons that can be made between hospitals when using an open text field.
**Response:** Comment does not request or justify a regulatory change. HCAI is requesting quantitative data for each required measure, with open text fields that provide supplemental information, additional context, and descriptions of their equity plan. The open text fields are not intended for comparisons across hospitals but rather to allow hospitals to address disparities within their own populations. All submitted information will be published to the HCAI and hospital websites.

**Comment 46:** The commenter asks for clarification on whether the hospital-wide readmissions measures for general acute care hospitals include delivery and birth visits, as well as definitions for the other exclusions.
**Response:** HCAI appreciates and accepts this comment. HCAI revised the "Methodology for Calculating All Cause, Unplanned, 30-Day Hospital Readmission Rate, California Department of Health Care Access and Information" documentation in response to this comment.

**Los Angeles County Department of Health Services:** Comment 47 was submitted by Belinda Waltman on behalf of Los Angeles County Department of Health Services.

**Comment 47:** The commenter states they would be unable to stratify by disability because their health system does not currently have a process to collect disability status.
**Response:** No change has been made in response to this comment. HCAI and HEMAC have evaluated this issue. Hospitals are required to report to the extent information is available.

**Los Angeles County Department of Public Health:** Comments 48 to 49 were submitted by Jake Campbell on behalf Los Angeles County Department of Public Health.

**Comment 48:** The commenter notes the version of the CalHHS DDG on the HCAI website is the version from 2016 and references a version 2.2 available on the Department of Health Care Services website.
**Response:** No change has been made in response to this comment. The CalHHS DDG from 2016 is the current version. These regulations will be updated when new versions of documents are published.

**Comment 49:** The commenter recommends a language change in the regulations to specify that data submitted should be consistent with the most recent version of the CalHHS DDG. This will allow hospitals to use the most recent version of the CalHHS DDG when they are updated.
**Response:** HCAI disagrees, and no change has been made in response to this comment. Regulations must reference a specific version of a document. These regulations will be updated when new versions of documents are published.

**San Francisco Department of Public Health on behalf of Zuckerberg San Francisco General Hospital and Trauma Center:** Comments 50 to 51 were submitted by Rafaella Okun at San Francisco Department of Public Health on behalf of Zuckerberg San Francisco General Hospital and Trauma Center.

**Comment 50:** The commenter is concerned that the categories for the stratifications that they currently collect data for do not match with the descriptions of the stratification requirements of the Hospital Equity Measures Reporting Program.
**Response:** No change has been made in response to this comment. Statute requires stratification of quality measures. HCAI evaluated and selected stratification categories based on national standards, existing patient-level utilization (discharge) categories, and other resources. Hospitals are required to report to the extent information is available.

**Comment 51:** Commenter wants to know if there are any other potential consequences to hospitals not meeting the mandate or reporting requirements other than the $5,000 fine.
**Response:** No change has been made in response to this comment. Comment does not request or justify a regulatory change. If hospitals submit data to the extent that they have available, they will not accrue any additional fines or quantifiable consequences beyond the $5,000 for non-compliance. Although there is not a recommended timeline, HCAI recognizes that some hospitals may not be able to collect all of the necessary data for the first reporting year. HCAI encourages hospitals to adopt the stratifications listed in the Measures Submission Guide for future reporting years.

**Miscellaneous Comments**

## IV. SUMMARY AND RESPONSE TO COMMENTS RECEIVED DURING 15-DAY COMMENT PERIOD.

After reviewing comments received during the initial comment period, HCAI made modifications to the text of the proposed regulations and conducted a 15-day comment period. The modified text was made available to the public for comment from October 14, 2024 to October 29, 2024.

The following organizations submitted written comments on the modified text of the proposed regulations during the 15-day public comment period:

California Hospital Association
Children's Hospital Los Angeles
Providence: Northern California
San Francisco Department of Public Health
SEIU California State Council
Stanford Medicine Children's Health

**California Hospital Association:** Comments 1 to 6 were submitted by Trina Gonzalez on behalf of California Hospital Association.

