

LEGAL TRENDS IMPACTING HEALTH CARE HUMAN RESOURCES IN 2026

Health care employment professionals face an all-too-familiar challenge entering 2026: keeping pace with a patchwork of state employment laws that show no signs of slowing down. The employment law landscape continues to evolve rapidly, presenting health care employers with new compliance challenges. Outlined below are just a few of the key legal trends impacting the health care HR landscape this year.

PAID FAMILY LEAVE PROGRAMS AND EXPANSION

State-level paid family and medical leave programs are growing in popularity across the United States. In January 2026, both Delaware and Minnesota launched new comprehensive paid family and medical leave programs. Existing programs are also evolving, with Colorado becoming the first state to provide specific neonatal leave for parents of critically ill newborns. Although the eligibility requirements, benefits and structures of these state-paid family and medical leave programs vary, they typically provide wage replacement for employees taking leave for their own health conditions, bonding with children or caring for family members.

FURTHER RESTRICTIONS ON NON-COMPETES

Although the FTC's proposed nationwide non-compete ban was struck down in 2024 and the agency withdrew its appeals in 2025, federal regulators have not abandoned the cause, shifting to **case-by-case enforcement actions** targeting "overly broad" non-compete agreements. Meanwhile, state-level restrictions continue to gain traction. States like California, Minnesota, North Dakota and Oklahoma ban employee non-competes altogether, while others have restricted the use of non-competes or banned their use in certain professions (for example, Colorado, Indiana, and Montana prohibit the use of non-competes for physicians and/or other health care professionals).

REGULATION OF AI IN HR DECISION-MAKING

As the use of AI in employment operations increases, so too do regulations restricting its use. For example, an amendment to Illinois's Human Rights Act that prohibits AI-driven discrimination in hiring and other employment decisions took effect on January 1, 2026. Similarly, a Colorado law requiring employers using "high-risk" AI systems to implement risk management policies, complete impact assessments, and notify employees about AI use will take effect on June 30, 2026.

INCREASE IN PAY TRANSPARENCY LAWS

State-level pay transparency laws are reshaping compensation practices across the health care industry. As of January 2026, sixteen states plus D.C. have enacted pay transparency laws affecting millions of workers. While specific requirements vary by jurisdiction, most of these laws require employers to include salary ranges on job postings and maintain documentation related to compensation decisions. The 2026 amendments to California's pay transparency law exemplify the trend toward more transparency, requiring good-faith salary estimates rather than overly broad ranges and expanding the definition of "wages" to include all forms of compensation, including bonuses and benefits.

PRACTICAL TAKEAWAYS

- Audit current leave policies to ensure compliance with applicable state programs.
- Review existing non-compete agreements for enforceability under current state laws and consider exploring alternative retention strategies.
- Monitor the use of AI in recruiting, credentialing, performance evaluations and scheduling to ensure compliance with state laws and regulations.
- Review job postings and hiring processes to ensure compliance with applicable state pay transparency requirements.
- Remain vigilant and keep an eye on health care HR laws and regulations as these trends, and others, continue.

For more information, please contact:

- **Becca Foerder** at (317) 429-3683 or bfoerder@hallrender.com;

- Jonathan Bumgarner at (317) 977-1474 or jbumgarner@hallrender.com; or
- Your primary Hall Render contact.

Hall Render blog posts and articles are intended for informational purposes only. For ethical reasons, Hall Render attorneys cannot give legal advice outside of an attorney-client relationship.