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## Hospital Supplier Diversity Commission (HSDC) Draft Meeting Minutes May 1, 2024

**Members Attending:** Lupe Alonzo-Diaz, Physicians for a Healthy California; Chico Manning, PIH Health; 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, mojohire.ai; Lilly Rocha, Latino Restaurant Association; Baljeet Sangha, San Francisco Health Network, San Francisco Department of Public Health

**Members not in attendance:** Tracy Stanhoff, AD PRO, American Indian Chamber of Commerce of California

**Presenters:** Elizabeth Landsberg, Director, Department of Health Care Access and Information (HCAI); Tara Zimonjic, Chief Planning Officer, HCAI

**Public Attendance:** 50

### Agenda Item # 1 Welcome and Meeting Minutes

Lupe Alonzo-Diaz, Commission Chair, welcomed commissioners and members of the public to the HSDC meeting. She reviewed the meeting ground rules, agenda, provided Bagley Keene Open Meeting Act updates, and acknowledged the completion of November 15, 2023, meeting minutes. She also led a vote to approve the meeting minutes.

**Motion made by:** Commissioner Jackson Dalton

**Motion seconded by:** Commissioner Tara Lynn Gray

**Vote passed with a vote with nine Ayes, zero Nays, and zero Abstentions.**

The November 15, 2023, meeting minutes were approved with an edit to Agenda Item IV – Hospital Supplier Diversity Reporting Program Update, paragraph seven, adding that self-certifying diverse businesses “attest” to meeting the requirements necessary for their respective diverse business category certification.

No public comment.

### Agenda Item # 2 Oath of Office



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Director Elizabeth Landsberg, HCAI, administered an oath of office for Shaleta Dunn-Vick to the HSDC, serving as a representative of a Group Purchasing Organization (GPO). Director Elizabeth Landsberg thanked members for their service and reappointed the following five members for subsequent two-year terms: Baljeet Sangha, Ruksana Azhu Valappil, Theresa Martinez, Jackson Dalton, and Lilly Rocha.

*No Questions/Comments from the Commission.*

*No public comment.*

### **Agenda Item # 3 Department Updates**

Elizabeth Landsberg, Director, HCAI, provided an update on the Office of Healthcare Affordability Board (OHCA) and noted the completion of a new spend growth target. She also announced a bulk purchasing agreement that allows for the purchase of Naloxone at a discounted price. She also noted the status of HCAI health workforce development programs that are aiming to address the workforce crisis that hospitals and larger healthcare systems are facing and the addition of a new profession, Wellness Coach, created to address the need for mental health support specialists at the associate and bachelor's-degree level.

*No Questions/Comments from the Commission.*

*No public comment.*

### **Agenda Item # 4 Assembly Bill (AB) 1392 Implementation Discussion**

Tara Zimonjic, Chief Planning Officer, provided a brief overview of Assembly Bill (AB) 1392 and stated the purpose of the bill is to add on to HCAI's existing authority for implementing the Hospital Supplier Diversity Program based on the HSDC's work over the last three years. The bill expands the data collection components and reframes the annual supplier diversity report as a "plan"; this plan requires that the hospitals specifically outline their plan to increase procurement with diverse suppliers starting in July 2025. AB 1392 also expands HCAI's functions with the addition of outreach and assistance activities, including the creation of voluntary guidelines for hospitals to use when conducting their procurement. AB 1392 additionally creates two additional positions to be added to the HSDC, one representing a GPO and one at large. The final addition that AB 1392 created was the authorization to create a supplier database and



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clearinghouse, pending legislative appropriation. HCAI produced a [fact sheet](#) about the implementation of AB 1392.

Tara Zimonjic outlined the two types of outreach and assistance prescribed by AB 1392. The first is for hospitals, manufacturers, vendors, and GPO's. The second is for diverse suppliers. She invited commission members to participate in a discussion based on the outreach outlined in AB 1392 and the recommendations that were ratified by the commission in 2022 to suggest updates to the recommendations.

Tara Zimonjic facilitated a discussion about the voluntary guidelines, with a focus on outlining best practices and suggested guidelines for hospitals to effectively procure from diverse suppliers. These guidelines are scheduled to take effect on January 1, 2025. Discussions will continue to determine the content of these drafts and how they can align with outreach efforts.

Regarding the addition of an at large member for the commission, HCAI requested feedback from the commission regarding what may be missing in terms of representation on the commission and opened the discussion for suggested organizations to the HSDC.

