

Agenda Item 5: Hospital Supplier Diversity (HSD) Reporting Program Update

Denard Uy, Utilization and Disclosures Reporting Section, HCAI (or designee)

Program overview

[Health and Safety Code Section 1339.85-1339.87](#) requires the Department of Health Care Access and Information (HCAI) to develop and administer a Hospital Supplier Diversity Reporting Program to collect and post hospital supplier diversity reports explaining the hospital's supplier diversity statement and procurement efforts regarding certified minority, women, lesbian, gay, bisexual, transgender (LGBT), and disabled veteran business enterprises.

Hospitals, with operating expenses of fifty million dollars (\$50,000,000) or more, and each licensed hospital that is part of a hospital system with an operating expenses of twenty-five million dollars (\$25,000,000) are required to annually submit a plan to HCAI on their minority, women, LGBT, and disabled veteran business enterprise procurement efforts. HCAI is required to maintain a link on the HCAI website that provides access to the content of hospital supplier diversity reports to the public. The fifth annual submission of supplier diversity reports was due on July 1, 2025.

Data Products

1. [Individual Hospital Reports Webpage](#)

- An easy to navigate webpage that includes each individual hospital report by year. The webpage displays summary information from the hospital-submitted plan.

2. [Individual Hospital Reports Dataset](#)

- The underlying PDF reports and tabular data for all hospitals across all reporting years as they were submitted to HCAI. This information is available on the CalHHS Open Data Portal.

3. [Pivot Table](#)

- A downloadable Excel Pivot Table file users can download to their desktop computer, offering customizable filtering, sorting, and visualization options across facilities and years of reporting.

4. [HCAI Data Report: “Supplier Diversity in California Hospital Procurements, 2022-2024”](#)

- This HCAI data report includes online, interactive visualizations and key findings from HCAI’s analysis of the data across facilities and years of reporting.

HSD Plan Contents

- Policy Statement
- Short- and long-term goals and timetables for increasing procurement from diverse business enterprises.
- Methods in which hospitals resolve any issues that may limit or impede an enterprise from becoming a supplier.
- Information on appropriation contacts for interested business enterprises and description of the procurement process.
- Planned and past implementation of relevant recommendations made by the Hospital Supplier Diversity Commission.
- Diverse Procurement Spending from business enterprises that employ the majority of their workforce in California.
 - All spend data is reported in whole dollars.
- Hospital's total procurement
- Supplier point of contact
- Outreach Liaison point of contact
- Third-party procurement

HSD Plan Review



Health and Safety Code Section 1339.87

Authorizes the Department to review plans for completeness.

- Reviewing responses to new added questions.
- Review that response aligns with the question.
- Reach out to facilities regarding responses.

Hospitals shall report diverse procurement spend data to the extent that information is readily accessible.



Review for data outliers:

Errors identified in the reporting include the following:

- Incorrect spend data reported due to typo.
- Incorrect spend data reported in prior year reporting (initially included vendors who employed the majority of workforce outside of California).
- Duplicated values entered for facilities under the same ownership.



2024

Individual Hospital Reporting

2024 Individual Hospital Reporting

Reviewed **373** individual Hospital Plans

354 hospitals meet requirements to submit a Hospital Supplier Diversity Plan.

19 hospitals voluntarily submitted a Hospital Supplier Diversity Plan.

2024 HSD Data Summary/Visualization.

1. Responses to newly added questions (AB 1392).
2. Certification requirements
3. Total Diverse Spend and Total Reported Procurement
4. Spend breakdown by category.
5. Tier 1 and Tier 2 Spend by Diverse Category

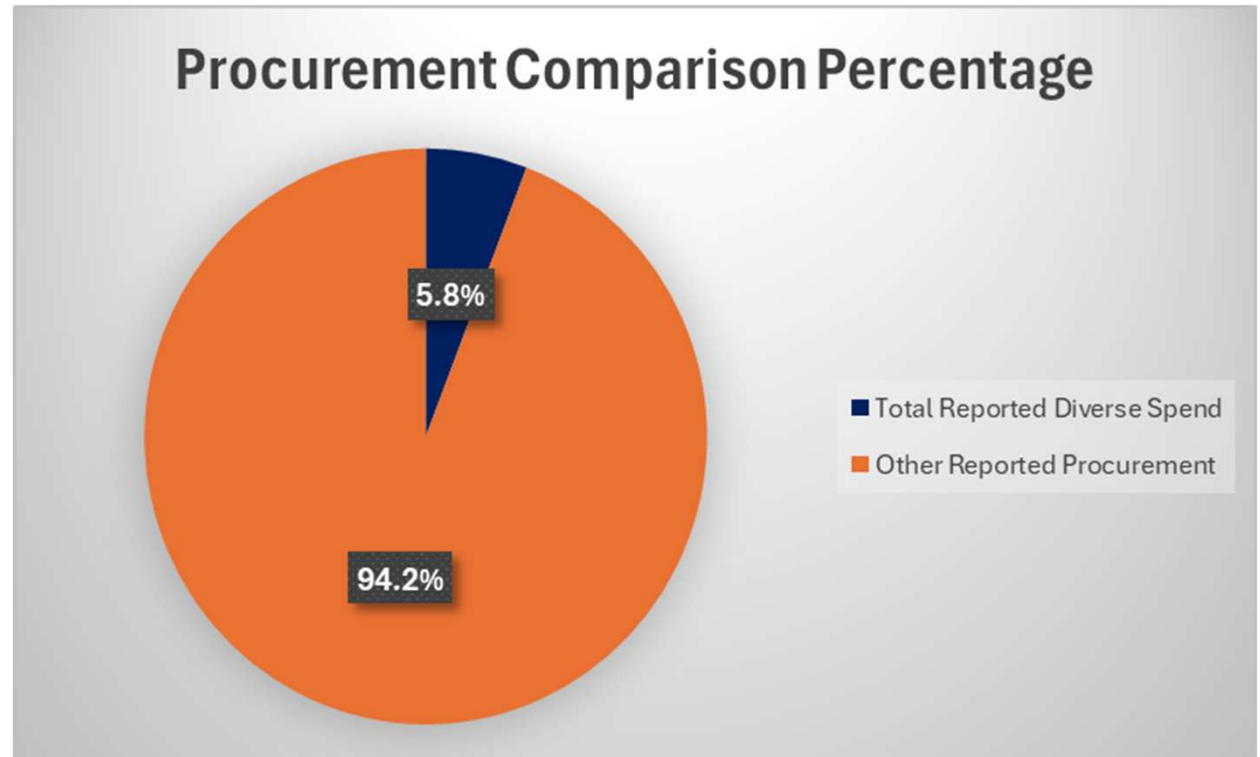
2024 Individual Hospital Reporting

Total Diverse Spend:

\$2,494,149,333

Total Hospital Procurement:

\$42,761,088,796



2024 Individual Hospital Reporting Cont.

2024 Individual Hospital Reporting Summary

	Yes	No	In Development
Policy Statement	307	7	59
Short-Term Goals	266	16	91
Long-Term Goals	311	16	46
Engaging Diverse Suppliers	321	5	47
Resolve Barriers	274	18	81

Short-Term Goals

- Demonstrated measurable, action-oriented plans to expand supplier diversity engagement.
- Focus areas included long-range procurement strategies, supplier mentorship programs, and certification outreach to new diverse vendors.

