

# Agenda Item 4: Hospital Supplier Diversity Reporting Program Update

*Alma Lopez, Hospital Disclosures and Compliance Unit, HCAI (or designee)*

# Program Overview

- [HSD Fact Sheet](#)
- 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.
- Supplier Diversity Reports consist of a series of questions surrounding the hospital's procurement efforts and processes.
- We collect a hospital spend data from business enterprises that employ the majority of their workforce in California and meet the definition of women-owned, minority-owned, disabled veteran-owned and/or LGBT-owned business enterprise as defined in California Code of Regulations, Title 22, Chapter 8, Section 95000.
- Report data to the extent the data is available.
- A one time, 30-day extension is allowed (per reporting period).

# 2023 Reporting Year Recap



## Data improvements:

2023 Revisions submitted for both individual and system reports.

Submitters are more familiar with submission process and reporting requirements.

Improved data collected in 2023.



## Data entry errors identified:

Incorrect procurement spend data reported due to typo.

System procurement spend data submitted as individual hospital spend data.



## Challenges Identified:

Establishing contact with some hospitals.

Delayed responses from hospitals.

Hospital acquisitions.



# 2023 Individual Hospital Reports

# 2023 HSD Report Collection

- HCAI has received 371 Hospital Supplier Diversity (HSD) Reports for 2023.
- Total number of hospitals required to submit: 347
- Voluntary submissions: 24
- Extensions granted: 122
- Late submissions: 6
- System-level report total: 11

# 2023 Individual Hospital Reporting

## Reviewed 371 Individual Hospital reports

- 347 hospitals meet requirements to submit a Hospital Supplier Diversity Report
- 24 hospitals voluntarily submitted a Hospital Supplier Diversity Report

## Third-Year Data Summary/Visualization

- 1) Certification Requirements
- 2) Total Diverse Spend vs Total Procurement
- 3) Total Diverse spend comparison
- 4) Tier 1 spend comparison
- 5) Tier 2 Spend comparison

## Data Note:

- Current data reflective of all 371 individual hospital reports received.

# 2023 Individual Hospital Reporting

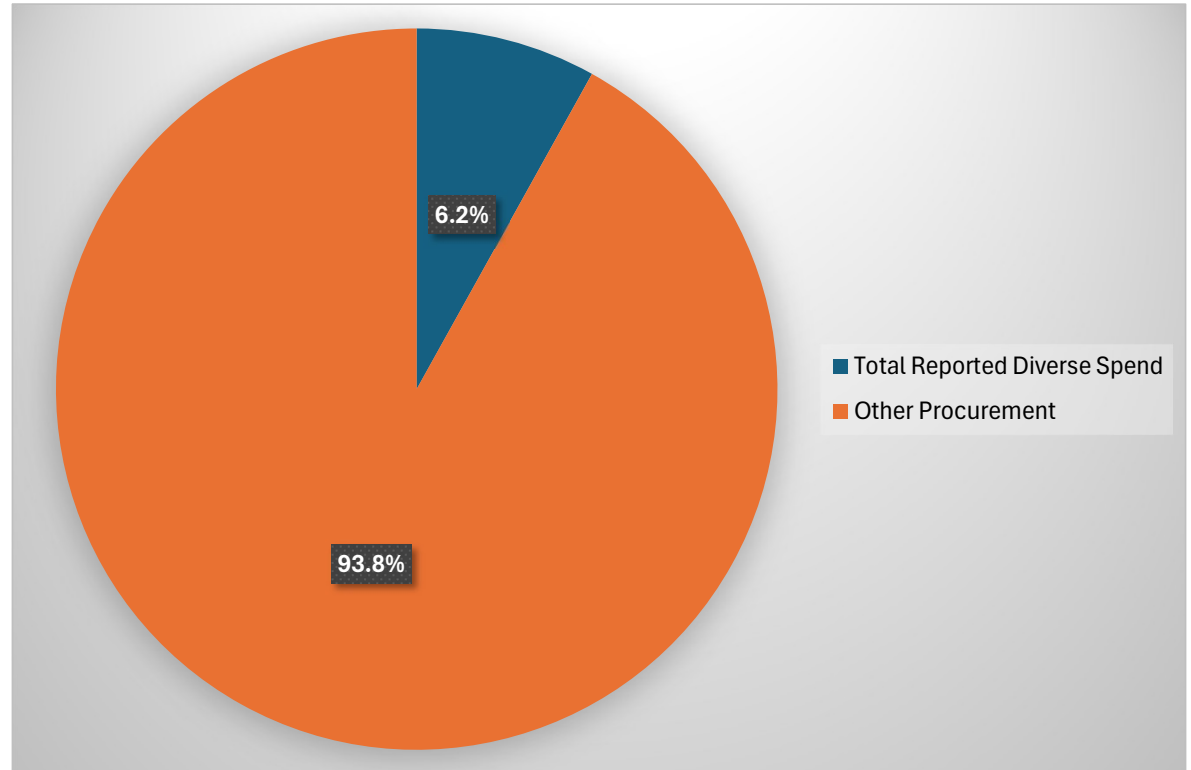
Number of Hospitals	Yes	No
Require certification	166	205
Accept self-certification	136	235
Provided a Supplier Diversity Statement	340	31*

