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NOTICE OF PROPOSED RULEMAKING

CALIFORNIA CODE OF REGULATIONS

Title 22, Division 7, Chapter 8.4

Articles 1 – 3, Sections 95300 – 95316

The Department of Health Care Access and Information (HCAI or Department) proposes to amend the existing Hospital Equity Measures Reporting Program regulations, located in the California Code of Regulations, Title 22, Division 7, Chapter 8.4 (Sections 95300-95316). These regulations were originally adopted to implement the Medical Equity Disclosure Act (Act) (Health and Safety Code (HSC) Sections 127370 to 127376).

HCAI now proposes these amendments described below after considering comments and recommendations received from hospitals during the program's first year of implementation. The proposed changes are intended to clarify requirements, correct technical errors, and improve the program's effectiveness.

I. PUBLIC HEARING

The Department has not scheduled a public hearing on this proposed action. However, the Department will hold a hearing if it receives a written request for a public hearing from any interested person, or his or her authorized representative, no later than 15 days before the close of the written comment period.

II. WRITTEN PUBLIC COMMENT PERIOD AND CONTACT PERSON

Any interested person, or his or her authorized representative, may submit written comments relevant to the proposed regulatory action. All comments must be received by the Department by 5:00 p.m. on April 7, 2026.

Inquiries and written comments regarding the proposed action should be addressed to the primary contact person named below. Comments delivered by email are suggested. Comments may also be emailed, hand delivered, or mailed.

Morgan Clair, Supervisor
Office of Information Services
Department of Health Care Access and Information
Tel: 916-326-3881
Email: hospitalequity@hcai.ca.gov
Mailing address: 2020 West El Camino Avenue, Suite 1100
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Inquiries and comments may also be directed to the backup contact person at the same mailing address:

Irene Serwanga, Health Program Specialist I
Office of Information Services
Department of Health Care Access and Information
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Mailing address: 2020 West El Camino Avenue, Suite 1100
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III. AUTHORITY AND REFERENCE

Health and Safety Code Section 127375 authorizes the Department to amend these regulations. HCAI is proposing to amend regulations in the California Code of Regulations, Title 22, Division 7, Chapter 8.4, Sections 95300 - 95316. Specifically, HCAI proposes to amend Sections 95300, 95301, 95303, 95304, and 95308, and add Section 95308.1.

IV. INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

a. Summary of Existing Laws and Effect of Proposed Regulations

Legislative goals of the Act are found in HSC Section 127370 including the following statements from subdivisions (a)-(d): “The COVID-19 health emergency has thrown into sharp relief longstanding health inequities along racial, ethnic, and socioeconomic lines. Black, Hispanic, and Indigenous people have been disproportionately affected during the pandemic; for example, the age-adjusted mortality rate among Black people with COVID-19 is more than three times as high as that of Whites. Disparities in access to care and quality of care contribute to racial health disparities. The disparate impact of the pandemic has highlighted the tiered nature of the current health care system, a structure that significantly impacts the quality of care patients receive along racial, ethnic, and socioeconomic lines. Reporting on the racially disproportionate impact of COVID-19 has called attention to the need for further data on racial and ethnic disparities in health care. Data currently reported by California hospitals that could be used to analyze access to and quality of care by age, sex, race, ethnicity, language, disability status, sexual orientation, gender identity, and socioeconomic status is not available to consumers or the general public.”

Specifically, the Act establishes a new program that requires hospitals and hospital systems to file an annual equity report with HCAI and to post a link to the reports on the main page of their internet websites. While HCAI collects healthcare facility-level reports for financial and utilization data and patient-level data from hospitals, these new annual reports are required to include data related to patient access, quality, and outcomes by race, age, ethnicity, language, disability status, sexual orientation, gender identity, and expected payor. The equity reports are due annually by September 30 with the first report due September 30, 2025. The reports must also include a plan to prioritize and address disparities for vulnerable populations identified in the data. The Act authorizes HCAI to impose a fine up to \$5,000 on hospitals and hospital systems for failure to adopt, update, or submit a health equity report consistent with the requirements.