Long-Term Goals

- Emphasized integrating supplier diversity into long-term accountability frameworks.
- Reported plans to embed diversity metrics in leadership evaluations, track supplier performance over time, and strengthen multi-tier supplier partnerships.

Resolving Barriers

- Most hospitals reported clear processes to identify and remove barriers for diverse suppliers.
- Common strategies included improving supplier access, simplifying onboarding, and increasing transparency in procurement.
- Several hospitals are still developing structured approaches to measure and report on barrier resolution.
- These actions reflect growing attention to equitable and inclusive supplier participation statewide

Engaging Diverse Suppliers

- Most hospitals reported having processes to engage and contract with diverse suppliers.
- Engagement strategies include outreach events, mentorship programs, and collaboration with diversity networks.
- A smaller number are still developing structured engagement or tracking mechanisms.

2024 Individual Hospital Reporting Cont.

	Yes	No	In Development
Past Implementation of Relevant Recommendations	276	45	52
Planned Implementaiton of Relevant Recommendations	314	18	41
Procurement Process	322	17	34
Require Certification	166	207	0
Accept Self-Certification	150	223	0

2024 Individual Hospital Reporting Summary

Most hospitals reported having a clear procurement process and methods to resolve barriers.

- A smaller portion noted that these efforts are still in development.
- Certification practices remain inconsistent — about half of hospitals require certification, while others accept self-certification or none at all.
- These variations highlight the need for standardized guidance and consistency across hospitals.

2024 Findings – Alignment with HSDC Recommendations

The 2024 hospital submissions show partial alignment with HSDC recommendations, particularly in:

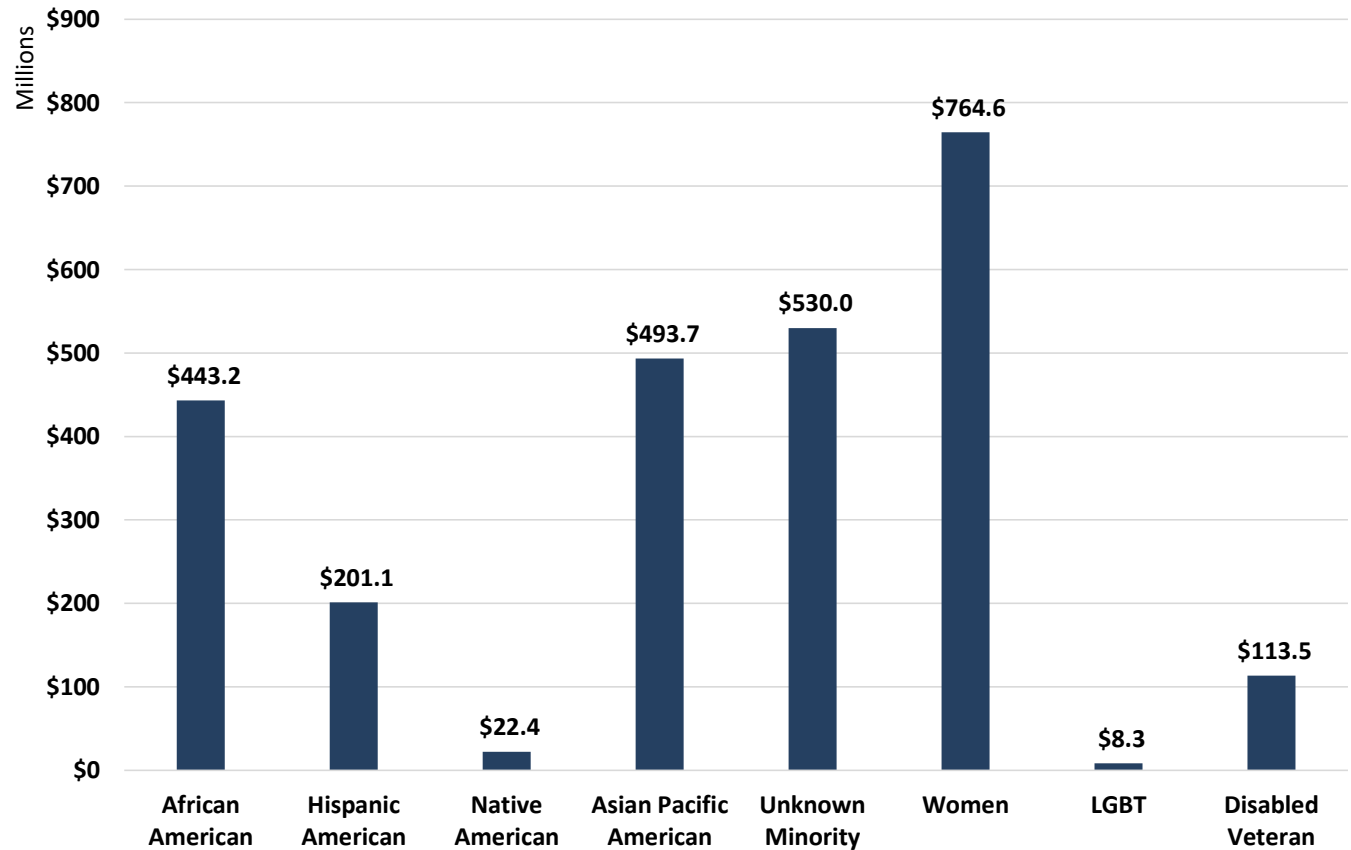
- Removing procurement barriers
- Tracking and reporting supplier diversity outcomes
- Expanding engagement with diverse suppliers

Hospitals showed varying levels of progress:

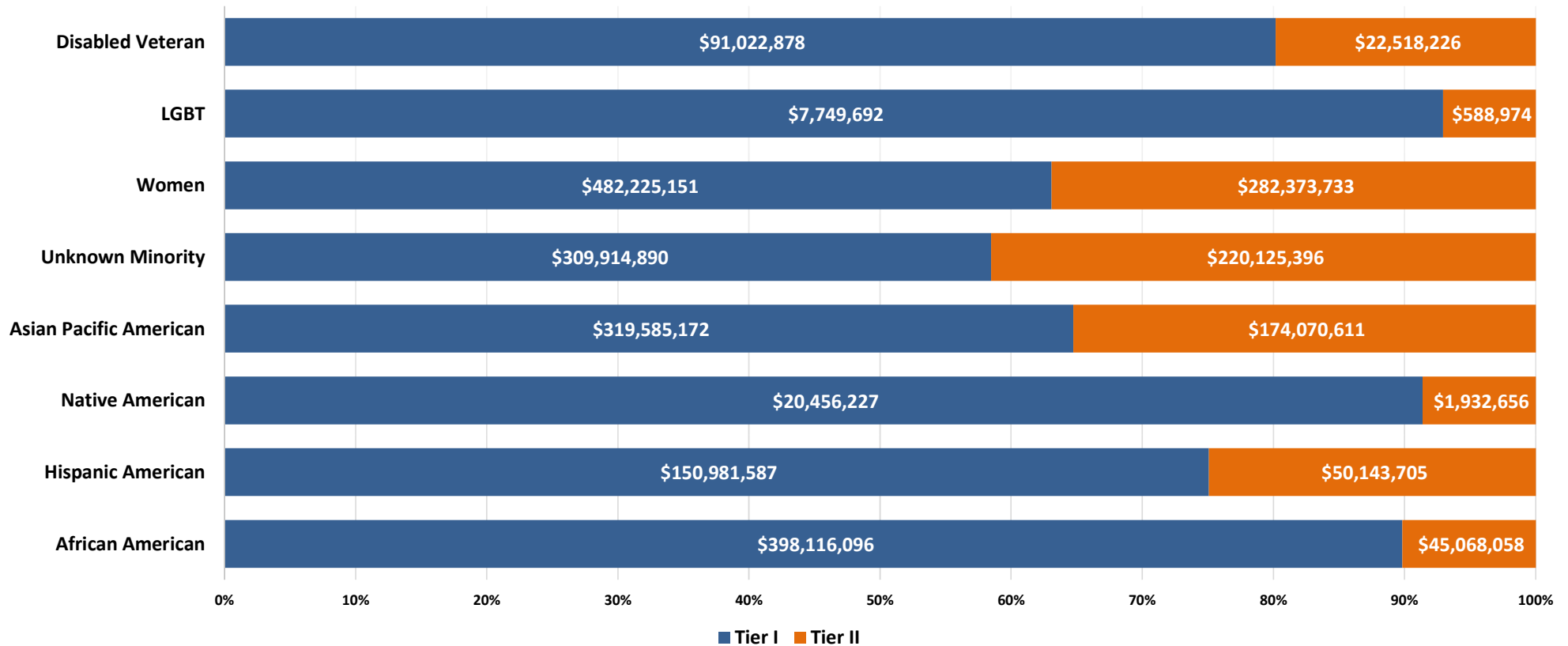
- Some have active implementation and measurable goals
- Others are in early development or planning stages
- A portion reported limited or no measurable actions

