FINAL STATEMENT OF REASONS

CALIFORNIA CODE OF

REGULATIONS TITLE 22,

DIVISION 7

CHAPTER 8.4 Hospital Equity Measures

Reporting Program

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 basis for the necessity of the proposed regulations continue to apply to the regulations adopted.

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

Changes Made to Article 1: § 95300. Definitions
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 1.4), dated April 20, 2026.

Changes Made to Article 2: § 95304. Hospital System Equity Report
Subsection (b)(3), initially proposed to be renumbered as subsection (b)(2), has been removed from regulations in response to initial public comments. Upon review, it has been determined that hospital systems do not include a "Hospital system ID" as part of their Hospital System Equity Report. Instead, HCAI's reporting system generates these identifiers and associates them with the report within the reporting system's infrastructure.

Subsections (b)(4) through (b)(9), initially proposed to be renumbered as subsections (b)(3) through (b)(8), have been renumbered to subsections (b)(2) through (b)(7).

Changes Made to Article 2: § 95308. Method of Submission

Subsection (b)(1) has been modified to include a revised version number and data for the Format and File Specifications for Submission of the Equity Report, (version 1.4) dated April 20, 2026.

Changes Made to Documents Incorporated by Reference:

HCAI made the following substantive changes to the Measures Submission Guide:
On the cover page and in the Table of Contents, the version number was updated from "1.3" to "1.4", and the date was updated from "December 22, 2025" to "April 20, 2026," to reflect the revised version of the Measures Submission Guide referred to in the regulations text and to indicate that changes have been made to the document.

In the Report Submission section, the data element "Hospital system ID (to be generated by HCAI)" has been removed from the list of information that hospital systems shall include in their reports, and the remaining data elements have been renumbered accordingly. The Hospital HCAI ID data element has been clarified to indicate that the IDs are "auto-generated by HCAI reporting system," and the web address data element has been modified to include the phrase "if one is available," recognizing that not all hospital systems maintain a website. These modifications reflect changes necessary to align the Measures Submission Guide with updates made to the Format and File Specifications for Submission of the Hospital Equity Report, ensuring consistency across both documents.

In the Health Equity Plan section, the example table for the California Maternal Quality Care Collaborative (CMQCC) Vaginal Birth After Cesarean (VBAC) Rate has been updated to express the rate per 100 rather than per 1,000. The column header was updated from "VBAC Rate (Per 1,000)" to "VBAC Rate (Per 100)," and the corresponding rate values and rate ratio calculations in the table were updated to reflect the per-100 reporting unit. This modification aligns the example with the VBAC measures specifications, which are reported as a rate calculated per 100 deliveries.

In the Stratification section, the Stratification Table has been modified to clarify which non-maternal core quality measures each age stratification structure applies to. The Stratification Table specifies the core quality measures for general acute care hospitals and acute psychiatric hospitals that apply to patients ages 18 and older as detailed with age stratification structure.

HCAI made the following substantive changes to the Format and File Specification for Submission of the Hospital Equity Report:

- Update the "Data Description" fields in the "Field Specs Hospital System" tab to clarified that hospital system-level readmission reporting includes acute psychiatric hospitals and children's hospitals, in addition to general acute care hospitals, ensuring consistency with the instructions in the Measures Submission Guide.

- Removed the age-under-18 stratification rows from the two HCAHPS measures in the “Filed Specs GAC Hosp” and “Field Specs Acute Psych” tabs to align with the measure definitions in the Measures Submission Guide.
- Removed “Sys_ID” and “Sys_HCAI_ID” from the “Field Specs Hospital System” tab because the reporting portal will automatically generate the system ID and populate the HCAI ID.
- Revised System description field in the “Field Specs Hospital System” tab and increased Size field to 5,000 characters.
- Corrected “Data Description” fields to align with the meanings of “Data Element” fields for respondents whose sexual orientation is bisexual in the “Field Specs GAC Hosp” and “Field Specs Acute Psych” tabs.
- Corrected “Data Description” fields to align with the meanings of “Data Element” fields for patients whose preferred language is Middle Eastern language in the “Filed Specs GAC Hosp,” “Field Specs Children’s Hosp,” “Field Specs Acute Psych,” and “Field Specs Hospital System” tabs.
- Corrected “Data Element” fields to align with the meaning of “Label” field for HCAHPS question 17 responses where race and/or ethnicity is Asian in the “Filed Specs GAC Hosp” and “Field Specs Acute Psych” tabs.
- Added the term “Percentage” to the “Data Element” fields for Joint Commission Accreditation Other Languages in the “Filed Specs GAC Hosp,” “Field Specs Children’s Hosp,” “Field Specs Acute Psych,” and “Field Specs Hospital System” tabs.
- Changed the term “rate” to “total” in “Data Element” fields for accuracy regarding HCAHPS question 17 total responses where sex assigned at birth is female in the “Filed Specs GAC Hosp,” “Field Specs Acute Psych,” and “Field Specs Hospital System” tabs.
- Changed the term “percent” to “rate” in “Data Element” fields for accuracy regarding HCAHPS question 17 rate of “Yes” responses where sex assigned at birth is female in the “Filed Specs GAC Hosp,” “Field Specs Acute Psych,” and “Field Specs Hospital System” tabs.

