

Finalize Recommendations

Recommendations for the Hospital Industry:

R1: Create a supplier diversity policy statement that promotes the use of small and diverse suppliers.

Feedback/Suggested Amendments:

1. Need for metrics and accountability in implementation of program.

Recommendations for the Hospital Industry:

R2: Consider performance goals to encourage outreach and reporting efforts that support contracting with small and diverse suppliers.

Feedback/Suggested Amendments:

1. More specificity regarding whom the performance goals are for. The goals should be for Governing Bodies, CEOs, leaders, and not just procurement/purchasing teams.

2. Need for metrics and accountability in implementation of program.

Recommendations for the Hospital Industry:

R3: Implement hospital supplier diversity goals for procurement that are supported by leadership.

Feedback/Suggested Amendments:

1. Language stronger than "supported", such as "owned."

2. Need for metrics and accountability in implementation of program.

3. Suggestion to change "Implement" to "Encourage".

Recommendations for the Hospital Industry:

R4: Establish an accountability system to meet specified goals.

Feedback/Suggested Amendments:

1. Exact terms or goals for reporting outreach, diverse business usage and technical support for implementation.

2. Further discussion requested as the statute as written is already an accountability system to gather hospital information.

Recommendations for the Hospital Industry:

R5: Establish a policy for hospitals to identify and track diverse business enterprises (E.g., MBE, WBE, DVBE, LGBTQBE).

Feedback/Suggested Amendments:

1. Metrics and accountability - as no outreach as been implemented diverse organization wide yet.

2. Suggestion to add “...spend with diverse businesses....” .

Recommendations for the Hospital Industry:

R6: Evaluate procurement processes and policies to assess criteria that may limit or impede small and diverse suppliers' ability to competitively respond to bids.

Feedback/Suggested Amendments:

1. Request for further discussion or amendments.

2. This statement is too broad; how would hospitals know what would cause impediments for small and diverse suppliers.

Recommendations for the Hospital Industry:

R7: Establish supplier diversity webpage that directly outlines how diverse suppliers can contract with your organization including hospital contact information and bidding process.

Feedback/Suggested Amendments:

1. Request for further discussion or amendments.

2. Suggested revision: “**Encourage** a supplier diversity webpage to inform diverse suppliers on the hospital's contracting process including hospital contact information and bidding process.”

HCAI could provide support in this area for a central contract announcement board.

Recommendations for the Hospital Industry:

R8: Encourage contractors to purchase from local, diverse suppliers.

Feedback/Suggested Amendments:

1. Start with best practices as it can be very difficult to get management to change in the future. Recommend stronger language such as “require” contractors to purchase rather than “encourage”.

2. Suggest removing the word “local” as Native people do not have much local access at times to hospitals yet have the ability to become a supplier.

Recommendations for the Hospital Industry:

R9: Review contract language for primary contracts to encourage supplier diversity goals for any relevant sub-contracts.

Feedback/Suggested Amendments:

1. Recommend stronger language such as “primary contracts to **require** supplier diversity goals...”.

Recommendations for the HCAI Director:

R10: 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.

Feedback/Suggested Amendments:

1. Need to specify what will become of this data. Who is the target audience is and what communication channels will be used?

2. Add in “HCAI will produce” at the front end to clarify.

Recommendations for the HCAI Director:

R11: 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.

Feedback/Suggested Amendments:

1. Need to define "publish". Who the target audience is and what communication channels will be used?

Recommendations for the HCAI Director:

R12: 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).

Feedback/Suggested Amendments:

1. Add that a report containing zeros should be considered a non-report/no show.

2. Need to clarify exact data sets; could have large financial implications to purchase third party applications to track/identify diverse category. Intersectional identities could result in inflated spend information.

Recommendations for the HCAI Director:

R13: 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.

Feedback/Suggested Amendments:

1. The addition of "...on lessons learned, best practices, and challenges/obstacles to advance program goals".

2. Be more specific. What does this mean? Will the department have an En Banc style of annual meeting where CEO's must testify and report in public?

Recommendations for Other:

R14: For Diverse Suppliers - Participate in various engagement opportunities with hospitals and recognize it takes time to develop contracts and relationships.

Feedback/Suggested Amendments:

1. This wording is unclear. "For Diverse Suppliers". What we are trying to say is that Hospitals should track and report their outreach efforts to diverse suppliers, and report on how many are onboarded as suppliers or manufacturers with the GPO utilized by the hospital.

Recommendations for Other:

R15: For GPOs - Implement a rating system or scale to measure manufacturer's level of procurement with Tier II diverse suppliers.

Feedback/Suggested Amendments:

1. Add a goal for the hospital industry GPOs to establish a process to give diverse suppliers an equitable footing for RFPs and competitive bid opportunities.

2. "Manufacturer" is incomplete. Need to measure the manufacturer and the GPO itself. For example, the GPO's indirect spending should be reported, and the GPO should also track and have a goal of the number of diverse manufacturers that are available through the GPO.

Recommendations for Other:

R16: For Diverse Suppliers - Leverage ethnic chambers of commerce to receive information related to procurement opportunities.

Feedback/Suggested Amendments:

1. This should include the diverse certification bodies that are specifically supply chain focused.

Recommendations for Other:

R17: For Associations and/or Chambers - Create a database of MBE, WBE, DVBE, LGBTQBE businesses to be used by hospitals to identify local and statewide diverse suppliers to meet their procurement needs.

Feedback/Suggested Amendments:

1. Request for further discussion or amendments.

Recommendations for Other:

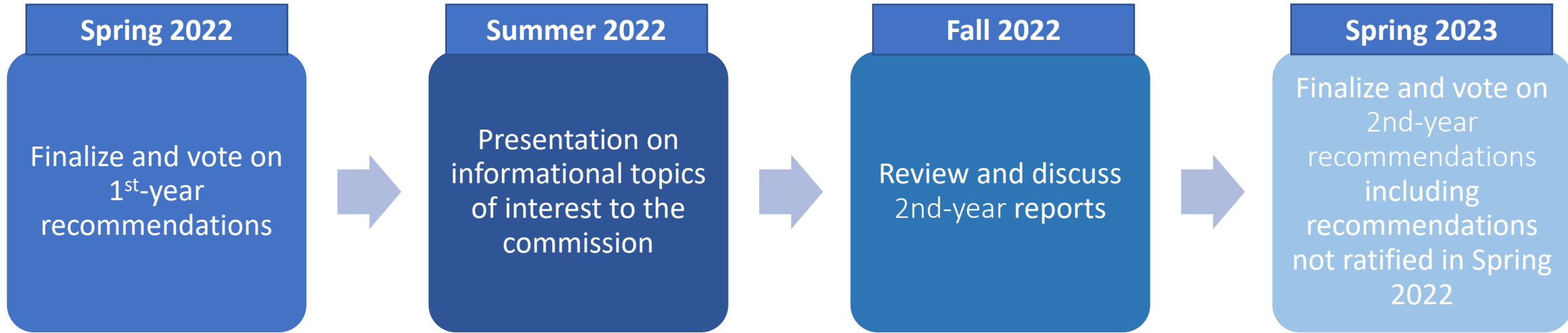
R18: For Associations and/or Chambers - Create training materials and webinars that may increase awareness and knowledge on how to compete for hospital RFPs.

Feedback/Suggested Amendments:

1. Create training materials and webinars that **promote** awareness and knowledge on how to compete for hospital RFPs.

Next Steps for the Recommendations

Meeting Timeline & Topics



HCAI Staff Responsibilities