2024 Total Diverse Procurement

Total Diverse Procurement	2024
African American	\$ 443,184,154
Hispanic American	\$ 201,125,292
Native American	\$ 22,388,883
Asian Pacific American	\$ 493,655,783
Unknown Minority	\$ 530,040,286
Women	\$ 764,598,884
LGBT	\$ 8,338,666
Disabled Veteran	\$ 113,541,104
Less Duplicate	\$ 82,723,719



2024 Tier 1 vs Tier 2 Procurement



Data Note: If a diverse supplier identifies as more than one category, this data accounts for that spend in all categories. The "less duplicate" amount is not factored into this graph.

Tier I procurement: The procurement by direct contract between a hospital and a supplier directly to provide goods and services that support the operations of the hospital.

Tier II procurement: The procurement by any agreement or arrangement between a contractor and any third party.



2024 System/Regional Level Reporting

2024 System Hospital Reporting

Reviewed **17** System/Regional-Level reports

- All submitted System/Regional-Level reports are included in the summary.

Data Summary/Visualization

1. Certification Requirements
2. Total Diverse Spend and Total Reported Procurement
3. Spend Breakdown by Diverse Category
4. Tier 1 and Tier 2 Spend by Diverse Category

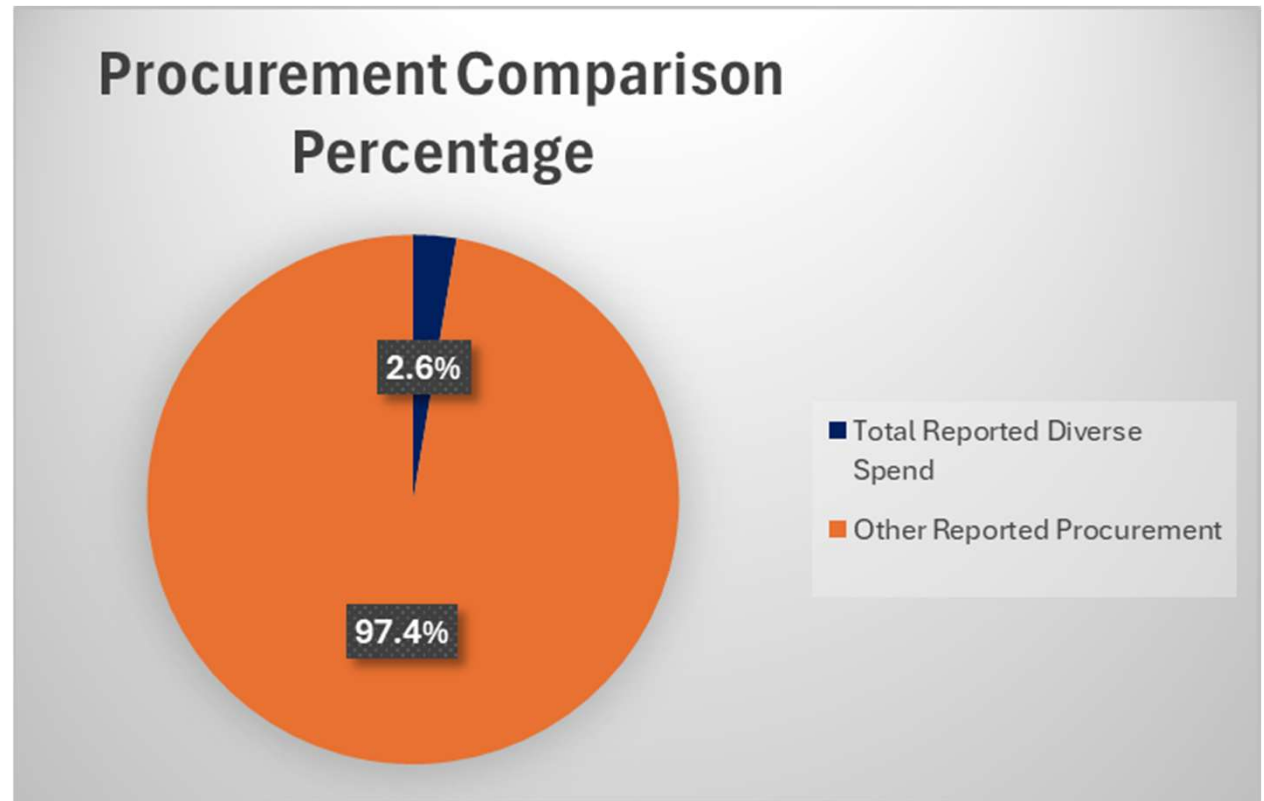
2024 System Level Reporting

Number of Hospitals	Yes	No
Require certification	8	9
Accept self-certification	10	7

- HCAI received 17 system-level reports.
- System level reports are not required per legislation.
- Hospitals are encouraged to submit a report if procurement was done at the system or regional-level.