The Department previously adopted regulations (California Code of Regulations, Title 22, Division 7, Chapter 8.4, sections 95300-95316) to implement, interpret and make specific Article 3 (HSC, Section 127370-127376) of Chapter 2, Part 2, Division 107 of the HSC. Those regulations established and standardized the Department's requirements for hospital report submissions, including the submission process, measure definitions, stratification requirements, deliverable timelines, deadline extensions, and the assessment of penalties for non-compliance.

Following the first year of the program's implementation, the Department is now proposing this regulatory action to amend existing regulations. These proposed amendments are based on feedback from stakeholders and lessons learned, and are intended to make technical corrections, clarify reporting requirements, and improve the overall efficiency of the program.

Specifically, the new regulations address the following:

Article 1

§ 95300. Definitions.

- Subdivision (m) defines the document incorporated by reference, Hospital Equity Report: Measures Submission Guide (version 1.2), dated March 10, 2025. The purpose of the proposed changes to § 95300(m) is to incorporate by reference the revised Hospital Equity Report: Measures Submission Guide (MSG) and corresponding version and date. The revised MSG is Hospital Equity Report: Measure Submission Guide (version 1.3) as amended December 22, 2025.
- Subdivision (t) defines the "stratification group." The proposed changes to subdivision (t) reflect that HCAI proposes to consolidate the stratification tables within the MSG into a single "Stratification Table." The purpose and necessity of this change to the MSG is further discussed below. "Stratification Table" is capitalized for clarity and internal consistency.

§ 95301. Stratification Categories.

- Subdivision (c) provides that stratification groups in each stratification category are listed in Stratification Tables 1 and 2 of the MSG. The proposed changes to subdivision (c) reflect that HCAI proposes to consolidate the stratification tables into a single “Stratification Table.”

Article 2

§ 95303. Hospital Equity Report.

- Subdivision (b) requires hospital equity reports to conform to the MSG requirements. The proposed changes to subdivision (c) reflect that HCAI proposes to consolidate Stratification Tables 1 and 2 in the MSG into a single table.
- Subdivision (c) provides that, for data that exceeds the threshold of re-identification risk using the Data De-identification Guidelines (DDG), hospitals shall select these data as “suppressed.” HCAI proposes to change this terminology to “masked” to more closely align with current discourse in data for health equity for vulnerable and/or minoritized sociodemographic populations, which have anecdotally linked “data suppression” with censorship.
- Subdivision (d)(7) requires hospitals to include in their equity reports the web address where a report “is published on the hospital’s website.” HCAI proposes to change “is” to “will be” and cross-reference the new Section 95308.1 to clarify the timing of when hospitals will post their reports.

§ 95304. Hospital System Equity Report.

- Subdivision (b)(2) requires hospital systems to include the hospital system CEO or equivalent in a hospital system equity report. The proposed changes remove the term “Hospital System CEO (or equivalent)” to account for hospital systems that lack a centralized CEO or equivalent role.
- The proposed changes to subdivision (b)(8), renumbered as (b)(7), clarify the data aggregation language for hospital system equity reports. The amendment will require a single, consolidated report that includes aggregated data from all affiliated hospitals based on applicable measures.
- The proposed changes to subdivision (d) clarify the timing of when hospital systems must post the hospital system equity report on their websites, if one is available. HCAI proposes to change “is” to “will be” and cross-reference the new Section 95308.1 for clarity and internal consistency.

§ 95308. Method of Submission.

- Subdivision (b)(1) identifies the document incorporated by reference, Format and File Specifications for Submission of the Equity Report (version 1.2), dated March 10, 2025. The purpose of the proposed changes to subdivision (b)(1) is to incorporate by reference the revised Format and File Specifications for Submission of the Equity Report and corresponding version and date. The revised document is the Format and File Specifications for Submission of the Equity Report (version 1.3) as amended December 22, 2025.

