

States and Healthcare Leaders Must Respond to New Health Equity Regulations

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This year, the federal government's new health equity regulations began taking effect. The regulations represent the government's increased commitment to health equity advancement as a major part of its regulatory enforcement. As these changes go into effect, states and businesses have begun to implement laws and policies in order to comply with the updated regulatory framework.

Centers for Medicare & Medicaid Services ("CMS") has placed an increased focus on addressing disparities in health and health care. CMS defines [health equity](#) as "the attainment of the highest level of health for all people, where everyone has a fair and just opportunity to attain their optimal health regardless of race, ethnicity, disability, sexual orientation, gender identify, socioeconomic status, geography, preferred language, or other factors that affect access to care and health outcomes."

The 2023 changes CMS introduced are designed to "[encourage hospitals to build health equity into their core functions](#)." These changes include:

- A new [five-pillar health equity framework](#) as part of the Hospital Inpatient Quality Reporting ("IQR") program, including attestations participating hospitals must satisfy.
- Expansion of [maternal health](#) measures including a "birthing-friendly" hospital designation and new attestation requirements.
- Updates to [Medicare fee-for-service](#) payment rates and health equity-related reporting requirements tying health equity quality metrics to payment.

States have responded to these requirements by enacting their own requirements to ensure providers are complying with the regulations. For example, in Illinois, on January 1, 2023, the [Equity and Representation in Health Care Act](#) became effective. The Act establishes scholarship and loan repayment programs to stimulate proportional representation by “race, ethnicity, language, gender, sexual orientation, gender identify and disability status” in the healthcare provider community especially in areas with provider shortages or greater health disparities. Additionally, in August 2023, Illinois enacted Illinois House Bill 2450 (“[HB2450](#)”) which requires certain healthcare professionals in Illinois to complete at least one hour of cultural competency training as a condition of obtaining or renewing a license or registration.

With these changing laws and regulations at the federal and state level, healthcare organizations and providers should be prepared to satisfy the new requirements. It will be important for health leaders to take time to assess their patient and provider population and assess their organization’s data and reporting structure in order to ensure they have the resources in place to comply with these mandates.

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