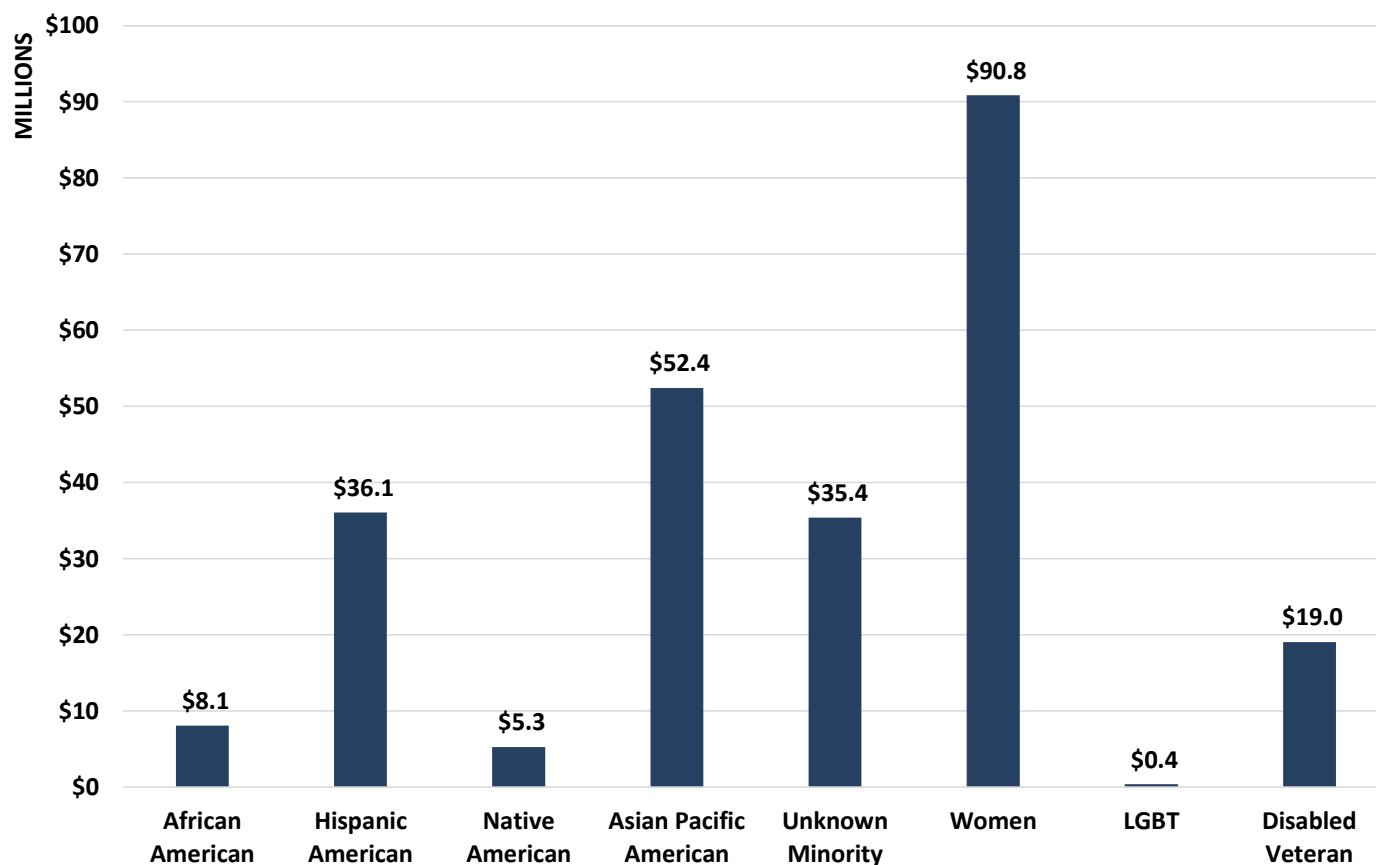
2024 System Level Reporting

Reported Diverse Spend:
\$ 225,040,439
Total System Procurement:
\$ 8,586,065,825



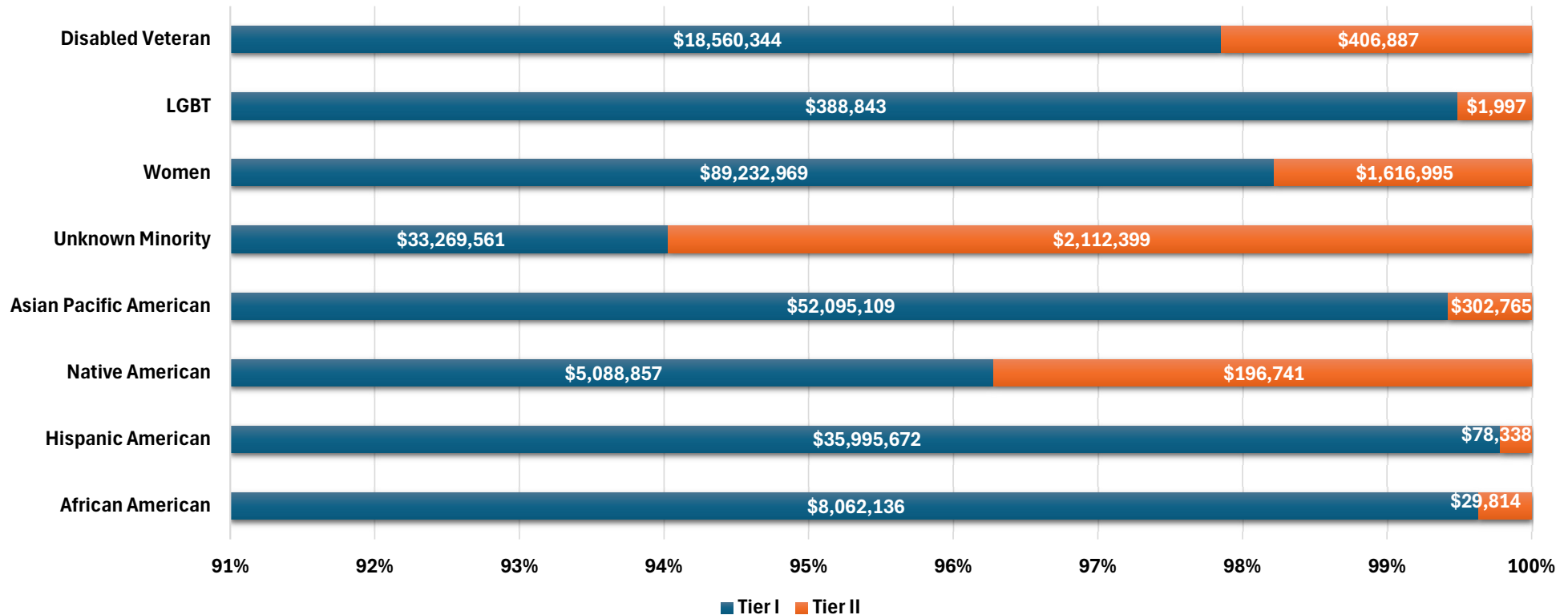
2024 Total Diverse Procurement (Systems)

Total Diverse Procurement	2024
African American	\$8, 091,950
Hispanic American	\$36,074,010
Native American	\$5,285,598
Asian Pacific American	\$52,397,874
Unknown Minority	\$35,381,960
Women	\$90,849,964
LGBT	\$390,840
Disabled Veteran	\$19,044,064
Less Duplicate	\$23,477,876



Data Note: If a diverse supplier identifies as more than one category, this data accounts for that spend in all categories. The "less duplicate" amount is not factored into this graph.

2024 Tier 1 vs Tier 2 Procurement (Systems)



Data Note: If a diverse supplier identifies as more than one category, this data accounts for that spend in all categories. The "less duplicate" amount is not factored into this graph.