In addition to the above substantive changes, HCAI made non-substantive changes to improve consistency and accuracy. These changes include adding “per 1,000” after rates in the “Gen Info Instructions” tab for clarity, standardizing the term “SDoH” to “SDOH,” inserting the missing slash in “Asian/Pacific Islander,” correcting the capitalization of “Middle Eastern,” replacing “cognitive” with “cognition” in disability stratification descriptors, and adding or removing “Unknown” in specific stratification descriptions. Under the “Field Specs Hospital System” tab, HCAI also corrected the following typographical errors in the “Label” column to accurately reflect content in the “Data Element” and “Data Description” columns:

- Add “_Age_18_34” to cell A92;
- Change “num” to “rate” and “gte40” to “30_39” in cell A832;
- Change denom” to “num” in cell A833; and
- Change “rate” to “denom” in cell A834.

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 February 20, 2026, to April 7, 2026**:**

California Hospital Association (CHA)
California Maternal Quality Care Collaborative (CMQCC)
Dexur partnered with Hospital Association of Southern California
Providence South Division

California Hospital Association: Comments 1 to 9 were submitted by Trina Gonzalez on behalf of California Hospital Association.

Comment 1: The commenter notes that the Age <18 stratification group is clinically inapplicable to most Hospital Equity Measures – including Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS), the All-Cause Unplanned 30-Day Readmission measures, and the APH SUB-3 measure – because patients under 18 are already excluded by the underlying measure specifications. The commenter recommends HCAI resolve the inconsistency created by either (1) removing age <18 group from all clinically inapplicable measures while retaining it for the Screening for Metabolic Disorder (SMD) measure, or (2) restoring Age <18 universally across all measures to preserve a consistent age stratification structure.
Response: HCAI accepts this request and made changes to the Stratification Table in the Measures Submission Guide and Format and File Specifications for Submission of the Equity Report by removing the age-under-18 stratification rows from the two HCAHPS measures.

Comment 2: The commenter notes that the Format and File Specifications for Submission of the Equity Report use “SDoH” (mixed case) in screened numerator and denominator variable names, while all other variable names across all four report types use “SDOH” (all caps). The commenter recommends HCAI standardize into a single acronym form, preferably “SDOH” (all caps), to eliminate ambiguity and avoid submission errors.
Response: HCAI accepts this request and made changes in Format and File Specification for Submission of the Hospital Equity Report to standardize all references to “SDOH.”

Comment 3: The commenter states that the System Report data specifications describe readmissions as “admissions to any acute care hospitals” and requests written clarification as to whether acute psychiatric hospitals (APHs) and children’s hospitals

are included in the readmission scope for System Reports, in addition to general acute care (GAC) hospitals.
Response: HCAI accepts this request and made changes to the Format and File Specifications for Submission of the Equity Report to clarify that the readmission scope for hospital system equity reports includes acute psychiatric and children's hospitals in addition to general acute care hospitals.

Comment 4: The commenter states that the data description in row 238 of the System Report file specifications does not accurately reflect the current field definition and requests that HCAI review and correct the description prior to final adoption, given that the file specifications are incorporated by reference into the regulations.
Response: HCAI has corrected the data descriptions in the corresponding rows of the GAC and APH tabs in the Format and File Specifications for Submission of the Equity Report. No changes to the regulations were made.

Comment 5: The commenter states that the definition of "Sys_Description" in the file specifications, "Description of the hospital facilities included in the hospital system," is ambiguous as to whether it is intended to capture a formal legal name, an organizational description, a list of member facilities, or some combination thereof. The commenter requests that HCAI clarify the definition in the Measures Submission Guide prior to final adoption.
Response: HCAI accepts this request and made changes to the Format and File Specifications for Submission of the Equity Report to clarify content required in the Sys_Description field.

Comment 6: The commenter requests that HCAI confirm the appropriate character limits for both Sys_Description and Sys_HCAI_ID fields prior to final adoption.
Response: HCAI accepts this request and made changes to the Format and File Specifications for Submission of the Equity Report. The Sys_HCAI_ID data element has been removed as report submitters are not required to provide this information, and the Sys_Description character limit has been expanded from 200 to 5,000 characters.

