



2020 West El Camino Avenue, Suite 800  
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## Hospital Supplier Diversity Commission (HSDC)

### Draft Meeting Minutes

August 16, 2022

**Members Attending:** Lupe Alonzo-Diaz, Physicians for a Healthy California; Jennie E. Kim, Providence St. Joseph's; Baljeet Sangha, San Francisco Health Network, San Francisco Department of Public Health; Cameron M. Stewart, Alcam Medical; Cecil Plummer, Western Regional Minority Supplier Development Council; Lilly Rocha, Latino Restaurant Association; Tracy Stanhoff, AD PRO, American Indian Chamber of Commerce of CA; Ruksana Azhu Valappil, NEEV, Inc.; Theresa A. Martinez, Community Connections, LLC

**Members not in attendance:** Jackson Dalton, Black box Safety, Inc.; Tara Lynn Gray, CA Office of Small Business Advocate

**Presenters:** Elizabeth Landsberg, HCAI Director; Michael Valle, HCAI Chief Information Officer & Deputy Director; Sharon Takhar, HCAI Hospital Disclosures Unit Manager

**Public Attendance:** 21

### Agenda Item # 1 Welcome and Meeting Minutes

Lupe Alonzo-Diaz, Commission Chair, welcomed everyone to the Hospital Supplier Diversity Commission meeting. She reviewed the meeting ground rules, agenda and August 16 meeting minutes. She also led a vote to approve the meeting minutes:

**Motion made by:** Commissioner Ruksana Azhu Valappil

**Motion seconded by:** Commissioner Cameron Stewart

**Final recommendation vote passed with a vote with 8 Ayes and 0 Nays.**

The meeting minutes were approved. There were no comments from commission members or members of the public.

### Questions/Comments from the Commission:

There were no questions or comments from the Commission.

There were no comments from members of the public heard.



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Note: there were 2 members of the public who had technical issues providing a public comment. HCAI let members know that they are able to provide comment in writing by sending to [supplierdiversity@hcai.ca.gov](mailto:supplierdiversity@hcai.ca.gov). HCAI did not receive any public comment via email.

## **Agenda Item # 2 Director Update**

Director Elizabeth Landsberg, HCAI Director, provided an update on the Department's 2022-2023 budget that went into effect on July 1, 2022, including new programs and initiatives. These programs and initiatives included the formation of the Office of Healthcare Affordability, new Hospital Equity Reporting Program and Committee following the passage of Assembly Bill 1204, funding for the CalRx Program, support for access to reproductive health care services, as well as support for physical and digital infrastructure enhancements for reproductive health facilities and to develop and retain the reproductive healthcare workforce. Director Landsberg also highlighted initiatives across the Healthcare Workforce Development Division that will support expansion in careers for social workers, nurses, and more.

### Questions/Comments from the Commission:

Commission members commented on the variety of critical programs the department is taking on and discussed the department's support in moving forward the work of the committee and increasing contracting with diverse suppliers with the hospital industry.

## **Agenda Item # 3 Deputy Director Update**

Michael Valle, HCAI Chief Information Officer and Deputy Director, presented division updates and program activities of interest to Hospital Supplier Diversity (HSD) Program. He provided updates on the work of the Hospital Equity Measures Advisory Committee, highlighting that the recommendations under development by a public committee advising HCAI about the implementation of Assembly Bill 1204 will directly inform the Hospital Equity Reporting Program launching in 2025. Deputy Director Valle concluded by calling out the newly added Hospital Supplier Diversity Commission "Meet the Members" webpage, which recognizes members backgrounds and biographies on the HCAI website.

### Questions/Comments from the Commission:

The Commission discussed the potential synergy in the work of the Hospital Supplier Diversity Commission (HSDC) and the new hospital equity committee, as well as inquired if the HSDC should consider more frequent meetings.



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#### **Agenda Item # 4 HSD Reporting Program Update**

Sharon Takhar, HCAI Hospital Disclosures Unit Manager, presented on the progress to date and next steps for HSD Program implementation, including the HSD regulations and deployment of the Hospital Disclosures and Compliance Online Reporting System.

##### Questions/Comments from the Commission:

The Commission clarified that system level reporting counts are separate from individual level reporting.

##### Public Comment:

There was one public comment seeking clarification on how voluntary submission to the hospital supplier diversity program was measured.