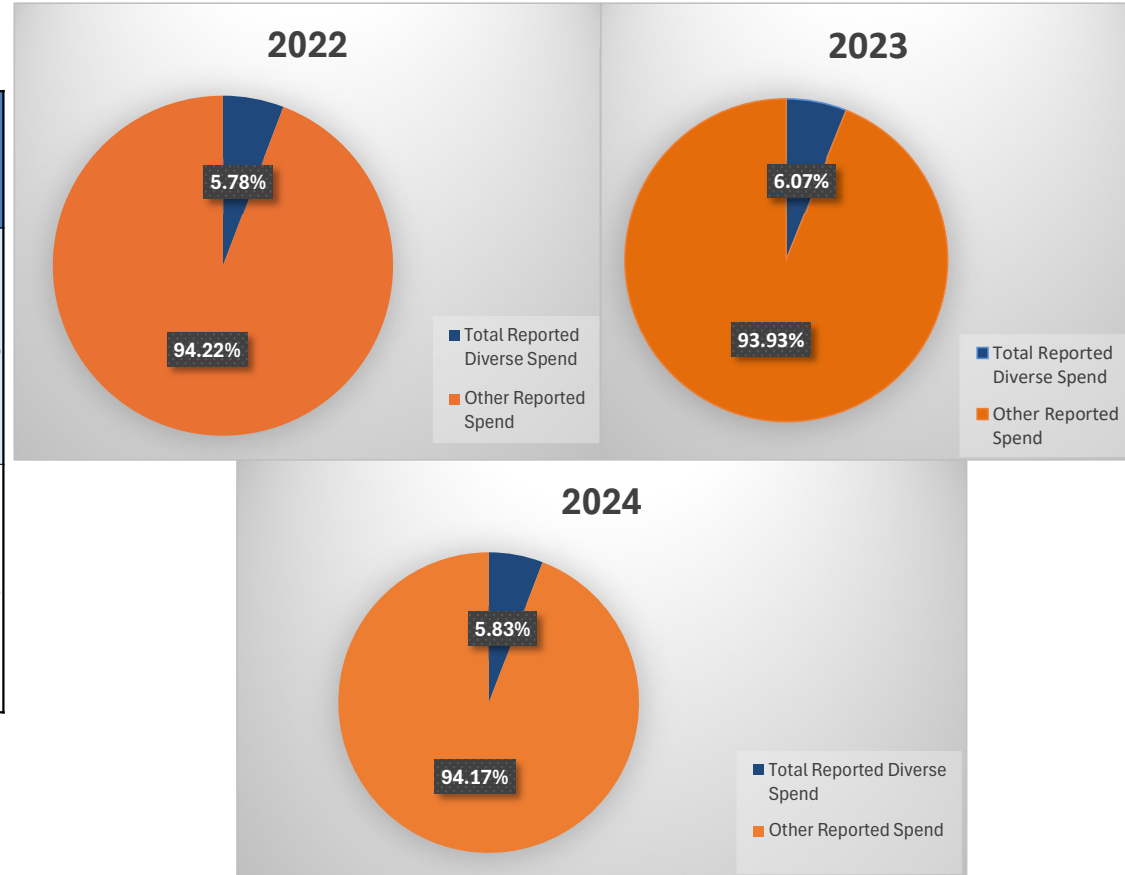
Tier I procurement: The procurement by direct contract between a hospital and a supplier directly to provide goods and services that support the operations of the hospital.
Tier II procurement: The procurement by any agreement or arrangement between a contractor and any third party.



2022 – 2024 Data Trends

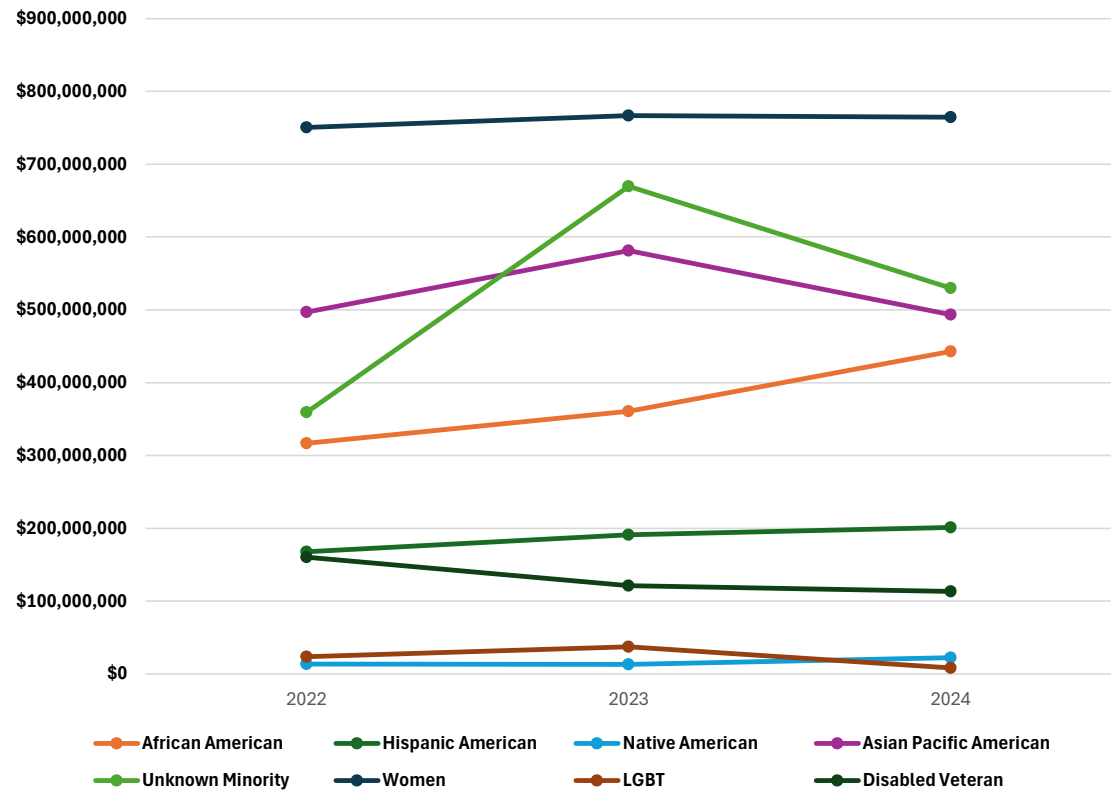
2022-2024 Total Diverse Spend (Individual Hospitals)

	2022	2023	2024
Total Reported Diverse Spend	\$ 2,172,765,001	\$ 2,612,550,850	\$ 2,494,149,333
Total Procurement Spend	\$ 37,612,322,764	\$ 43,008,572,947	\$ 42,761,088,796