**Comment 1:** The commenter states that Hospitals will only have access to their data for reporting on the HCAI All Cause, Unplanned, 30-Day Hospital Readmission Rate. They request HCAI clarify in the regulations.
**Response:** No change made in response to this comment. It is best practice for hospitals to follow-up with their patients after discharge. Furthermore, hospitals are only required to report to the extent information is available. HCAI will provide technical assistance to hospitals.

**Comment 2:** The commenter requests HCAI add "Discharge against medical advice (AMA) and "Hospice or hospice general inpatient level of care (GIP)" to the list of exclusions that are typically excluded from the CMS readmission measures. They also request more specificity in the definition "specialty hospitals" the rationale behind some of the exclusions.
**Response:** Changes made in response to this comment. Hospitals should follow the exclusions and planned procedure codes to provide consistency in the data reported. The "Methodology for Calculating All Cause, Unplanned, 30-Day Hospital Readmission Rate, California Department of Health Care Access and Information" was modified to align with the CMS readmissions measure and now excludes patients discharged against medical advice. CMS does not exclude hospice patients. Excluded hospitals have also been clarified. HCAI has taken out the terms "Specialty hospitals" and has instead listed all excluded hospitals in response to this comment.

**Comment 3:** The commenter states that instructions for the three structural measures based on The Joint Commission's R3 Report, require hospitals to code 1 if "yes" and 0 if "no". They want clarification on reporting responses to questions that are not yes/no questions.
**Response:** HCAI disagrees, and no change has been made in response to this comment. Joint Commission R3 responses are not coded yes or no.

**Comment 4:** The commenter requests clarification on reporting data for stratification groups that are not currently in their hospital discharge data.
**Response:** HCAI disagrees, and no change has been made in response to this comment. Appropriate language that addresses this issue exists in the Measure Submission Guide.

**Comment 5:** The commenter requests that HCAI provides an excel spreadsheet template for the system level reports.
**Response:** No change has been made in response to this comment. An Excel template will be made available on the HCAI website. However, for the purpose of submitting regulations to the Office of Administrative Law, it is currently available as a PDF.

**Comment 6:** The commenter requests that HCAI exempts federally certified long-term acute care hospitals (LTCHs) and inpatient rehabilitation facilities (IRFs) from compliance with the Hospital Equity Measures Reporting Program.
**Response:** HCAI disagrees, and no change has been made in response to this comment. Statute does not allow for exemptions of LTCHs and IRFs from complying

with the Hospital Equity Measures Reporting Program. Hospitals are required to report to the extent information is available.

**Children's Hospital Los Angeles:** Comments 7 to 9 were submitted by Marisa Glucoft on behalf of Children's Hospital Los Angeles.

**Comment 7:** The commenter requests HCAI clarify the International Classification of Diseases (ICD-10) exclusion codes in the "Methodology for Calculating HCAI All-Cause Unplanned Readmissions" document.
**Response:** HCAI disagrees, and no change has been made in response to this comment. The Clinical Classifications Software and ICD-10 codes for exclusion are included in the "Methodology for Calculating HCAI All-Cause Unplanned Readmissions" document. Comment does not request or justify a regulatory change.

**Comment 8:** The commenter expresses concerns about data reliability due to language in section 95301.B which allows hospitals and hospital systems to determine how to stratify the core quality measures.
**Response:** No change has been made in response to this comment. The data reported from the Hospital Equity Measures Reporting Program is not intended for the purpose of making comparisons across hospitals but rather to allow hospitals to address disparities within their own patient populations.

**Comment 9:** The commenter seeks clarification on what hospitals should report for performance across priority areas. This commenter is concerned that without additional guidance, that each hospital's health equity report will look different.
**Response:** HCAI disagrees, and no change has been made in response to this comment. HCAI has determined that hospitals should interpret the priority areas, definitions, core constructs, and performance metrics. Statute acknowledges that each hospital's equity report could be different due to differences in the hospital's top ten disparities and the health equity plan they create to address disparities.

**Providence: Northern California:** Comments 10 to 12 were submitted by Colton Stadtmiller and Kenya Beckmann on behalf of Providence Northern CA.