- Subdivision (e) provides the requirements for revisions to an equity report by a hospital or hospital system. It further clarifies that revisions submitted within the time frame described in Section 95308, subdivision (e) or as required in accordance with new subdivision (f), are not subject to a fine under Section 95309. The proposed changes to subdivision (e) clarify revisions must be posted on a hospital or hospital system's website and cross-reference the new Section 95308.1. These changes are necessary for clarity and internal consistency.
- Subdivision (f) outlines the responsibility of hospitals and hospital systems to submit any required report revisions and corrections to the Department. It establishes a deadline for hospitals to correct and resubmit reports and allows for additional time at the Department's discretion. This subdivision further describes the possible consequences for failure to comply with revision reporting requirements and supports the Department's obligations to make data and information from equity reports publicly available and ensure compliance with deidentification requirements, as outlined in Health and Safety Code section 127374, subdivisions (d) and (e).
- The proposed change to the renumbered subdivision (g) allows hospitals and hospital systems to submit the revisions and corrections required by Section 95308, subdivision (f), after the reporting period closure. Establishing this exception helps safeguard patient information and supports the Department's obligations to make data and information from equity reports publicly available and ensure compliance with deidentification requirements, as outlined in Health and Safety Code section 127374, subdivisions (d) and (e).

§ 95308.1. Website Posting Requirements.

- New proposed Section 95308.1 provides the website posting requirements for hospitals and hospital systems to post hospital equity reports and hospital system equity reports, or revisions thereto, to the hospital or hospital system's website. Subdivision (b) clarifies that hospitals and hospital systems must post the reports within 15 business days following the publication of the report by HCAI pursuant to HSC Section 127374(d). This subdivision also clarifies HCAI will notify the primary and secondary contact persons of this change when HCAI posts a report. This change is necessary because HCAI reviews the reports pursuant to HSC Section 127374(e), and many hospitals and hospital systems have interpreted the current regulations to require posting on their website prior to HCAI's review.
- Subdivision (c) clarifies that hospitals and hospital systems must comply with statutory requirements HSC Sections 127373, subdivisions (a)(3) and (d), and 127374, subdivision (e) when posting reports. This subdivision further clarifies that hospitals and hospital systems are solely responsible to ensure any additional content not submitted to HCAI but included in a report or posted with or about a report must comply with the DDG, state and federal privacy laws, and HSC Sections 127373, subdivision (d), and 127374, subdivision (e). This clarification is necessary because some hospitals and hospital systems post additional content in addition to the requirements of Sections 95303 and 95304 that has not been submitted to or reviewed by HCAI.

Documents Incorporated by Reference

Below is a summary of the proposed changes to the documents incorporated by reference listed on page 7.

- The proposed amendments correct the preferred rates for Acute Psychiatric Hospital measures in the MSG version 1.3. Specifically, the changes update the preferred rates for “Screening for Metabolic Disorders” and “The Joint Commission SUB-3 and SUB-3a” from “preferred low” to “preferred high.”
- In the MSG version 1.3, the proposed amendments change the rate formats of the following three maternal measures to a consistent percentage format (XXX.X) to align with the California Maternal Quality Care Collaborative (CMQCC) measures:
 - CMQCC Nulliparous, Term, Singleton, Vertex (NTSV) Cesarean Birth Rate.
 - CMQCC Vaginal Birth After Cesarean (VBAC) Rate, Uncomplicated.
 - CMQCC Exclusive Breast Milk Feeding.
- In the MSG version 1.3, the proposed amendments provide clarifying instructions to hospitals on the decision criteria for selecting reference groups when multiple groups have the same rate value.
- HCAI proposes to consolidate Stratification Tables 1 and 2 in the MSG version 1.3 for clarity, the reference to Stratification Tables “1 and 2” is removed.
- The proposed amendments align the Format and File Specifications of the Equity Report, version 1.3, with the changes within the MSG version 1.3 to promote clarity, reduce risk of misinterpretation, and supports uniform reporting from hospitals and hospitals systems.
- The proposed amendments update the document titled “Methodology for Calculating All Cause, Unplanned, 30-Day Hospital Readmission Rate, California Department of Health Care Access and Information” to include additional Clinical Classifications Software (CCS), ICD-10-CM, and ICD-10-PCS codes and clarify the inclusion and exclusion criteria for unplanned readmissions.