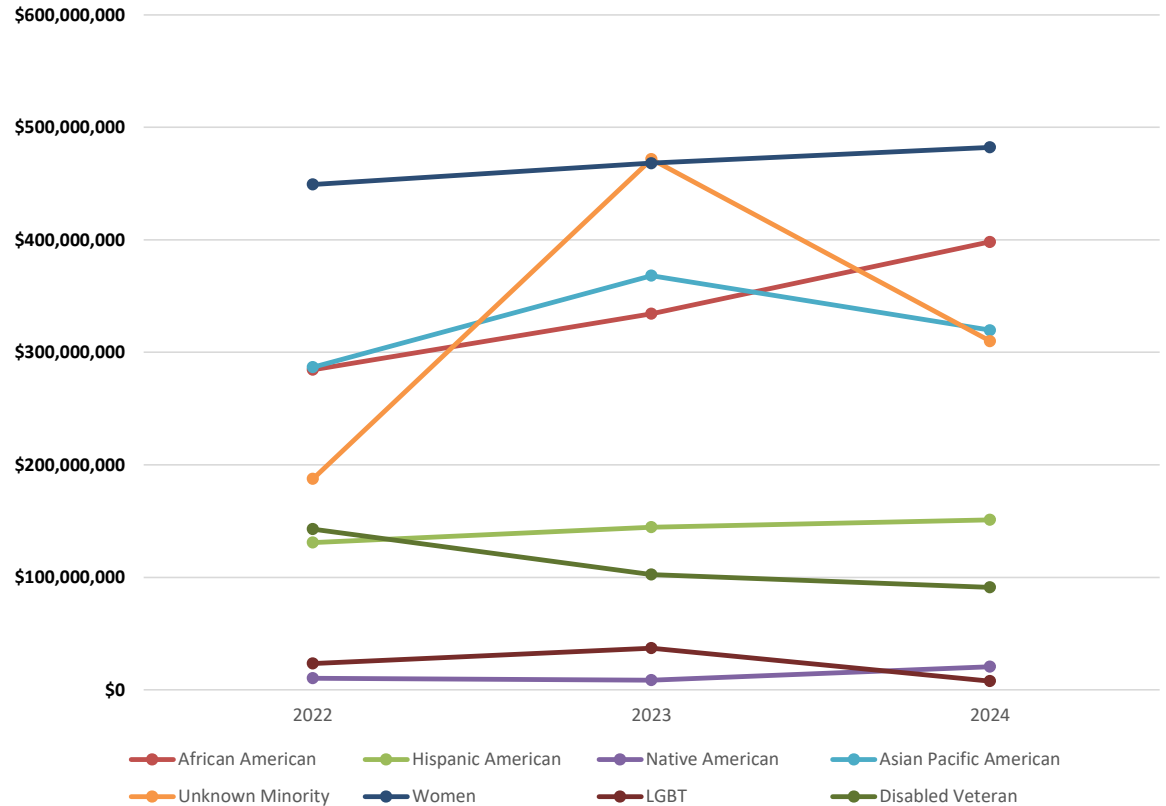
2022-2024 Total Diverse Procurement

Total Diverse Procurement	2022	2023	2024
African American	\$316,661,778	\$360,736,955	\$ 443,184,154
Hispanic American	\$167,755,145	\$191,079,619	\$ 201,125,292
Native American	\$13,836,054	\$13,176,663	\$ 22,388,883
Asian Pacific American	\$497,100,175	\$581,604,138	\$ 493,655,783
Unknown Minority	\$359,506,468	\$669,834,284	\$530,040,286
Women	\$750,624,420	\$766,953,469	\$ 764,598,884
LGBT	\$23,840,443	\$37,341,678	\$8,338,666
Disabled Veteran	\$160,237,227	\$121,573,899	\$ 113,541,104
Less Duplicate	\$116,796,709	\$129,586,044	\$82,723,719



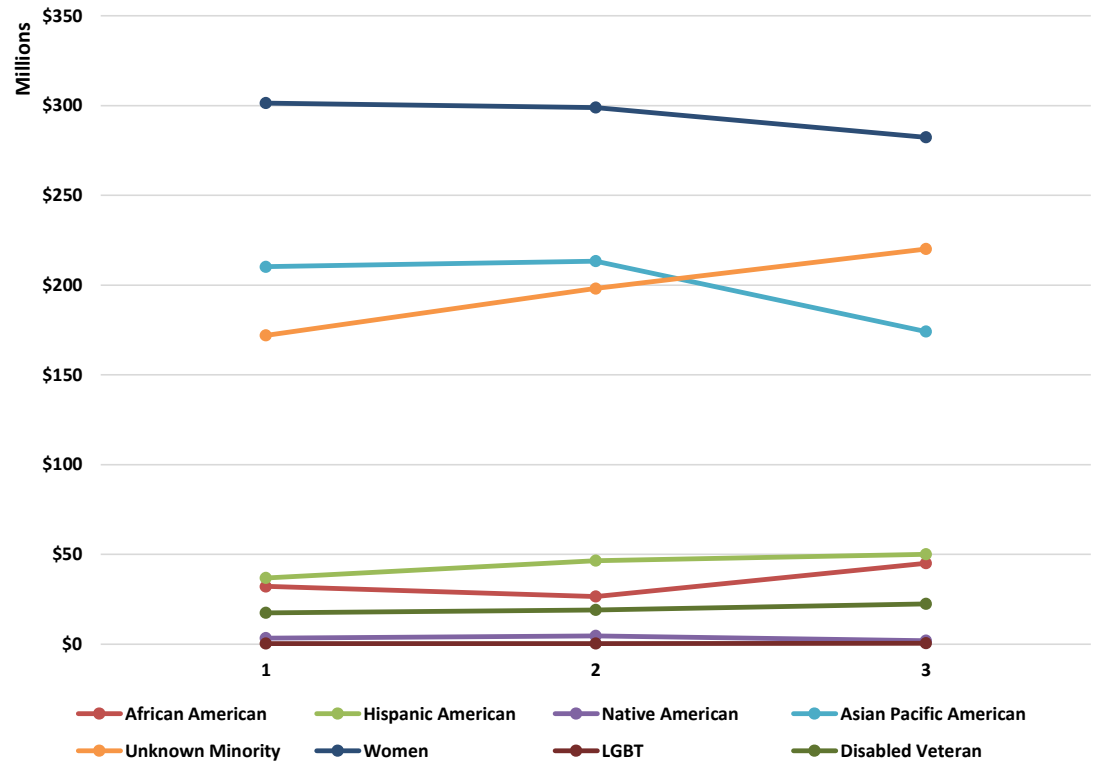
2022-2024 Tier 1 Comparison

Tier 1	2022	2023	2024
African American	\$ 284,505,770	\$334,233,342	\$ 398,116,096
Hispanic American	\$ 130,880,810	\$144,639,639	\$ 150,981,587
Native American	\$ 10,396,720	\$ 8,636,178	\$ 20,456,227
Asian Pacific American	\$ 286,876,536	\$368,200,794	\$ 319,585,172
Unknown Minority	\$ 187,523,308	\$471,744,359	\$ 309,914,890
Women	\$ 449,128,695	\$468,042,830	\$ 482,225,151
LGBT	\$ 23,437,786	\$ 36,937,798	\$ 7,749,692
Disabled Veteran	\$ 142,803,880	\$102,439,065	\$ 91,022,878
Less Duplicate	\$115,545,113	\$127,691,907	\$77,133,317