\*31 hospitals did not provide a supplier diversity statement. They either left it blank or stated N/A as a response.

# 2023 Individual Hospital Reporting

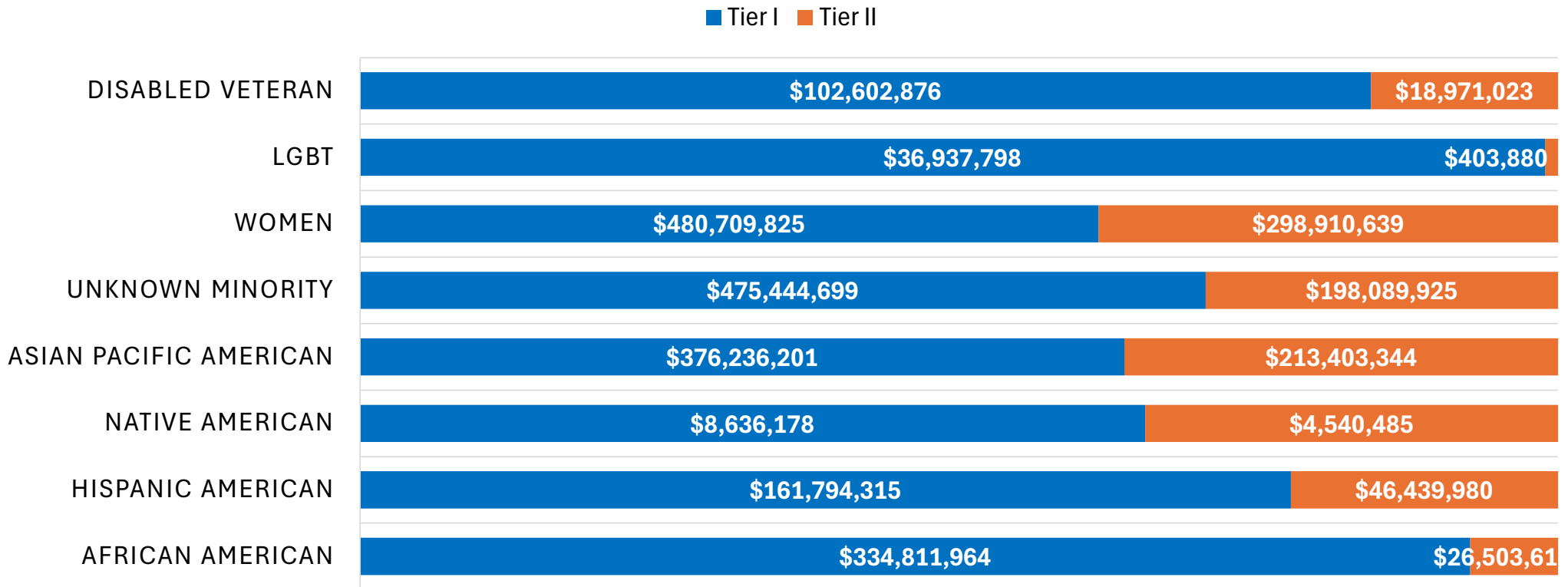
Total Diverse Spend:  
\$2,654,850,701

Total Hospital Procurement:  
\$43,051,100,792





# 2023 Tier I vs Tier II Procurement



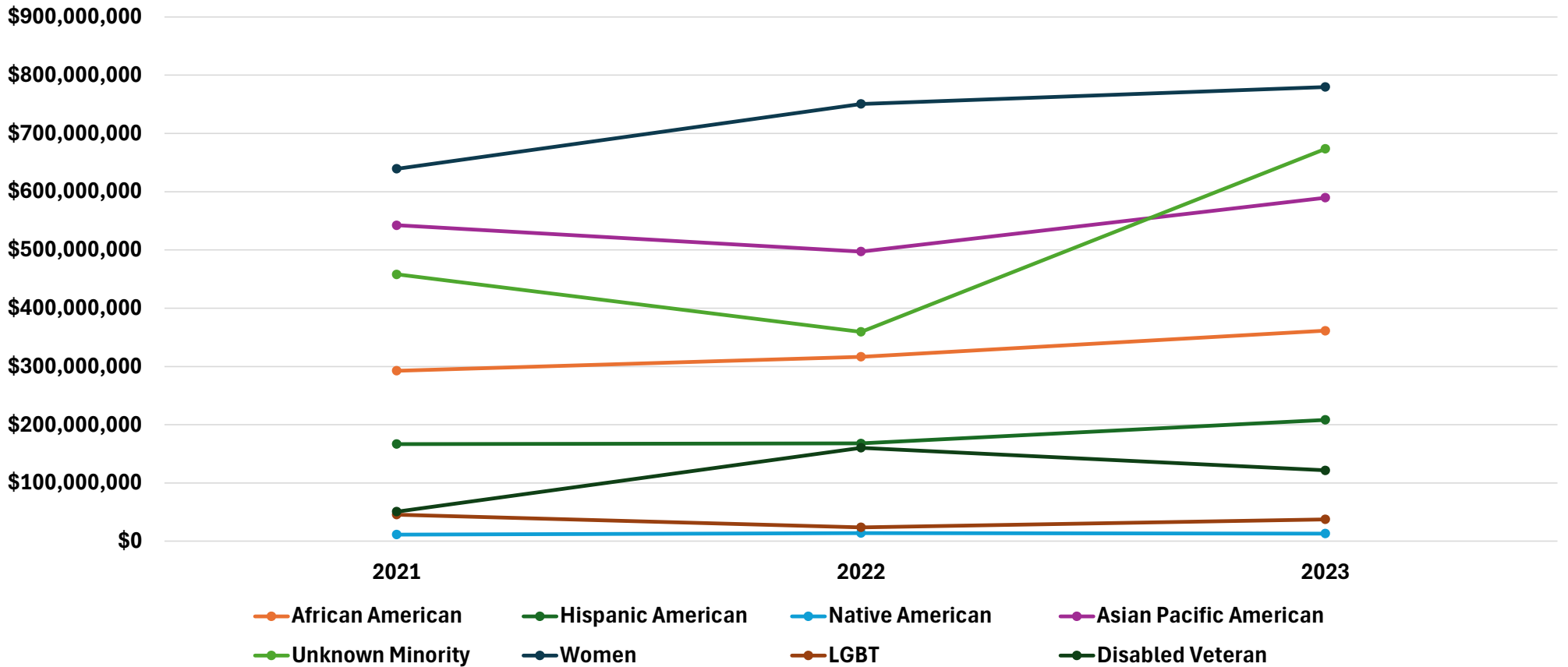
Data Note: If a diverse supplier identifies as more than one category, this data accounts for that spend in all categories. The “less duplicate” amount is not factored into this graph.

**Tier I procurement:** The procurement by direct contract between a hospital and a supplier directly to provide goods and services that support the operations of the hospital.  
**Tier II procurement:** The procurement by any agreement or arrangement between a contractor and any third party.