#### **Agenda Item # 5 Recommendations Development Process**

Chairwoman Alonzo-Diaz provided a high-level review of the recommendation's development process including preliminary discussions and the draft of recommendations coordinated by HCAI program staff and the Chair. She also reviewed the voting process and the use of Robert's Rules of Order.

##### Questions/Comments from the Commission:

There were no questions or comments from the Commission.

There were no comments from members of the public.

#### **Agenda Item # 6 Finalize Recommendations**

Chairwoman Alonzo-Diaz facilitated the discussion to vote and finalize recommendations pertaining to the hospital industry. She noted that the process to develop the proposed draft regulations included HCAI staff summarizing commission member recommendations that were made in prior meetings and working with the chair to craft draft recommendations that were presented to commission members. Commission members had an opportunity to review the draft recommendations and provide suggested amendments, which were captured on the slides presented at the



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meeting. Each recommendation was reviewed separately, and Robert's Rules of Order were followed for the vote on each recommendation.

In the minutes, the "track changes" reflected the updates based on commission discussion, which led to the final approved recommendation. Red text represents changes, with "strikethrough" representing deletions.

**R 10 Proposed Recommendation:** Produce regular analyses with the data, which could include analysis statewide, by region, and by hospital type; distribution of spend with diverse businesses; and spending comparisons and benchmarks.

Summary of Commission Discussion: Members discussed ensuring that the recommendation is set up in a way that is feasible for HCAI to deliver, that there be clarity around the term "regular analysis" and the addition of the word "annual," as the reports are being produced annually. Lastly, the committee added "not limited to" in order to provide some flexibility.

**R 10 Final Recommendation:** HCAI will produce annual regular analyses, as defined by staff, with the data, which ~~could~~ should include, but not limited to, analysis statewide, by region, and by hospital type; distribution of spend with diverse businesses; and spending comparisons and benchmarks.

**Motion:** Theresa Martinez

**Second:** Lily Rocha

**Final recommendation vote passed with a vote with 9 Ayes and 0 Nays.**

**R 11 Proposed Recommendation:** Publish list of hospitals required to report based on thresholds outlined in the statute for each annual reporting period and are required to submit supplier diversity reports to HCAI.

Summary of Commission Discussion: Members discussed the varying communication channels that HCAI has including email distribution lists, websites, and social media channels. They also discussed that the statute outlines a threshold for reporting hospitals and that the hospitals required to report may change year to year if hospital operating revenue falls below, or rises above, the threshold. Lastly, the Commission noted that HCAI does have an existing subscription page where interested stakeholders can sign up to receive important updates via HCAI communication channels.



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**R 11 Final Recommendation:** Publish **on the HCAI website and distribute via HCAI communication channels**, list of hospitals required to report based on thresholds outlined in the statute for each annual reporting period and are required to submit supplier diversity reports to HCAI.

**Motion:** Tracy Stanhoff

**Second:** Cecil Plummer

**Final recommendation vote passed with a vote with 9 Ayes and 0 Nays.**

**R 12 Proposed Recommendation:** Revise reporting regulations to require disaggregated reporting from hospitals, which could include categories of hospital spending, counts of diverse suppliers, supplier demographics by category, and allowing for reporting of intersectional identities for diverse supplier (e.g., suppliers that are both a minority and woman owned business).

Summary of Commission Discussion: Members discussed adding that reports that contain all zeros should be considered a non-report, noting concerns of hospitals getting credit for submitting a report if all of their data is zero spending in each category. The Commission noted that there may be categories in the report for which a hospital truly has zero dollars of spending, which would then guide where the hospital should focus their outreach. Through the discussion, commission members added two new recommendations, R 20 and R 21, to capture the importance of differentiating between reports that have \$0 spend and data that is not reported and ensuring there is follow up to encourage future diverse spend for hospitals that do have all zeros.

**R 12 Final Recommendation:** Revise reporting regulations to require disaggregated reporting from hospitals, which could include categories of hospital spending, counts of diverse suppliers, supplier demographics by category, and allowing for reporting of intersectional identities for diverse supplier (e.g., suppliers that are both a minority and woman owned business). **Add that a report containing all zeros should be considered a non-report.**

**Motion made by:** Cecil Plummer

**Seconded by:** Theresa Martinez



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**Final recommendation (R 12) vote passed with a vote with 8 Ayes, 1 Abstention, and 0 Nays**

R 20 Final Recommendation: HCAI will ensure that reported data can be differentiated between \$0 spend and data that is not reported.