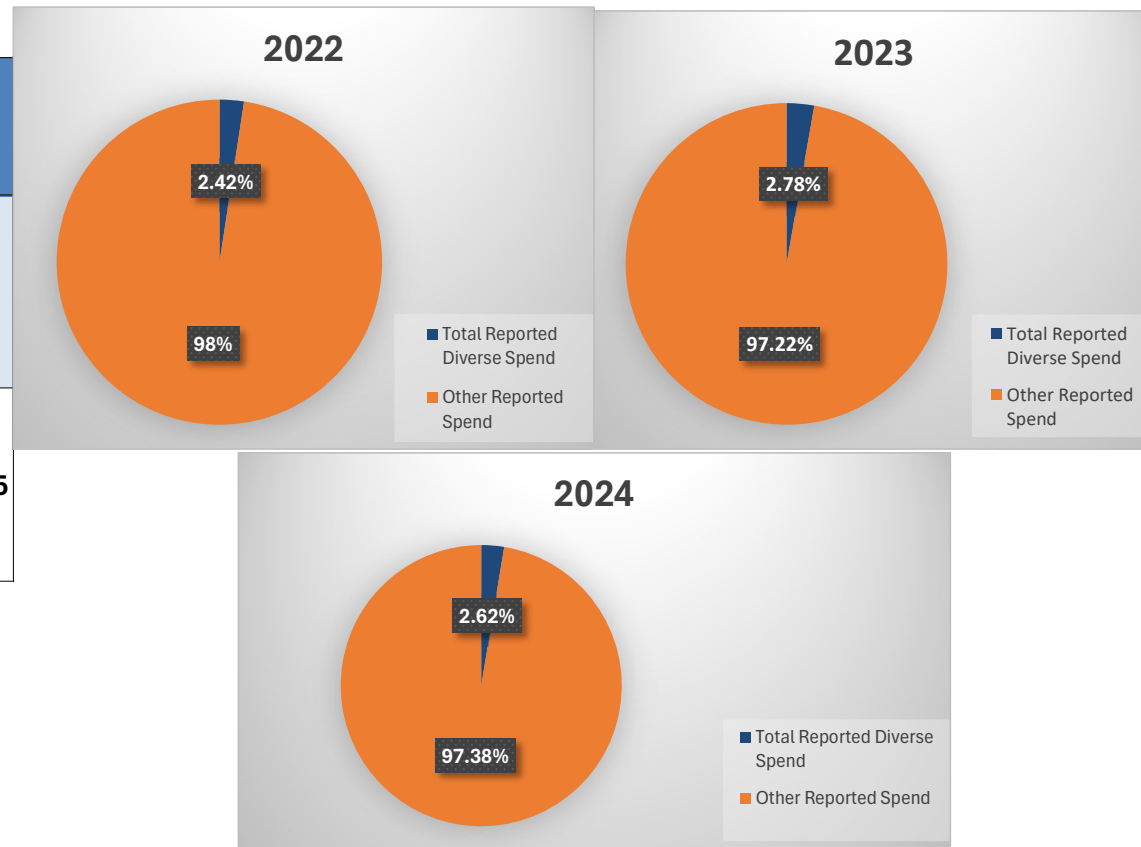
2022-2024 Tier 2 Comparison

Tier 2	2022	2023	2024
African American	\$ 32,156,008	\$ 26,503,613	\$ 45,068,058
Hispanic American	\$ 36,874,335	\$ 46,439,980	\$ 50,143,705
Native American	\$ 3,439,334	\$ 4,540,485	\$ 1,932,656
Asian Pacific American	\$ 210,223,639	\$ 213,403,344	\$ 174,070,611
Unknown Minority	\$ 171,983,160	\$ 198,089,925	\$ 220,125,396
Women	\$ 301,495,725	\$ 298,910,639	\$ 282,373,733
LGBT	\$ 402,657	\$ 403,880	\$ 588,974
Disabled Veteran	\$ 17,433,347	\$ 18,971,023	\$ 22,518,226
Less Duplicate	\$1,251,596	\$1,894,137	\$5,590,402



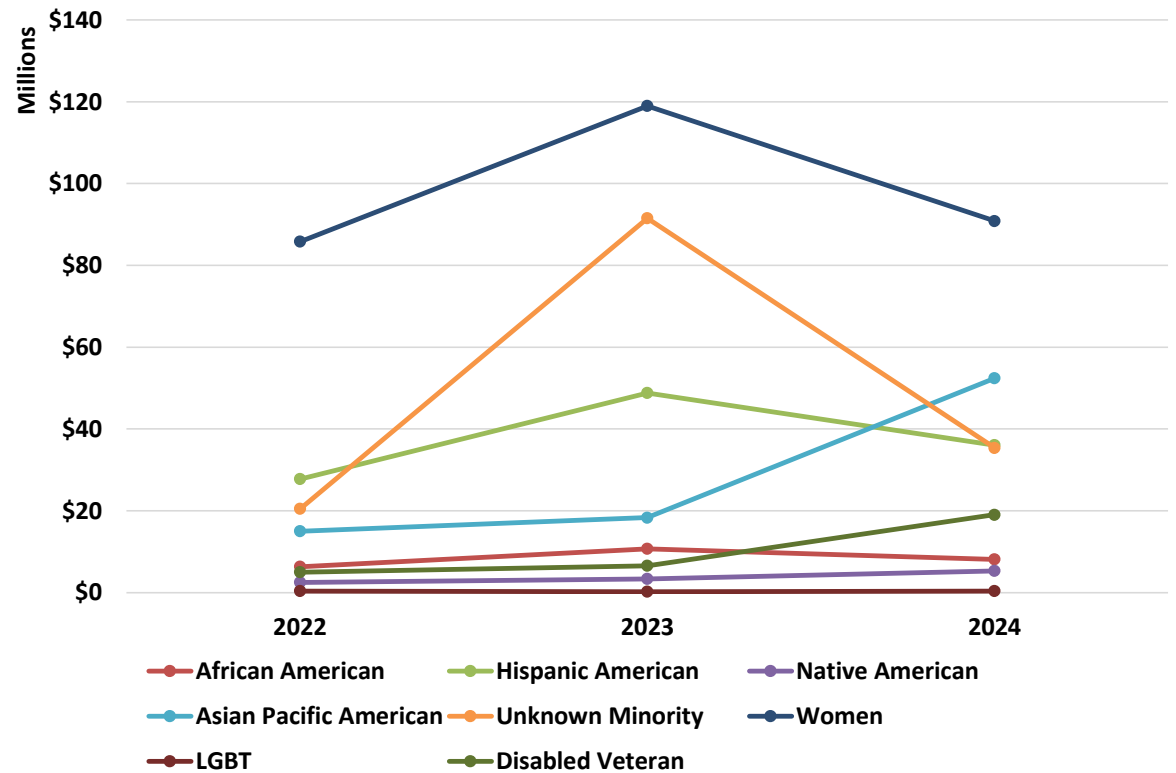
2022-2024 Total Diverse Spend (Hospital Systems)

	2022	2023	2024
Total Reported Diverse Spend	\$ 128,883,133	\$ 263,285,596	\$ 225,040,439
Total Procurement Spend	\$ 5,316,504,537	\$ 9,461,956,269	\$ 8,586,065,825



