

**Hospital Supplier Diversity Commission (HSDC)
Draft Meeting Minutes
March 21, 2023**

Members Attending: Lupe Alonzo-Diaz, Physicians for a Healthy California; Jennie E. Kim, Providence St. Joseph's; Ruksana Azhu Valappil, NEEV, Inc.; Theresa A. Martinez, Community Connections, LLC; Jackson Dalton, Black Box Safety, Inc.; Tara Lynn Gray, California Office of the Small Business Advocate, Cameron M. Stewart, Alcam Medical; Cecil Plummer, Western Regional Minority Supplier Development Council; Lilly Rocha, Latino Restaurant Association

Members not in attendance: Baljeet Sangha, San Francisco Health Network, San Francisco Department of Public Health; Tracy Stanhoff, AD PRO, American Indian Chamber of Commerce of California

Presenters: Elizabeth Landsberg, Director, Department of Health Care Access and Information (HCAI); Michael Valle, Deputy Director, HCAI; Denard Uy, Utilization and Disclosure Reporting Section Manager, HCAI; Chico Manning, System Vice President Enterprise Supply Chain, PIH Health; Matthew D. Freede, Area Director, Supply Chain Shared Services, Los Angeles Medical Center, Kaiser Permanente; Shaleta Dunn, Vice President Supplier Diversity and Social Investment Impact GPO Services and Delivery Core Tenets, Vizient; Jackson Dalton, President, Black Box Safety, Veterans In Business, Board Member, HSDC; Julian Canete, President and CEO, California Hispanic Chamber of Commerce

Public Attendance: 19

Agenda Item # 1 Welcome and Meeting Minutes

Lupe Alonzo-Diaz, Commission Chair, welcomed everyone to the HSDC meeting. She reviewed the meeting ground rules, agenda and September 20 meeting minutes. She also led a vote to approve the meeting minutes.

Motion made by: Commissioner Ruksana Azhu Valappil

Motion seconded by: Commissioner Cameron M. Stewart

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

The meeting minutes were approved.

No public comment.

Agenda Item # 2 Department Updates

Director Elizabeth Landsberg, HCAI, and Deputy Director Michael Valle, HCAI, presented on HCAI updates relating to Hospital Supplier Diversity (HSD). Director Landsberg acknowledged potential HCAI program changes due to a change in the

governor's released budget. Michael Valle thanked the five members of the HSDC who have renewed their terms with the commission.

Questions/Comments from the Commission:

Commission members inquired if the newly released budget would impact the work of the HSDC and Director Landsberg confirmed that it would not.

No public comment.

Agenda Item # 3 HSD Reporting Program Updates & Third Year Reporting

Denard Uy presented HSD program updates including third year reporting results and an updated data visualization website for hospital supplier diversity reports that provides a more user-friendly experience and display of the data.

Questions/Comments from the Commission:

Commission members shared their experience with the website and noted it was digestible and easy to understand. Commissioners voiced a question regarding hospitals that are below the mandated reporting and requested confirmation that reporting is optional for hospitals whose operating expenses fall below the required threshold, which HCAI confirmed.

No public comment.

Agenda Item # 4 Hospital Panel

Chico Manning, PIH Health, and Matthew Freede, Kaiser Permanente, shared successes and challenges in their supplier diversity work for their respective organizations.

Questions/Comments from the Commission:

Commission members had a robust discussion with the presenters about their organizations' procurement processes. Commission members discussed processes for hospitals to develop non-Group Purchasing Organization (GPO) spending opportunities, and the presenters noted that while GPO partnerships are important, pursuing non-GPO spend is a critical component of their procurement process. The presenters noted that a best practice could be to make it a priority to speak to all potential vendors and to not exclude any from consideration on the basis that they are non-GPO.

Commission members also inquired about the level of difficulty business owners would face accessing procurement opportunities available on hospital websites. The presenters recognized that it is not always an easy process to access procurement

opportunities with a hospital. They did note that once a business has made a connection, a long-term partnership can be established. The presenters also noted that word of mouth is an effective way to establish connections and begin networking.

The commission asked for clarification as to whether Request for Proposals (RFPs) were available to the public on hospitals' websites and how the hospital utilizes its position in a way that encourages development with diverse suppliers across a wide spectrum of supply needs. The presenters clarified that for their hospitals, the RFP process involves soliciting potential vendors through existing local networks and performing online searches to find them, applied to all levels of purchasing, and requires each RFP bid include at least one diverse supplier when evaluating procurements.

The commission inquired about the ways in which each hospital is using their customer-base to encourage their contracted GPO to work to increase diverse supplier contracting. The presenters discussed a newly accessible member-driven portal for customers at their hospital, serving as a tool to support reporting on diverse spend. It was also noted that when the contract is negotiated with the GPO, the intent is to include language that supports better tools and performance opportunities for contracting diverse suppliers. Lastly, presenters noted that they have assisted in the contracting process by reaching out directly to manufacturers to inquire about who the diverse suppliers are at the "Tier 2" level when manufacturing the products that are negotiated at "Tier 3" levels.

The commission expressed their interest in seeing any upcoming supplier diversity work from PIH Health and Kaiser Permanente.

Questions/Comments from the Public:

A member of the public asked if the meeting recording would be made available to the public, and it was clarified the recordings are only available for internal purposes; however, meeting materials, such as presenter slides and the meeting agenda, are available on the HCAI website for the public to access.

Agenda Item # 5 Other Entities Supporting Hospital Procurement

This agenda item provided an opportunity for other entities within the hospital procurement system to share how they have been supporting procurement with diverse businesses. Shaleta Dunn, Vizient; Jackson Dalton, Veterans In Business Network; and Julian Canete, California Hispanic Chambers of Commerce, shared how their entities are supporting hospitals to increase and sustain contracting with diverse suppliers.

Questions/Comments from the Commission:

Commission members inquired about the process to work with GPOs as a diverse vendor and tips or tools for small business and minority business owners for navigating the process. The presenters shared resources including the GPO bid calendar,

contracting with diverse suppliers through diversity non-bid contracts, and the innovative technology method, which involves provider clinicians and subject matter experts in the purchasing of supplies and equipment. The presenters also noted that providers are asked to participate in community contracting, which is hyper-local focused, to bring local suppliers onboard. The commission also discussed health equity programs that are offered through GPOs, which is an opportunity for companies to identify and share strategies that they are implementing to improve equity in health care. The goal of sharing this information would be to focus on diversity and health equity, while providing opportunity to empower communities economically by providing additional support and information for suppliers.

No public comment.

Agenda Item # 6 Next Meeting Topics

Deputy Director Michael Valle announced that the next meeting would be scheduled for November 2023, based on the approach of scheduling two anchor meetings per year, and noted the meeting will occur after 2022 data collection is completed. The November meeting will be used to discuss the 2022 measurement year data that has been reported. Deputy Director Michael Valle also noted an optional August meeting may be scheduled should the HSDC have urgent topics of discussion. HSDC members were asked to send suggestions for such topics to supplier.diversity@hcai.ca.gov.

Public Comment

No public comment.