b. Objectives and Anticipated Benefits of Proposed Regulations

The existing regulations are necessary to achieve standardization, transparency, and the ability to easily compare information presented in hospitals’ equity reports. The regulations were adopted to implement, interpret, and make specific the hospital equity reporting requirements and health equity plans, based on the recommendations of the Hospital Equity Measures Advisory Committee and other stakeholders. The primary purpose of the regulations is to achieve the goals of the Act by identifying disparities to detect areas where certain groups or populations face inequality in access, treatment options, and health outcomes.

While the existing regulations established the foundational requirements, this proposed regulatory action is now necessary to amend these regulations. These amendments are based on comments and recommendations received during the first year of implementation. The purpose of this cleanup package is to make technical corrections, clarify ambiguous language, and streamline reporting

processes. These refinements will help ensure the data collected is accurate and comparable, which further supports the goal of identifying disparities.

The proposed amendments refine existing standardized requirements. For example, they include the removal of the term hospital system CEO, clarification of data aggregation language for hospital system reports, clarification of the hospital and hospital system website posting requirements, correction of the preferred rates for Acute Psychiatric Hospital measures in the MSG, standardization of rate formats for three maternal measures to a consistent percentage format, and an update the methodology for calculating the unplanned hospital readmission rate. These changes will improve the reporting efficiency for hospitals and enhance the reliability of data for HCAI.

c. Determination of Inconsistency/Incompatibility with Existing State Regulations

HCAI performed an evaluation of whether there were any regulations on this area and concluded that there are no other state regulations concerning the reporting of Hospital Equity Measures. Therefore, the proposed regulations are not inconsistent or incompatible with existing state regulations.

d. Documents Incorporated by Reference

The following are documents HCAI intends to incorporate by reference through these proposed amendments:

- The Department's Measures Submission Guide, version 1.3, dated December 22, 2025.
- Department's Format and File Specification for Submission of the Hospital Equity Report version 1.3, dated December 22, 2025
- Methodology for Calculating All Cause, Unplanned, 30-Day Hospital readmission Rate, California Department of Health Care Access and Information, Version 1.3, dated December 22, 2025.

• Documents Relied Upon

- Code Book for the 30-Day All-Cause Unplanned Readmission Following Psychiatric Hospitalization in an IPF (IPF Unplanned Readmission):
<https://qualitynet.cms.gov/ipf/ipfqr/resources>

V. DISCLOSURES REGARDING THE PROPOSED ACTION

The Department has made the following initial determinations:

- A. Mandate on local agencies and school districts: None.

- B. Cost or savings to any state agency: None
- C. Cost to any local agency or school district which must be reimbursed in accordance with Government Code Sections 17500-17630: None.
- D. Other nondiscretionary cost or savings imposed on local agencies: None.
- E. Cost or savings in federal funding to the state: None.
- F. Cost impact on a representative person or business: There is no fiscal impact associated with these amended regulations, as they clarify existing requirements and do not introduce any new obligations. The amended regulations are necessary to implement Chapter 2, Article 3 of the Medical Equity Disclosure Act (Health and Safety Code Sections 127370–127376). Hospitals or hospital systems are not expected to incur additional costs for uploading the statutorily required equity reports and providing the required information to the online reporting system prescribed by these regulations.
- G. Statewide adverse economic impact directly affecting businesses and individuals: The Department has made an initial determination that the regulations will not have a significant, statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.
- H. Significant effect on housing costs: None.
- I. Cost impact on small businesses: This proposed action does not affect small business because no entities regulated under the proposed action are small businesses.