**Comment 10:** The commenter requests additional guidance or clarification on collecting data for the stratification groups since the current data is not collected by the stated stratification groups.
**Response:** No change has been made in response to this comment. The Measure Submission Guide provides guidance on how to report data for the selected measures. HCAI will also provide technical assistance to hospitals. Hospitals are required to report to the extent information is available.

**Comment 11:** The commenter requests clarifying language on stratifying rate ratio by CalHHS DDG.
**Response:** No change has been made in response to this comment. Clarification was added to the Measure Submission Guide during the 45-day comment period that rate ratio will be calculated after applying CalHHS DDG. Published data needs to adhere to

CalHHS DDG.

**Comment 12:** The commenter remarks that additional clarifying guidance will be necessary for collecting data.
**Response:** HCAI disagrees, and no change has been made in response to this comment. HCAI and HEMAC have evaluated this issue. Hospitals are required are required to report to the extent information is available.

**San Francisco Department of Public Health:** Comment 13 was submitted by Rafaella Okun on behalf of San Francisco Department of Public Health.

**Comment 13:** The commenter requests clarification on the definition for “patient receiving an intervention".
**Response:** HCAI disagrees, and no change has been made in response to this comment. Hospitals determine what qualifies as an intervention.

**SEIU California State Council:** Comment 14 was submitted by Matt Lege and Joan Allen on behalf of SEIU California State Council.

**Comment 14:** The commenter requests HCAI make the reports available to the public instead of waiting until after the 120-day revision window.
**Response:** HCAI disagrees, and no change has been made in response to this comment. In order to allow sufficient time for data quality checks, verification that reports have been properly de-identified, and report revisions, a 120-day revision window was deemed necessary.

**Standford Medicine Children's Health:** Comments 15 to 17 were submitted by Madeline Ramos on behalf of Standford Medicine Children's Health.

**Comment 15:** The commenter asks whether children’s hospitals are responsible for reporting the Core Quality Measures for General Acute Care Hospitals.
**Response:** No change has been made in response to this comment. This comment does not require or ask for a regulatory change. Children’s hospitals are required to report the measures listed under children's hospitals.

**Comment 16:** The commenter requests clarification on reporting data that is not being collected.
**Response:** No change has been made in response to this comment. Appropriate language regarding this issue exists in the Measure Submission Guide.

**Comment 17:** The commenter requests clarification on children’s hospitals reporting the CMS Screening for Social Drivers of Health. The commenter questions whether the age cutoff applies for children’s hospitals.
**Response:** HCAI disagrees, and no change has been made in response to this comment. The measure specifications state an age cut off for hospitals to apply and they are required to report to the extent information is available.

## V. SUMMARY AND RESPONSE TO COMMENTS RECEIVED DURING SECOND 15-DAY COMMENT PERIOD.

The regulation package was originally submitted to the Office of Administrative Law (OAL) for review and approval on December 19, 2024. OAL reviewed the regulation package and suggested some changes to the proposed text for clarity. For this reason, HCAI requested a withdrawal of the regulations package and began a new 15-day public comment period. The modified text was made available to the public for comment from March 27, 2025, to April 11, 2025.

The following organizations submitted written comments on the modified text of the proposed regulations during the second 15-day public comment period**:**

San Francisco Department of Public Health
Hospital Quality Institute
San Mateo Medical Center
Stanford Medicine Children's Health
Mountain Communities Healthcare District
Community Health System
Alameda Health System
University of San Francisco Medical Center
Stanford Healthcare
Emanate Health Medical Center
Arrowhead Regional Medical Center
California Hospital Association
California Maternal Quality Care Collaborative
Shriners Hospital
Torrance Memorial Medical Center
Providence System Health Equity Team
Community Memorial Healthcare
Mayers Memorial Hospital
Stanford Health Care Tri-Valley
Keck Medicine of USC

**San Francisco Department of Public Health:** Comments 1 to 4 were submitted by Okun Rafaella on behalf of San Francisco Department of Public Health.