Comment 7: The commenter requests that HCAI publish a hospital system ID (Sys_ID) generation timeline with clear milestones, including whether IDs will be assigned, how hospitals receive them, and the minimum lead time hospitals will have before their first submission, and provide written confirmation that hospital system IDs will be distributed to all reporting hospital systems well in advance of the applicable submission deadline.
Response: HCAI appreciates this comment and in response has made a change to the Format and File Specifications for Submission of the Equity Report by removing the Sys_ID data element. This detail is captured within the hospital system's profile, and linkage to hospital HCAI IDs is managed directly within the HCAI's reporting system. Hospital system profiles are created upon request, and the Hospital System ID is accessible in the reporting system immediately upon creation and approval of its hospitals linkages.

Comment 8: The commenter states that hospitals have received inconsistent guidance during HCAI audits regarding correct encoding for unavailable data in SDOH structural measure fields. The comment states some hospitals were instructed to enter “0” while others left the fields blank consistent with the regulatory text. The comment requests that HCAI issue a formal clarification confirming that blank, not “0,” is accurate, apply the standard consistently across all hospitals, and review previously published data for corrective action as appropriate.
Response: Blank is the correct encoding for these measures. As this is already specified in Section 95303(c) and the Measures Submission Guide, no changes were made to regulations.

Comment 9: The commenter states that the proposed regulations introduce Sys_HCAI_ID as a new System Report field but do not specify the format of the identifier HCAI will generate, preventing hospitals from building or validating submission workflows against this field. The commenter requests that HCAI publish a full format specification for Sys_HCAI_ID, including an example value, prior to final adoption.
Response: HCAI appreciates this comment and in response has made changes to the Format and File Specifications for Submission of the Equity Report by removing the Sys_ID data element. This detail is captured within the hospital system's profile, and linkage to hospital HCAI IDs is managed directly within the HCAI's HEM reporting system. Hospital system profiles are created upon request, and the Hospital System ID is accessible in the HEM reporting system immediately upon creation and approval of its hospitals linkages.

California Maternal Quality Care Collaborative (CMQCC): Comment 10 was submitted by Melinda Kent on behalf of CMQCC.

Comment 10: The commenter notes inconsistent decimal precision in rates reported in the 2025 equity reports, with some hospitals reporting their stratified to one decimal place and others to two or three decimal places, and states that excessive rounding can obscure meaningful differences between stratified subgroups. The commenter recommends HCAI establish a uniform reporting specification requiring measures expressed per 100 to be reported to a minimum of two decimal places and measures expressed per 1,000 to be reported to a minimum of three decimal places.
Response: HCAI disagrees, and no changes have been made in response to this comment. The required decimal places for rates or percentages are outlined in the Format and File Specifications for Submission of the Equity Report and is consistent with HCAI’s data product standards.

Dexur partnered with Hospital Association of Southern California: Comments 11 to 13 were submitted by Nishant Sharma on behalf of Dexur.

Comment 11: The commenter notes that the HCAHPS Question 19 for GAC hospitals defines “yes” values as “probably yes” or “definitely yes,” while the Children Hospital, Pediatric Experience Survey specifications (Question 1) only state “willing to

recommend the hospital," and requests that HCAI specify the response categories from the pediatric survey that should be included in the numerator for children's hospitals.
Response: This comment is irrelevant to HCAI's proposed action, and no change has been made in response to this comment. HCAI will re-evaluate this measure during the next regulatory update cycle, taking into consideration any updates made for the Pediatric Experience Survey for the Children's Hospital.

Comment 12: The commenter requests guidance on the proper procedure for handling null values in language stratification for the HCAHPS data submission.
Response: See response to Comment 8. No change has been made in response to this comment. Section 95303(c) and the Measures Submission Guide direct hospitals to leave the category blank when data is not available.

Comment 13: The commenter requests confirmation on the application of the CalHHS DDG at the hospital system level, specifically whether the requirement to mask numbers less than 11 still applies.
Response: Hospital system level reports must comply with the guidance provided in the California Health and Human Services Agency's 'Data De-Identification Guidelines (DDG),' Version 1.0. No change has been made in response to this comment.

Providence South Division: Comments 14 to 16 were submitted by Jeremy Baker on behalf of Providence South Division.

Comment 14: The commenter states that the reference to The Joint Commission's R3 Report in section 95303, subdivision (e)(1)(A) is outdated, noting that the Report is no longer published by The Joint Commission and that The Joint Commission is one of multiple deemed authorities under the Centers for Medicare & Medicaid Services (CMS), so the reference may not apply to hospitals using other accrediting agencies. The commenter recommends that, if retained, the references be updated to reflect currently published Joint Commission standards.
Response: This comment is irrelevant to HCAI's proposed action, and no change has been made in response to this comment. The measure parameters are available in the HCAI Measure Submission Guide. HCAI has not proposed any changes to the structural measures referenced. HCAI will reevaluate the structural measures during the next regulatory update cycle, taking into consideration any updates made at the federal level, including those from the Joint Commission and CMS. HCAI also must ensure the measures are consistent with state statutory requirements under Health and Safety Code sections 127370-127376.