# 2021-2023 Individual Comparison

Total Diverse Procurement	2021	2022	2023
African American	\$292,706,997	\$316,661,778	\$361,315,577
Hispanic American	\$166,752,330	\$167,755,145	\$208,234,295
Native American	\$11,324,349	\$13,836,054	\$13,176,663
Asian Pacific American	\$542,313,989	\$497,100,175	\$589,639,545
Unknown Minority	\$457,986,951	\$359,506,468	\$673,534,624
Women	\$639,300,139	\$750,624,420	\$779,620,464
LGBT	\$45,666,416	\$23,840,443	\$37,341,678
Disabled Veteran	\$50,716,847	\$160,237,227	\$121,573,899
<b>Less Duplicate Amount</b>	<b>\$86,695,338</b>	<b>\$116,796,709</b>	<b>\$129,586,044</b>
Totals	\$2,120,072,680	\$2,172,765,001	\$2,654,850,701

## 2021-2023 Total Diverse Procurement Comparison



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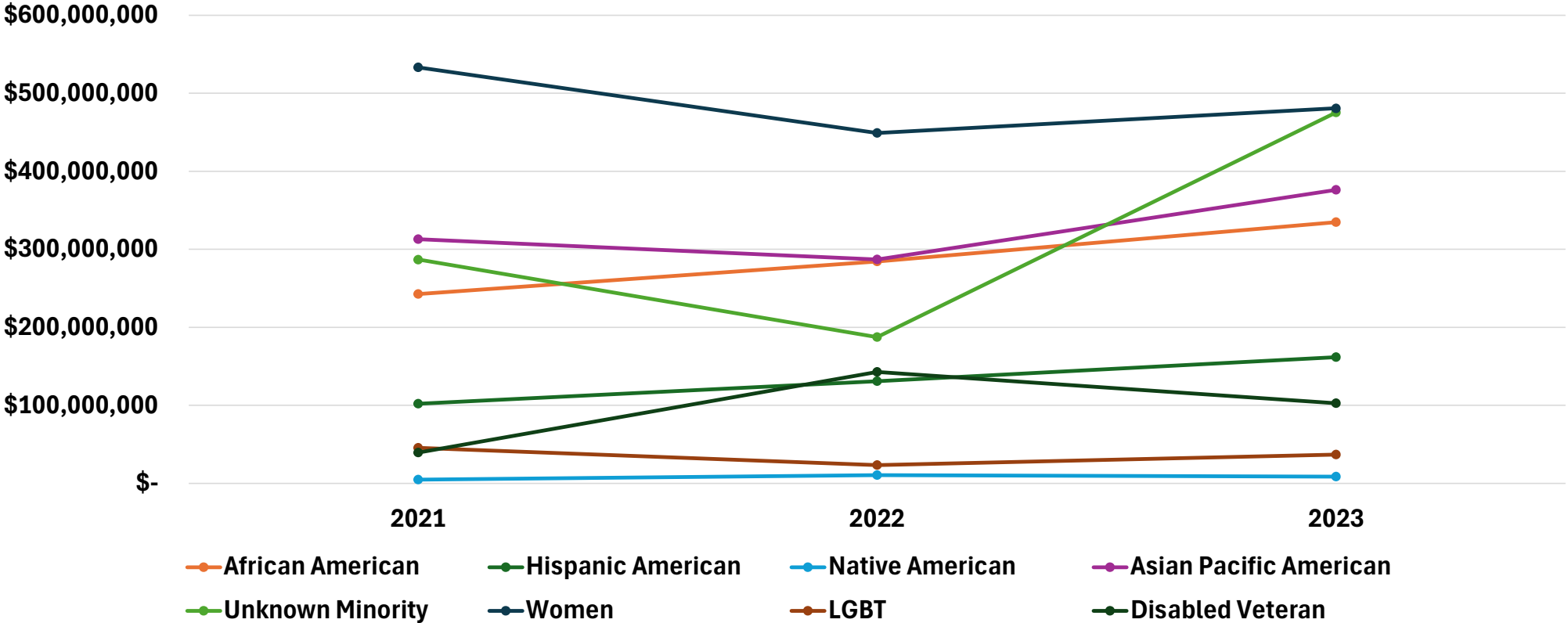
# 2021-2023 Tier I Comparison