**Comment 1**: The commenter asks if there are any updates to the finalized regulations and the submission guide, including definitions of interventions.
**Response:** No change has been made in response to this comment as the comment is not related to any of the changes made during this 15-day notice period.

**Comment 2**: The commenter asks if it's expected that every hospital in California will submit the measures by September 30 of this year. They expressed concerns about the deadline for submitted the data.

**Response:** No change has been made in response to this comment as the comment is not related to any of the changes made during this 15-day notice period. Hospitals may request a 60-day extension as specified in section 95307.

**Comment 3:** The commenter asks if their two hospitals can submit a single hospital equity measures report and plan given one hospital has a small acute patient population. The data collected may not be representative.
**Response:** No change has been made in response to this comment as the comment is not related to any of the changes made during this 15-day notice period.

**Comment 4:** The commenter asks what type of technical assistance HCAI can provide for the first annual hospital equity reports.
**Response:** No change has been made in response to this comment as the comment is not related to any of the changes made during this 15-day notice period.

**Hospital Quality Institute:** Comments 5 to 6 were submitted by Carlix Lung on behalf of Hospital Quality Institute.

**Comment 5:** The commenter asks if there will be an Excel format available for the format and file specifications for submitting the hospital equity measures.
**Response:** No change has been made in response to this comment as the comment is not related to any of the changes made during this 15-day notice period.

**Comment 6:** The commenter requests clarification on whether "suppressed" should be used for the numerator and denominator values in compliance with the CalHHS DDG.
**Response:** No change has been made in response to this comment. The reporting system allows "suppressed" in addition to numerical values.

**San Mateo Medical Center:** Comment 7 was submitted by Lawrence Cualoping on behalf of San Mateo Medical Center.

**Comment 7:** The commenter asks if San Mateo Medical Center is exempt from AB 1204 reporting and fines since it's owned by the County of San Mateo, and if not exempt, it seeks guidance on reporting requirements, templates, measure creation, and submission process.
**Response:** No change has been made in response to this comment as the comment is not related to any of the changes made during this 15-day notice period.

**Stanford Medicine Children's Health:** Comments 8 to 12 were submitted by DaAsia Hamilton and Gail Nakahira on behalf of Stanford Medicine Children's Health.

**Comment 8:** The commenter requests instructions and the process for submitting the hospital equity measures through the Hospital Disclosures and Compliance (HDC) system.
**Response:** No change has been made in response to this comment as the comment is not related to any of the changes made during this 15-day notice period.

**Comment 9:** The commenter expresses concern about meeting the September 30, 2025 reporting deadline given the delay of finalizing the regulations and requests extending the deadline to November 14, 2025.
**Response:** No change has been made in response to this comment as the comment is not related to any of the changes made during this 15-day notice period. Hospitals may request a 60-day extension as specified in section 95307.

**Comment 10:** The commenter seeks clarification on the behavioral health diagnosis stratifications for the HCAI All-Cause Unplanned 30-Day Hospital Readmission Rate for children's hospitals.
**Response:** No change has been made in response to this comment as the comment is not related to any of the changes made during this 15-day notice period.

**Comment 11:** The commenter expresses concerns on removing the alternate methodology for identifying the top ten disparities, emphasizing the need for flexibility to account for stratified population sizes and prioritize impactful interventions; small denominators often disproportionately elevate certain groups to the top disparities and lead to inefficient resource allocation.
**Response:** No change has been made in response to this comment. The option for hospitals to provide an explanation of alternative methodology if the MSG was not used was removed. This ensures consistency and standardization across all reports, and allows hospitals to use similar methodology when identifying their top disparities. There is a lot of flexibility in the equity reports as hospitals may also include additional meaningful and actionable interventions in their health equity plans that address disparities relevant to the population they serve.

**Comment 12:** The commenter requests providing explanation on what is expected in performance across six priority areas (person-centered care, patient safety, social drivers of health, effective treatment, care coordination, and access), and the definition of "performance".
**Response:** No change has been made in response to this comment as the comment is not related to any of the changes made during this 15-day notice period.

**Mountain Communities Healthcare District:** Comment 13 was submitted by Scott Simpson on behalf of Mountain Communities Healthcare District.