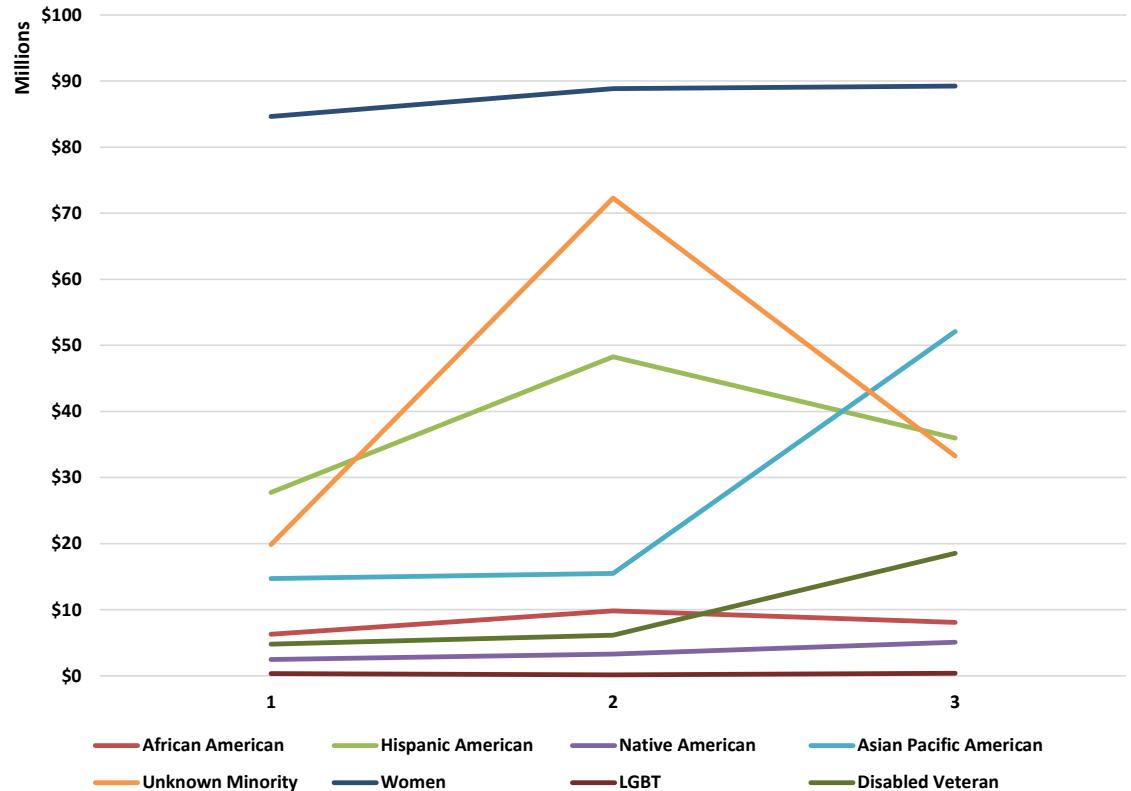
2022-2024 Total Diverse Procurement (Systems)

Total Diverse Procurement	2022	2023	2024
African American	\$6,300,298	\$10,682,302	\$8,091,950
Hispanic American	\$27,749,393	\$48,793,186	\$36,074,010
Native American	\$2,520,303	\$3,378,482	\$5,285,598
Asian Pacific American	\$15,005,799	\$18,335,210	\$52,397,874
Unknown Minority	\$20,495,318	\$91,537,967	\$35,381,960
Women	\$85,787,107	\$118,961,620	\$90,849,964
LGBT	\$348,145	\$224,189	\$390,840
Disabled Veteran	\$5,002,600	\$6,553,730	\$19,044,064
Less duplicate	\$34,325,830	\$35,181,090	\$23,477,876



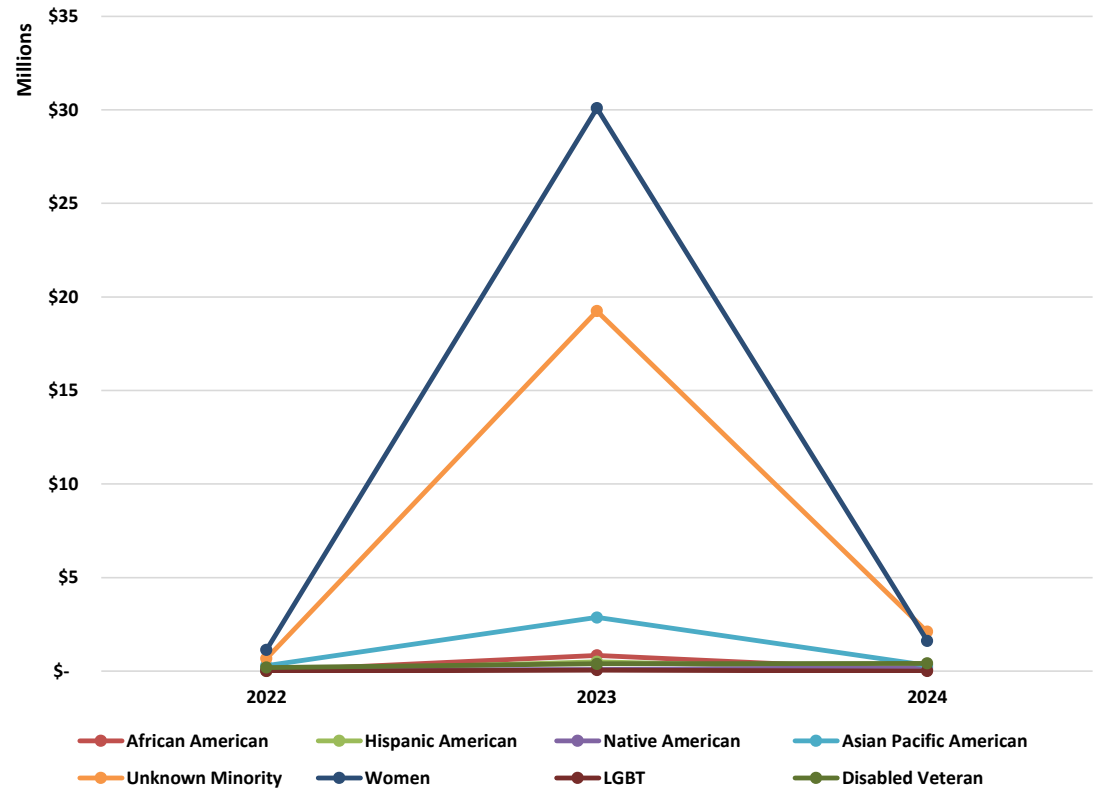
2022-2024 Tier 1 Comparison (Systems)

Tier 1	2022	2023	2024
African American	\$ 6,280,081	\$ 9,841,351	\$8,062,136
Hispanic American	\$ 27,748,293	\$48,289,996	\$35,995,672
Native American	\$ 2,461,128	\$ 3,293,584	\$5,088,857
Asian Pacific American	\$14,720,289	\$15,468,702	\$52,095,109
Unknown Minority	\$19,830,764	\$72,283,331	\$33,269,561
Women	\$84,650,900	\$88,866,136	\$89,232,969
LGBT	\$348,145	\$167,896	\$388,843
Disabled Veteran	\$4,809,545	\$6,168,527	\$18,560,344
Less Duplicate	\$34,292,378	\$35,140,247	\$23,425,118



2022-2024 Tier 2 Comparison (Systems)

Tier 2	2022	2023	2024
African American	\$ 20,217	\$ 840,951	\$ 29,814
Hispanic American	\$ 1,100	\$ 503,190	\$ 78,338
Native American	\$ 59,175	\$ 84,898	\$ 196,741
Asian Pacific American	\$ 285,510	\$ 2,866,508	\$ 302,765
Unknown Minority	\$ 664,554	\$ 19,254,636	\$ 2,112,399
Women	\$1,136,207	\$30,095,484	\$ 1,616,995
LGBT	\$ -	\$ 56,293	\$ 1,997
Disabled Veteran	\$ 193,055	\$ 385,203	\$ 406,887
Less Duplicate	\$33,452	\$40,843	\$52,758



Additional Resources

- Hospital Supplier Diversity Reporting Program [website](#).
- [Reporting Regulations](#).
- View previously submitted reports [here](#).
- Submission portal [HDC System](#).
- If you have any questions or concerns, please contact us email supplier.diversity@hcai.ca.gov or via phone at (916) 326-3830.
- To receive email updates regarding the program, please [subscribe](#).

Commission Member Discussion

Public Comment