VI. STATEMENT OF THE RESULTS OF THE ECONOMIC IMPACT ANALYSIS (EIA)

HCAI has narrowly tailored the proposed amendments to clarify and refine the statutory requirements for hospital equity reporting, based on feedback from the first year of implementation. The proposed amendments do not impose significant reporting burdens; rather, they are intended to make technical corrections and streamline existing requirements.

The existing regulations specify the standardization of reporting requirements for structural and quality measures, standardizing key definitions and stratification categories, specifying hospital and hospital system contact information and registration, and establishing firm timetables for deliverables. Furthermore, the existing regulations define the process for report submission, extension requests, and appeals procedures regarding fines related to non-submission of reports. The proposed amendments will making clarifying changes and technical corrections to these existing provisions to improve program efficiency and reporting accuracy.

Therefore, the Department concludes that:

- (1) This regulatory action will not create jobs within the state;
- (2) This regulatory action will not eliminate jobs within the state;
- (3) This regulatory action will not create new businesses;
- (4) This regulatory action will not eliminate existing businesses;

- (5) This regulatory action will not expand businesses currently doing business within the state;
- (6) This regulatory action will not impact workers' safety;
- (7) This regulatory action will not impact the state's environment.
- (8) As stated earlier, refinements to the reporting requirements will benefit the health and welfare of California residents by ensuring that data being collected is accurate, which further supports the goal of identifying health care disparities among certain population groups and addressing inequity of health care access.

VII. BUSINESS REPORTING REQUIREMENT

The Department finds it necessary for the health, safety, and welfare of the people of the state that the reporting requirements contained in these regulations apply to businesses.

VIII. CONSIDERATION OF ALTERNATIVES

The Department must determine that no reasonable alternative it considered or that has otherwise been identified and brought to its attention would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

The Department invites interested persons to present statements or arguments with respect to alternatives to the proposed regulations during the written comment period.

IX. AVAILABILITY OF EXPRESS TERMS, INITIAL STATEMENT OF REASONS, AND INFORMATION UPON WHICH PROPOSED RULEMAKING IS BASED

The Department will have the entire rulemaking file available for inspection and copying throughout the rulemaking process at its office at the address given for the contact persons. As of the date this notice is published in the Notice Register, the rulemaking file consists of this notice, the text of the proposed regulations, information upon which proposed rulemaking is based, the initial statement of reasons, and an economic impact analysis (contained in the initial statement of reasons).

The text is available on the Department's website at <https://hcai.ca.gov/about/laws-regulations/>.

X. AVAILABILITY OF SUBSTANTIAL CHANGES TO ORIGINAL PROPOSAL

After considering all timely and relevant comments received, the Department may adopt the proposed regulations substantially as described in this notice. If the Department makes modifications which are sufficiently related to the originally proposed text, it will

make the modified text (with the changes clearly indicated) available to the public for at least 15 days before the Department adopts the regulations as revised.

Please send requests for copies of the modified text to the listed contact person. The modified text will also be available on the website at <https://hcai.ca.gov/about/laws-regulations/>. The Department will accept written comments on the modified regulations for 15 days after the date on which they are made available.

XI. AVAILABILITY OF FINAL STATEMENT OF REASONS

The Final Statement of Reasons, including all of the comments and responses, will be available, after its completion, through the Department's website at <https://hcai.ca.gov/about/laws-regulations/>. The Final Statement of Reasons will also be available for review from the designated contact person.

XII. AVAILABILITY OF DOCUMENTS ON THE INTERNET

Copies of the Notice of Proposed Action, the Initial Statement of Reasons, and the text of the proposed regulations can be accessed through the Department's website at <https://hcai.ca.gov/about/laws-regulations/>.