Tier 1	2021	2022	2023
African American	\$242,610,608	\$284,505,770	\$334,811,964
Hispanic American	\$102,159,527	\$130,880,810	\$161,794,315
Native American	\$4,633,781	\$10,396,720	\$8,636,178
Asian Pacific American	\$313,071,488	\$286,876,536	\$376,236,201
Unknown Minority	\$286,767,043	\$187,523,308	\$475,444,699
Women	\$533,386,830	\$449,128,695	\$480,709,825
LGBT	\$45,525,895	\$23,437,786	\$36,937,798
Disabled Veteran	\$39,495,135	\$142,803,880	\$102,602,876

*Data Note: If a diverse supplier identifies as more than one category, this data accounts for that spend in all categories. The "less duplicate" amount is not factored into this table.*

**Tier I procurement:** The procurement by direct contract between a hospital and a supplier directly to provide goods and services that support the operations of the hospital.

### 2021 to 2023 Tier I Comparison



Data Note: If a diverse supplier identifies as more than one category, this data accounts for that spend in all categories. The “less duplicate” amount is not factored into this graph.

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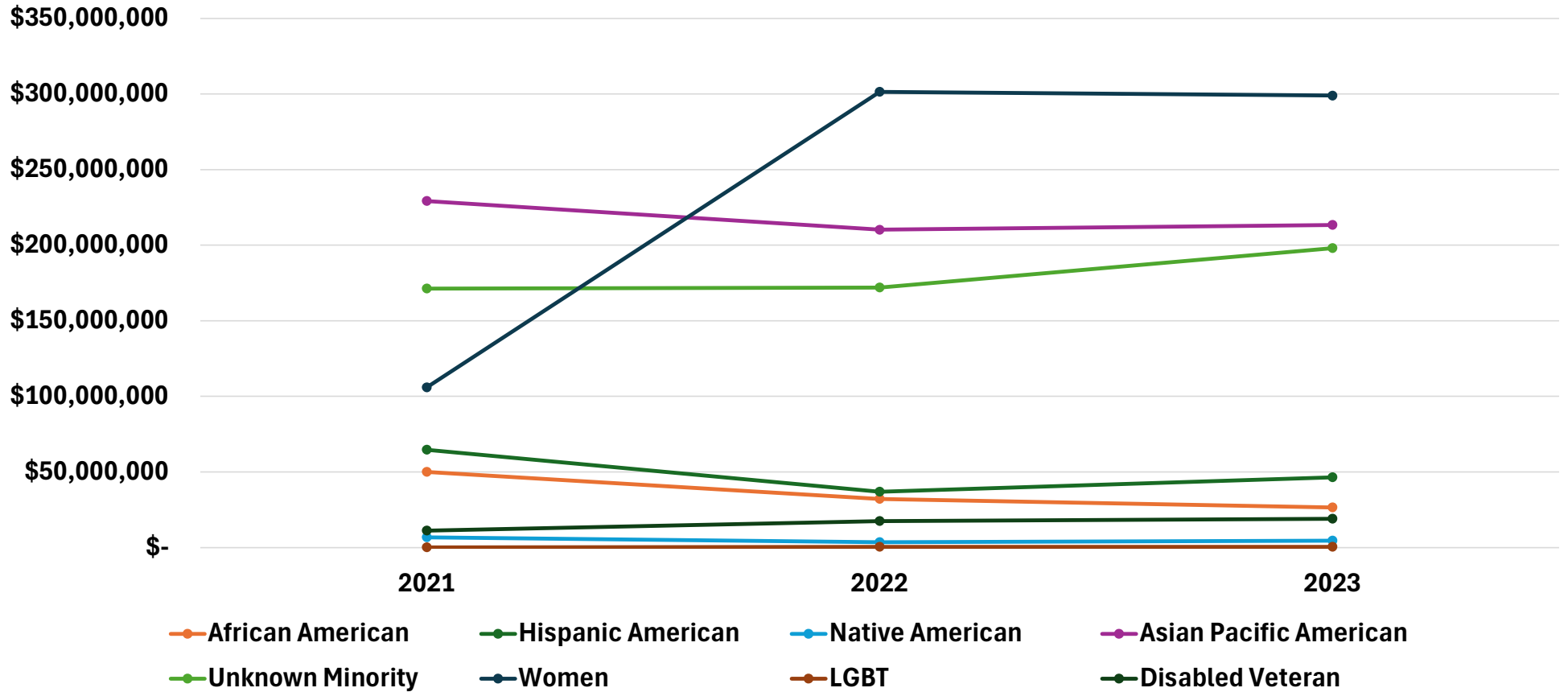
## 2021-2023 Tier II Comparison