**Motion made by:** Theresa Martinez  
**Seconded by:** Cecil Plummer

**Roll call completed. Final recommendation passed with a vote with 8 Ayes, 1 Abstention, and 0 Nays.**

R 21 Final Recommendation: HCAI will produce a reporting standard and evaluate hospitals with reports that contain all zeros to identify ways to encourage future diverse spend.

**Motion made by:** Cecil Plummer  
**Seconded by:** Tracy Stanhoff

**Roll call completed. Final recommendation passed with a vote with 8 Ayes, 1 Abstention, and 0 Nays.**

R 13 Proposed Recommendation: Collaborate with other public supplier diversity transparency programs, including California Public Utilities Commission, California Department of Insurance, and California Secretary of State on lessons learned and best practices to advance program goals.

Summary of Commission Discussion: Members discussed the benefit of an En Banc style meeting as the Public Utilities Commission holds and recommended that such a meeting be created by development a new recommendation, R 22. The Commission discussed that the goal of the En Banc meeting would be to invite hospital leadership to report on their results publicly. The Commission did recognize that HCAI would not have the authority to compel hospitals to attend the En Banc meeting and encouraged HCAI to work with other departments in setting up an En Banc style meeting.

R 13 Final Recommendation: Collaborate with other public supplier diversity transparency programs, including California Public Utilities Commission, California



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Department of Insurance, and California Secretary of State on lessons learned, best practices, challenges/obstacles to advance program goals.

**Motion:** Tracy Stanhoff

**Seconded by:** Theresa Martinez

**Final recommendation passed with a vote with 9 Ayes and 0 Nays.**

R 22 Final Recommendation: HCAI to create an annual En Banc style public meeting.

**Motion:** Cecil Plummer

**Second:** Theresa Martinez

**Final recommendation passed with a vote with 6 Ayes, 2 Abstentions, and 0 Nays.**

R 14 Proposed Recommendation: For Diverse Suppliers: Participate in various engagement opportunities with hospitals and recognize it takes time to develop contracts and relationships.

Summary of Commission Discussion: Members discussed that the recommendation as written did not make sense and was misdirected and should instead require hospitals to track how they are building relationships and onboarding diverse suppliers. The Commission also discussed that it is important to capture GPOs and direct suppliers as hospitals have a broad universe of relationships for how items and services get into the organization. Lastly, the Commission discussed that there should be a percentage goal for GPOs to have for working with diverse suppliers and proposed the addition in recommendation R 23.

R 14 Final Recommendation: ~~For Diverse Suppliers: Participate in various engagement opportunities with hospitals and recognize it takes time to develop contracts and relationships.~~ Reporting standards should be updated so that hospitals should track and report their supplier diversity outreach efforts, and report on how many are onboarded as suppliers or manufacturers (e.g., GPOs and direct suppliers).

**Motion:** Theresa Martinez

**Second:** Lily Rocha



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There were two public comments on this recommendation. The first noted that GPOs do not specifically do a carve out for a specific amount, but what they will do is identify vendors as a carve out on their diversity basis. For example, if a hospital is required to buy 90% of a product from a large manufacturer, they will carve out any money that is spent with a diversity vendor that is certified with the GPO that does not count against the 90% mark. They noted that GPOs are significant stakeholders, and they all have excellent diversity programs and diversity outreach programs, and that including GPOs in this work and finding ways to reach out and foster relationships will help hospital reach their goals.

The second public comment was seeking additional clarity regarding tracking supplier diversity outreach efforts, as with outreach efforts there is a long time horizon and the efforts are not immediately apparent.

**Final recommendation vote passed with a vote with 9 Ayes and 0 Nays.**

R 23 Final Recommendation: Establish a percentage goal for diverse suppliers in GPOs.

**Motion:** Cecil Plummer  
**Second:** Theresa Martinez

**Final recommendation vote passed with a vote with 9 Ayes and 0 Nays.**

### **Agenda Item # 7 Next Steps**

Michael Valle, HCAI Chief Information Officer and Deputy Director, provided a brief presentation on the next steps and the next meeting topics, and communicated the special meeting to be scheduled in September to finalize the recommendations.

### Questions/Comments from the Commission:

There were no questions or comments from the Commission.

There were no comments from members of the public.

### **Agenda Item # 8 Public Comment**





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There was no public comment. The meeting adjourned at 12:45pm