**Comment 13:** The commenter expresses frustration over HEM reporting requirements and notes their EHR cannot generate reports for the SOGI data they attempt to collect.
**Response:** No change has been made in response to this comment as the comment is not related to any of the changes made during this 15-day notice period.

**Community Health System:** Comment 14 was submitted by Stephanie Holcomb on behalf of Community Health System.

**Comment 14:** The commenter notes their hospital has not documented the 2024 interventions for the CMS Screen Positive Rate for Social Drivers of Health requesting adequate time to develop proper data collection methods for interventions.

**Response:** No change has been made in response to this comment as the comment is not related to any of the changes made during this 15-day notice period.

**Alameda Health System:** Comment 15 was submitted by Bryan Toral on behalf of Alameda Health System.

**Comment 15:** The commenter asks to provide definition of "intervention" for the CMS Screen Positive Rate for Social Drivers of Health and Intervention.
**Response:** No change has been made in response to this comment as the comment is not related to any of the changes made during this 15-day notice period.

**University of San Francisco Medical Center:** Comments 16 to 19 were submitted by Curin Herman on behalf of University of San Francisco Medical Center.

**Comment 16:** The commenter asks about how to upload the HEM report.
**Response:** No change has been made in response to this comment as the comment is not related to any of the changes made during this 15-day notice period.

**Comment 17:** The commenter asks which hospitals are in their UCSF Health system as they are licensed separately and report separately for CMS.
**Response:** No change has been made in response to this comment as the comment is not related to any of the changes made during this 15-day notice period.

**Comment 18:** The commenter states that they submit data for UCSF Medical Center – San Francisco (Parnassus)/Mission Bay/Zion under the same CMS and TJC license and notes Health Quality Institute (HQI) guidance requiring duplicate reports for each hospital. They ask whether the $5,000 penalty applies to all three hospitals if they choose not to report, if it's assessed per HCAI ID, or whether a separate penalty applies for the system report.
**Response:** No change has been made in response to this comment as the comment is not related to any of the changes made during this 15-day notice period.

**Comment 19:** The commenter asks when the regulations are expected to be finalized.
**Response:** No change has been made in response to this comment as the comment is not related to any of the changes made during this 15-day notice period.

**Stanford Healthcare:** Comments 20 to 22 were submitted by Jennifer Meany and Jason Hill on behalf of Stanford Healthcare.

**Comment 20:** The commenter expresses concerns on the delay of finalizing the proposed regulations and September 30, 2025, deadline. They urge HCAI to delay the reporting deadline to November 14, 2025.
**Response:** No change has been made in response to this comment as the comment is not related to any of the changes made during this 15-day notice period. Hospitals may request a 60-day extension as specified in section 95307.

**Comment 21:** The commenter expresses concerns about removing the option to use

an alternate methodology to define the reference group. They note that using HCAI's methodology may not effectively highlight health disparities, particularly there is no meaningful interventions for "Other/Unknown" population. They also emphasize that "other" preferred language is different from "unknown" and should not be combined. The commenter suggests that hospitals should retain flexibility to assess their own data and identify the most actionable and impactful interventions for their patients.
**Response:** No change has been made in response to this comment. The option for hospitals to provide an explanation of alternative methodology if the MSG was not used was removed. This ensures consistency and standardization across all reports, and allows hospitals to use similar methodology when identifying their top disparities. There is a lot of flexibility in the equity reports as hospitals may also include additional meaningful and actionable interventions in their health equity plans that address disparities relevant to the population they serve. While HCAI acknowledges the differences between "Other" and "Unknown", combining these categories helps minimize small numbers related to DDG.

**Comment 22:** The commenter seeks clarity on the definition of "performance" and explanation of "performance across priority areas". The hospital finds no clear correlation between access to care and the quality measures being analyzed. They request further explanation on what is expected in the health equity plan section.
**Response:** No change has been made in response to this comment as the comment is not related to any of the changes made during this 15-day notice period.

**Emanate Health Medical Center:** Comment 23 was submitted by Diana Patterson on behalf of Emanate Health Medical Center.