Tier II	2021	2022	2023
African American	\$50,096,389	\$32,156,008	\$26,503,613
Hispanic American	\$64,592,803	\$36,874,335	\$46,439,980
Native American	\$6,690,568	\$3,439,334	\$4,540,485
Asian Pacific American	\$229,242,501	\$210,223,639	\$213,403,344
Unknown Minority	\$171,219,908	\$171,983,160	\$198,089,925
Women	\$105,913,309	\$301,495,725	\$298,910,639
LGBT	\$140,521	\$402,657	\$403,880
Disabled Veteran	\$11,221,712	\$17,433,347	\$18,971,023

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*Tier II procurement: The procurement by any agreement or arrangement between a contractor and any third party.*

## 2021 to 2023 Tier II Comparison



Data Note: If a diverse supplier identifies as more than one category, this data accounts for that spend in all categories. The "less duplicate" amount is not factored into this graph.



# 2023 System Level Reports



# 2023 Hospital System Reporting

## Reviewed 11 System/Regional-Level reports

- All submitted System/Regional-Level reports are included in the summary.

## Third-Year Data Summary/Visualization

- Certification Requirements
- Total Diverse Spend vs Total Procurement
- Total Diverse spend comparison
- Tier 1 Spend comparison
- Tier 2 Spend comparison