#### Questions/Comments from the Commission:

Members started the discussion of outreach outlined in AB 1392 and the recommendations published in 2022 by suggesting that the commission define the term "executive leadership." Executive leadership across different organizations may have different definitions in not-for-profit hospitals versus for-profit hospitals. One suggestion was to replace the term "executive leadership" with "executive management". The goal of using the term executive management would be to ensure governing bodies, such as boards of directors, are working in conjunction with management through all levels, as part of the improvement process for supplier diversity procurement processes. With executive leadership and executive management working together the goal would be to ensure both are directly involved in identifying the various levels of accountability that can contribute to increasing supplier diversity procurement.

Discussion surrounding outreach implementation continued and included a suggestion for having separate resources and tools available for hospital procurement teams and diverse businesses. One suggestion included assisting hospitals in identifying where they predict their spend will be in the future, and how to adapt the hospital spend plan to increase procurement with diverse businesses in the identified opportunities according to the plan. During discussion the concept of addressable, versus total spend was raised, and how these definitions may impact reporting and the guidance. Another



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suggestion was to clearly define whether hospitals should be able to report their total diverse spend through self-attestation or through a third party.

Commissioners suggested that hospitals' diverse business outreach should include a capacity building component to assist diverse businesses to improve their business operations and management. Another suggestion was for HCAI to look at incorporating multimedia, such as informational videos, as part of the outreach. A note was made to be mindful in that there are several clearinghouses available for diverse businesses—such as the California Public Utilities (CPUC), Department of General Services (DGS), California Department of Insurance (CDI), and now the upcoming HCAI database—and to be mindful of creating burden on diverse businesses, as each has a separate registration process.

Clarification on Recommendation #26 was requested. HCAI clarified the goal of the recommendation was to increase the total number of diverse businesses as well as their diverse spend.

Commission members noted that encouraging participation from hospital's business units would be beneficial for diverse businesses, who often are only able to communicate with supplier diversity liaisons or procurement teams.

Commission members suggested HCAI to hold an annual outreach event or to attend one as a participant. Members noted that holding a hospital supplier diversity conference would be beneficial for supplying resources for hospitals and diverse suppliers, and finding a way to praise the hospitals who have shown that their best practices are proving effective to provide continued motivation to a commitment to this work.

They suggested a guideline of at least one diverse vendor per bid as a suggested best practice for hospital procurement. Another suggestion was recommending hospitals perform a continuous improvement process that allows for consistent changes and updates to plans, processes, policies, and strategies that are implemented.

Kaiser Permanente was praised for leading the way in centering health equity in their supply chain inclusion strategy and supplier diversity frameworks. The Healthcare Anchor Network (HAN) was noted as an excellent organization for providing resources, for embedding health equity into their mission, and for the senior experience the institution provides.

Commission members noted that the open position should incorporate a health equity lens, as well as capacity building expertise, and suggested a rotation of different



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organizations may be most appropriate for this position. Commission members suggested various organizations for HCAI to consider, including Women's Business Enterprise National Council (WBENC), Hackett Group, McKinsey, Boston Consulting, Procurement Technical Assistance Center (PTAC), and Healthcare Anchor Network (HAN).

#### Questions/Comments from the Public:

Public commenters suggested incorporating the perspective of medical supply distributors, as well as physicians, on the HSDC.

#### **Agenda Item # 5 Next Meeting Topics**

Tara Zimonjic, Chief Planning Officer, HCAI, presented on upcoming HSDC meetings for 2024. For the August 2024 HSDC meeting, HCAI hopes to host an "En Banc" style panel where hospital presenters will be invited to share updates on their supplier diversity efforts. Hospitals who may be interested in presenting at the August meeting are invited to reach out to [supplier.diversity@hcai.ca.gov](mailto:supplier.diversity@hcai.ca.gov).

Tara Zimonjic also noted HCAI is planning to add additional staff to the HSDC team that will lead efforts in outreach and assistance. She acknowledged that HCAI has been keeping a running list of topics for consideration at future meetings including discussion around certification and the type of data analytics provided at the November HSDC meeting.

#### No Questions/Comments from the Commission.

No public comment.

#### **Agenda Item # 6 Public Comment**

No public comment.

#### **Agenda Item # 7 Adjournment**

Meeting was adjourned at 12:27p.m.