**Comment 23:** The commenter asks if their organization comprised of two hospitals – Inter-Community Hospital and Queen of the Valley Hospital – need to submit a separate report for each hospital, or one health equity report which combines the data and plan for both hospitals. Both hospitals fall under the same CCN and report data to CMS as one entity.
**Response:** No change has been made in response to this comment as the comment is not related to any of the changes made during this 15-day notice period.

**Arrowhead Regional Medical Center:** Comment 24 was submitted by Yasmin Carrillo on behalf of Arrowhead Regional Medical Center.

**Comment 24:** The commenter requests an HCAI webpage outlining the data submission requirements and seeks clarification on the consequences of not submitting data to HCAI.
**Response:** No change has been made in response to this comment as the comment is not related to any of the changes made during this 15-day notice period.

**California Hospital Association:** Comments 25 to 26 were submitted by Trina Gonzalez on behalf of California Hospital Association.

**Comment 25:** The commenter states that adding a new stratification of "No Behavior

Health Diagnosis” and separating top ten disparities into numerator, denominator, and rate result in additional 190 more columns, therefore increasing reporting burden.
**Response:** No change has been made in response to this comment. Additional information is necessary for collecting the measures.

**Comment 26:** The commenter recommends HCAI clarify and update the Measures Submission Guide and file specifications to align with the final regulations.
**Response:** No change has been made in response to this comment. The Department interprets this comment to refer to the formatting changes such as the strikethroughs, double strikethroughs, double underlines, and italics and how they may be deemed as potentially confusing. The noticed MSG and file specifications documents, however, currently align with the regulations text.

**California Maternal Quality Care Collaborative:** Comments 27 to 35 were submitted by Melinda Kent and Britney Pheng on behalf of California Maternal Quality Care Collaborative.

**Comment 27:** The commenter asks how to report measures when data is available for less than 12 months. Examples include hospitals that closed or opened mid-year or were opened all year but did not complete data review.
**Response:** No change has been made in response to this comment as the comment is not related to any of the changes made during this 15-day notice period.

**Comment 28:** The commenter asks whether the system still report if one hospital is missing one month or more data. They also ask whether HCAI has a list of hospitals for each system.
**Response:** No change has been made in response to this comment. Hospitals and hospital systems are required to report the data from the beginning of the calendar year to the closure date to the extent it is available. Also, no change has been made in response to part of the comment regarding whether HCAI has a list of hospitals for each system as the comment is not related to any of the changes made during this 15-day notice period.

**Comment 29:** The commenter seeks to verify whether HCAI will use the Joint Commission National Quality Measures V2024B for the maternal measures before they proceed with development of these two new measures.
**Response:** No change has been made in response to this comment as the comment is not related to any of the changes made during this 15-day notice period.

**Comment 30:** The commenter asks whether HCAI has additional guidance in addition to suppress cells less than 11, as outlined in the DDG.
**Response:** No change has been made in response to this comment as the comment is not related to any of the changes made during this 15-day notice period.

**Comment 31:** The commenter notes that there is no “Other/Unknown” category for race/ethnicity, which may result in stratification tables not adding up to the overall rate. They suggest adding an Other/Unknown subcategory for race/ethnicity.

**Response:** No change has been made in response to this comment as the comment is not related to any of the changes made during this 15-day notice period.

**Comment 32:** The commenter asks if only one race/ethnicity subcategory (e.g., Multiracial and/or Multiethnic) is suppressed due to small cell size, would it be sufficient not to mask another subcategory, given that some patients fall into this hidden category, Other/Unknown?
**Response:** No change has been made in response to this comment as the comment is not related to any of the changes made during this 15-day notice period.

**Comment 33:** The commenter inquiries about how risk is assessed when the numerator is less than 11 and the denominator is less than 20,000, as well as how sex is considered for maternal measures, and how service geography is defined for hospital systems.
**Response:** No change has been made in response to this comment as the comment is not related to any of the changes made during this 15-day notice period.