Comment 15: The commenter states that references in section 95303, subdivisions (e)(1)(B)-(C) to the CMS Hospital Commitment to Health Equity Structural (HCHE) Measure and CMS Screening for Social Drivers of Health and CMS Screen Positive Rate for Social Drivers of Health and Intervention are outdated, noting that CMS removed these measures beginning with the calendar year 2024 reporting period (fiscal year 2026 payment determination). The commenter recommends HCAI reassess

inclusion of these measures as structural measures and, if retained, update the specifications manuals because CMS no longer provides the underlying methodology.
Response: This comment is irrelevant to HCAI's proposed action, and no change has been made in response to this comment. The measure parameters are available in the HCAI Measure Submission Guide. HCAI has not proposed changes to the referenced structural measures. HCAI will re-evaluate the structural measures during the next regulatory update cycle, taking into consideration updates from CMS and other federal sources. HCAI also must ensure the measures are consistent with state statutory requirements under Health and Safety Code sections 127370-127376.

Comment 16: The commenter states that section 95308.1, subdivision (a), is unclear as applied to hospital systems operating in multiple states. The commenter asks whether a system without a California-specific website would be considered to not have a website available, and requests that HCAI allow multi-state hospital systems to post the required link on a subpage or a location requiring scrolling, to avoid creating confusion for interest holders outside of California.
Response: The regulation does not preclude a hospital system from including additional clarifying language in the report title or description, provided the link must include the words "Equity Report" or a substantially similar term and be consistent with state statutory requirements, including Health and Safety Code section 127373, subdivision (a)(3). No changes have been made in response to this comment.

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 April 28, 2026 to May 13, 2026.

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

California Hospital Association (CHA)
University of California San Francisco Health
Southern Humboldt Community Healthcare District

California Hospital Association: Comment 1 was submitted by Trina Gonzalez on behalf of California Hospital Association.

Comment 1: The commentor notes that when a children's hospital is part of a hospital system, it is unclear whether patients aged 18 or older at that facility should be stratified using the pediatric age stratification structure (0–4, 5–9, 10–14, and >15) used by children's hospitals or the adult age stratification structure (18–34, 35–49, 50–64, and 65+) used by general acute care hospitals and acute psychiatric facilities. The

commenter recommends that HCAI provide written clarification on the correct age stratification structure for children's hospital patients aged 18 or older in system report submissions.
Response: HCAI disagrees, and no change has been made in response to this comment. Hospitals must follow the instructions in the Measures Submission Guide, which provides a category in the Stratification Table for patients at children's hospitals who are "15 years or older."

University of California San Francisco Health: Comment 2 was submitted by Curin Herman on behalf of University of California San Francisco Health.

Comment 2: The commentor inquires how HCAI is integrating CMS measures that have been retired (HCHE and SDOH measures), noting the specifications are no longer posted on the CMS website, and inquires whether hospitals should continue to follow the old measure specifications.
Response: This comment is irrelevant to HCAI's proposed action, and no change has been made in response to this comment. The measure parameters are available in the HCAI Measure Submission Guide. HCAI has not proposed changes to the referenced measures. HCAI will reevaluate the measures during the next regulatory update cycle, taking into consideration updates from CMS and other federal sources. HCAI also must ensure the measures are consistent with statutory requirements under Health and Safety Code sections 127370-127376.

Miscellaneous Comments

Southern Humboldt Community Healthcare District: Comment 3 was submitted by Kana Voelckers on behalf of Southern Humboldt Community Healthcare District.

Comment 3: The commentor notes that the current reporting structure does not appropriately account for the realities of low-volume rural hospitals. The commentor notes the reporting requirements seem to have been designed for larger hospital systems with significantly higher patient volumes and more robust reporting resources. The commentor notes that small rural Critical Access Hospitals (CAHs) simply do not have the volume needed to generate reliable, useful, or statistically significant data for many of these measures. The commentor encourages HCAI to consider modified requirements for CAHs, including reduced reporting requirements or alternative reporting pathways for hospitals with high suppression rates.
Response: This comment is irrelevant to HCAI's proposed action, and no change has been made in response to this comment. Per regulations, hospital must report the data to the extent that the data is available.

V. 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.

VI. 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.

VII. 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 second-year equity reports are due by September 30, 2026, 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.

VII. DOCUMENTS INCORPORATED BY REFERENCE REQUIREMENTS

It would be cumbersome, unduly expensive, or otherwise impractical to publish the documents incorporated by reference in the California Code of Regulations.