



Hospital Supplier Diversity Frequently Asked Questions

1. What is the Hospital Supplier Diversity (HSD) Report?
 - a. [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.
2. Who should submit an HSD Report?
 - a. Each licensed hospital with operating expenses of fifty million dollars (\$50,000,000) or more, and each licensed hospital with operating expenses of twenty-five million dollars (\$25,000,000) or more that is part of a hospital system, shall submit a report to HCAI.
3. Does AB962 only pertain to health care systems located in California?
 - a. Yes.
4. Are other states besides California adopting similar legislations?
 - a. Yes, currently Illinois has similar legislation regarding hospital construction projects.
5. When should facilities submit their HSD reports?
 - a. HSD reports are due to HCAI annually on July 1st for the prior calendar year.
6. Can the HSD report submission deadline be extended?
 - a. According to the statute, a hospital may request a **30-day extension** to file the report if needed due to unintended or unforeseen delays.
7. How should facilities submit a HSD report?
 - a. Starting reporting year 2021, facilities shall submit their HSD reports using the new [Hospital Disclosures and Compliance System](#).
8. Do I have to file electronically with HCAI for HSD?
 - a. Yes, starting reporting year 2021.
9. Can our HSD submission be part electronic, part hard-copy?
 - a. No, as of reporting year 2021 HCAI will no longer accept hard-copies.
10. How can someone register as a submitter in the Hospital Disclosures and Compliance (HDC) System?
 - a. Please reference the HDC Resource Manual for instructions on registering to submit a report.
11. What is the difference between a contact person and primary contact?
 - a. The contact person is the individual that business enterprises who are interested in contracting with your facility can reach out to. The primary contact is who HCAI will reach out regarding HSD report submissions.
12. What is the difference between the primary contact and an associated user?

- a. The primary contact can submit a report and is who HCAI would reach out to in the event of an issue with a facility's report. An associated user is anyone within a facility who has authorization to submit a report.
13. Who can approve requests to associate a user with a facility?
- a. Both primary contacts and associated users can approve pending requests for facilities they are already associated with.
14. Where can facilities find guidance on filling out and submitting the HSD report?
- a. Information and guidance regarding the HSD report can be found on [HCAI's website](#).
15. What if I don't have all of the data categories to report?
- a. All sections with an asterisk must be filled out. If you do not have the information or it is not applicable, please enter "N/A" in the field.
16. Do the suppliers have to be a California-based business in order to be listed?
- a. The business needs have at least a majority (51% or more) of the enterprise's workforce in California.
17. Do I need to provide a list of diverse suppliers with my report?
- a. No, this is not a requirement per the statute.
18. Are facilities required to meet a minimum spending amount on diverse procurement?
- a. No.
19. What is the difference between Tier I and Tier II?
- a. As of reporting year 2021, HCAI will now be using a tier system to differentiate between procurement suppliers.
 - b. "Tier I procurement" means the procurement by direct contract between a hospital and a supplier directly to provide goods and services that support the operations of your hospital. "Tier II procurement" means procurement by any agreement or arrangement between a contractor and any third party.

Example 1: Contracts that were originally negotiated by a Global Purchasing Organization would be Tier I if the hospital directly contracts with the supplier. They may be using the negotiated contract but if the hospital signs directly with the supplier, it is Tier I.

Example 2: A hospital enters into an agreement (Tier I) with a supplier. As part of services to the hospital, the supplier engages a subcontractor on behalf of the hospital (Tier II). However, in those circumstances, the cost of the subcontractor could be reflected in the original contract, this would be Tier II.
20. What does the "less duplicated amount" mean?
- a. When a supplier qualifies for more than one diverse category, their procurement total is reported in each category. To prevent the procurement from being counted multiple times in the combined total, the identical amount should be reported in the less duplicate amount row.

30. Where can I find data from previous HSD submissions?

- a. 2020 report submissions and data analysis are available on our [website](#).

31. What is the Hospital Supplier Diversity Commission?

- a. [The Hospital Supplier Diversity Commission](#) (HSDC) has been established by HCAI pursuant to [Health and Safety Code Section 1339.88](#). The purpose of the commission is to advise and provide recommendations to the HCAI Director and the hospital industry on the best methods to increase procurement with diverse suppliers within the hospital industry. The commission will also promote and provide outreach to hospitals that are actively engaged in supplier diversity issues. Meetings are posted on our [website](#) and are available for the public to attend.

The HSDC is composed of commissioners who are representatives from the hospital industry, minority businesses, women owned businesses, disabled veteran business enterprise, LGBT business, and experts in the field of diversity supply.