**Comment 34:** The commenter seeks clarification on the exclusion of certain CCSR categories from substance use disorder included in the Massachusetts Center for Health Information and Analysis.
**Response:** No change has been made in response to this comment as the comment is not related to any of the changes made during this 15-day notice period.

**Comment 35:** The commenter asks if the best outcome for a rate must be suppressed, how should the rate ratios for the stratification category be calculated? Should the next best rate that is unsuppressed be used to calculate the remaining rate ratios?
**Response:** No change has been made in response to this comment as the comment is not related to any of the changes made during this 15-day notice period.

**Shriners Hospital:** Comment 36 was submitted by Craig Collum on behalf of Shriners Hospital.

**Comment 36:** The commenter asks HCAI to confirm if their hospital is required to submit a hospital equity measures report.
**Response:** No change has been made in response to this comment as the comment is not related to any of the changes made during this 15-day notice period.

**Torrance Memorial Medical Center:** Comments 37 and 38 were submitted by Kaylamarie Ronquillo and James Oka on behalf of Torrance Memorial Medical Center.

**Comment 37:** The commenter asks if they should follow ICD 10 codes and CCSR categories for behavioral health grouping or unplanned readmissions.
**Response:** No change has been made in response to this comment as the comment is not related to any of the changes made during this 15-day notice period.

**Comment 38:** The commenter asks whether a template is available on the HCAI website for hospitals to use.
**Response:** No change has been made in response to this comment as the comment is

not related to any of the changes made during this 15-day notice period.

**Providence System Health Equity Team:** Comment 39 was submitted by Christine M. Schaeffer on behalf of Providence System Health Equity Team.

**Comment 39:** The commenter requests that HCAI provide additional references or resources to clarify how performance across the six priority areas should be addressed, especially given the 5,000-word limit. They ask whether hospitals should describe their performance in these areas in general or focus specifically on how their performance relates to efforts to address identified health disparities.
**Response:** No change has been made in response to this comment as the comment is not related to any of the changes made during this 15-day notice period.

**Community Memorial Healthcare:** Comment 40 was submitted by Titinia Rogers on behalf of Community Memorial Healthcare.

**Comment 40:** The commenter asks whether the data are reported separately for inpatient, ambulatory surgery, and emergency department settings.
**Response:** No change has been made in response to this comment as the comment is not related to any of the changes made during this 15-day notice period.

**Mayers Memorial Hospital:** Comments 41 and 42 were submitted by Ed Lembcke and Travis Lakey on behalf of Mayers Memorial Hospital.

**Comment 41:** The commenter asks whether HCAI has a webpage that includes file specifications for reporting the measures.
**Response:** No change has been made in response to this comment. The Measures Submission Guide and Format and File Specification for Submission of the Hospital Equity Report, Version 1.2 (dated March 10, 2025) are available at Proposed Regulations: Hospital Equity Measures Reporting Program webpage.

**Comment 42:** The commenter asks whether the reports are due at the end of September for Calendar Year 2024.
**Response:** No change has been made in response to this comment as the comment is not related to any of the changes made during this 15-day notice period. Hospitals may request a 60-day extension as specified in section 95307.

**Keck Medicine of USC:** Comments 43 to 50 were submitted by Shannon Bradley on behalf of Keck Medicine of USC.

**Comment 43:** The commenter asks whether the categories “Other”, “Unknown”, and “Decline to State” are excluded from the race/ethnicity stratification. If these categories are excluded, the commenter requests clarification on how the corresponding data are handled. Additionally, the commenter asks whether HCAI will provide a race/ethnicity mapping aid.
**Response:** No change has been made in response to this comment as the comment is not related to any of the changes made during this 15-day notice period.

**Comment 44:** The commenter asks whether HCAI provides a defined set of disability codes that correspond to the disability status categories. For patients with multiple disabilities, the commenter requests clarification on how stratifications should be applied. The commenter also inquires whether an official resource or mapping guide is available to assist providers in validating disability status mapping.
**Response:** No change has been made in response to this comment as the comment is not related to any of the changes made during this 15-day notice period.

**Comment 45:** The commenter asks how changes in patient demographic characteristics over time – such as disability status, preferred language, and sexual orientation – should be handled. Additionally, the commenter requests guidance on how to consistently assign the most appropriate demographic characteristics for stratifications in cases where different attributes may be present within a single measure (e.g., differences between the index admission and eligible readmission in a readmission measure).
**Response:** No change has been made in response to this comment as the comment is not related to any of the changes made during this 15-day notice period.

**Comment 46:** The commenter asks HCAI to confirm the minimum threshold for the numerator and denominator used in the Health Equity reporting requirements referenced in the DDG. The commenter also requests clarifications on whether summary rates calculated from numerators and denominators that do not meet the minimum thresholds should be included in rate ratio calculations.
**Response:** No change has been made in response to this comment as the comment is not related to any of the changes made during this 15-day notice period.

**Comment 47:** The commenter asks whether hospitals can align the version of the AHRQ software with the data year used for calculating AHRQ measures. The commenter notes that this approach would promote consistency and relevancy in performance measurement and quality improvement efforts.
**Response:** No change has been made in response to this comment as the comment is not related to any of the changes made during this 15-day notice period.

**Comment 48:** The commenter asks whether hospitals can adopt the current year's CMS readmission measure specifications for reporting purposes, instead of applying a new or separate HCAI-defined readmission methodology.
**Response:** No change has been made in response to this comment. Hospitals are required to follow the readmission methodology as outlined in the MSG.

**Comment 49:** The commenter asks whether hospitals are expected to continue addressing the same disparities identified in the September 2025 reporting in subsequent years. For example, if the top 10 disparities by rate ratio differ between CY 2025 and CY 2026, the commenter seeks clarification on whether HCAI intends for providers to expand their focus to include new disparities each year, or if each annual report considered independent. The commentor notes that shifts in focus across such a significant number of measures will require considerable investment, and clarification on

this point will help ensure alignment in planning, resource allocation, and the long-term tracking and improvement of interventions.
**Response:** No change has been made in response to this comment as the comment is not related to any of the changes made during this 15-day notice period.

**Comment 50:** The commenter recommends extending the deadline for health disparity equity plan submissions to September 2026. This extension would provide hospitals with additional time to analyze the September 2025 data submission, gain a deeper understanding of disparities, and develop more meaningful and informed equity plans. Under this revised timeline, hospitals would collect and submit data in September 2025, followed by the development and submission of their equity plan aligned with the September 2026 reporting cycle.
**Response:** No change has been made in response to this comment as the comment is not related to any of the changes made during this 15-day notice period. Hospitals may request a 60-day extension as specified in section 95307.

**Miscellaneous Comments**

None were submitted.

## VI. ALTERNATIVES DETERMINATION

In accordance with Government Code section 11346.9, subdivision (a)(4), no reasonable alternatives have been identified by HCAI or have otherwise been identified and brought to its attention that would be more effective in carrying out the purpose for which the action is proposed, that would be as effective and less burdensome to affected private persons than the adopted regulation, or that would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

## VII. ADDITIONAL DETERMINATIONS

Pursuant to Government Code §11346.3(d), HCAI has determined that it is necessary for the health, safety, or welfare of the people of the state that these regulations apply to businesses.

## VIII. REQUEST FOR EFFECTIVE DATE ON FILING

HCAI requests that this regulatory proposal be made effective upon filing with the Secretary of State. This request is based on the following good cause.

The regulations are required to implement the Medical Equity Disclosures Act, enacted by Assembly Bill 1204 (Wicks, Chapter 751, Statutes of 2021), which mandates that hospitals and hospital systems file annual equity reports with HCAI. The first equity reports are due by September 30, 2025, and must include plans to prioritize and address disparities for vulnerable populations identified in the data.

These regulations provide necessary specificity regarding the various components of the Act to establish standardized reporting requirements for the Hospital Equity Measures Reporting Program. This ensures consistency and compliance across all hospitals and hospital systems, supporting the statutory intent of the Act.

For these reasons and to ensure hospitals and hospital systems have sufficient time to prepare their equity reports and to meet the statutory timeline, it is critical that these regulations become effective upon filing with the Secretary of State.