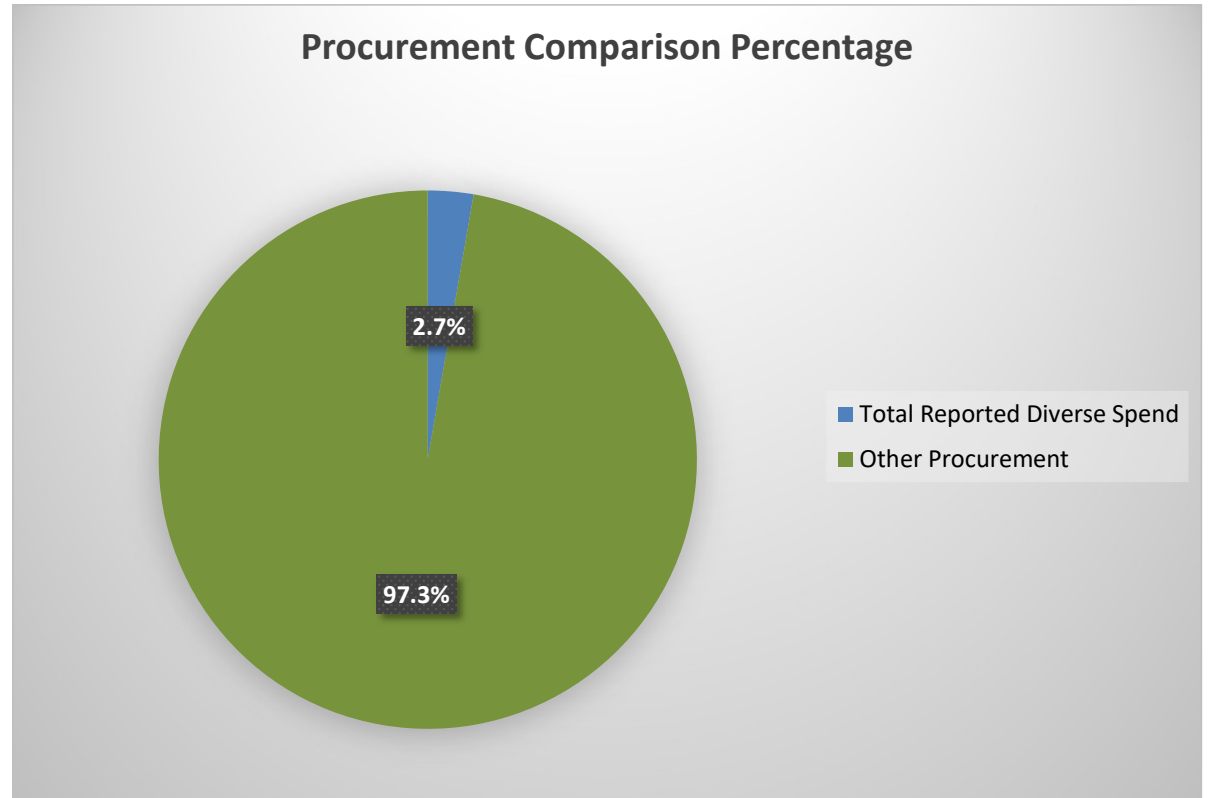
# 2023 System Level Reporting

Number of Hospitals	Yes	No
Require certification	8	3
Accept self-certification	4	7

- HCAI received 11 system-level reports.
- System level reports are not required per legislation.
- Hospitals are encouraged to submit a report if procurement was done at the system or regional-level.

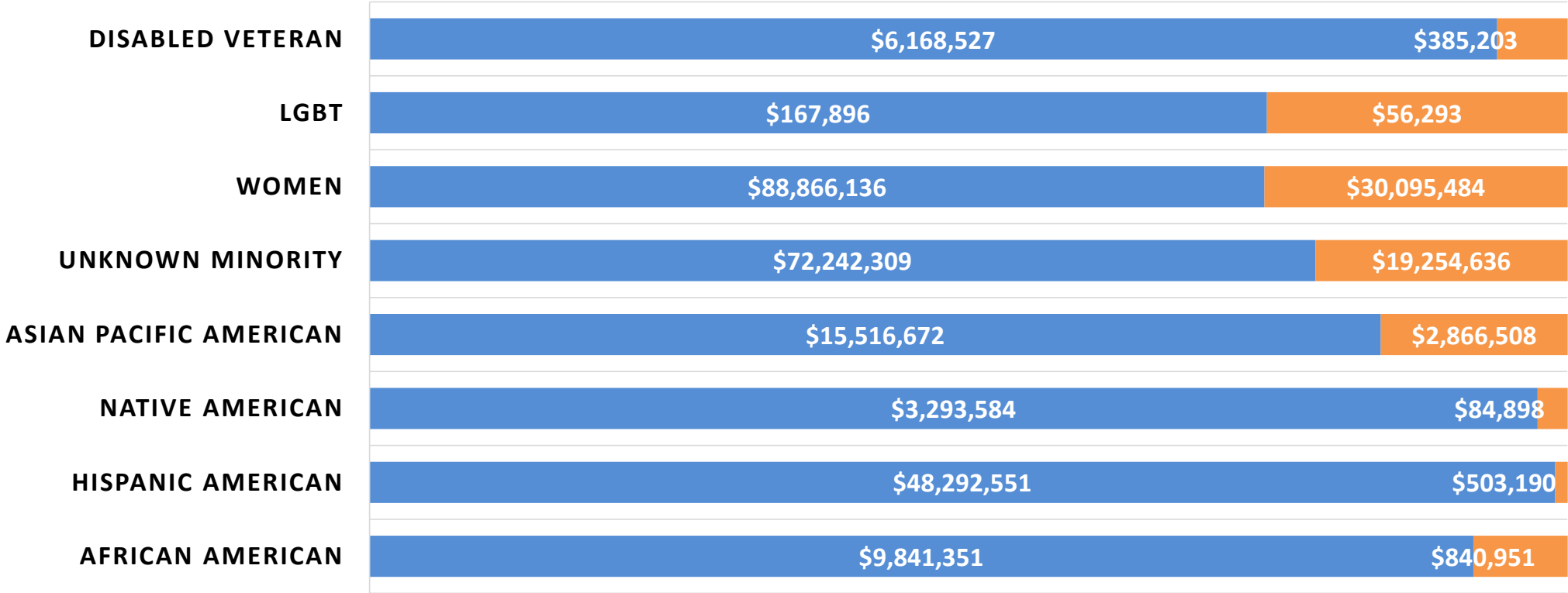
# 2023 System Level Reporting

Reported Diverse Spend:  
\$263,332,945  
Total System Procurement:  
\$9,618,166,557



# TIER I VS TIER II PROCUREMENT 2023

■ Tier I ■ Tier II



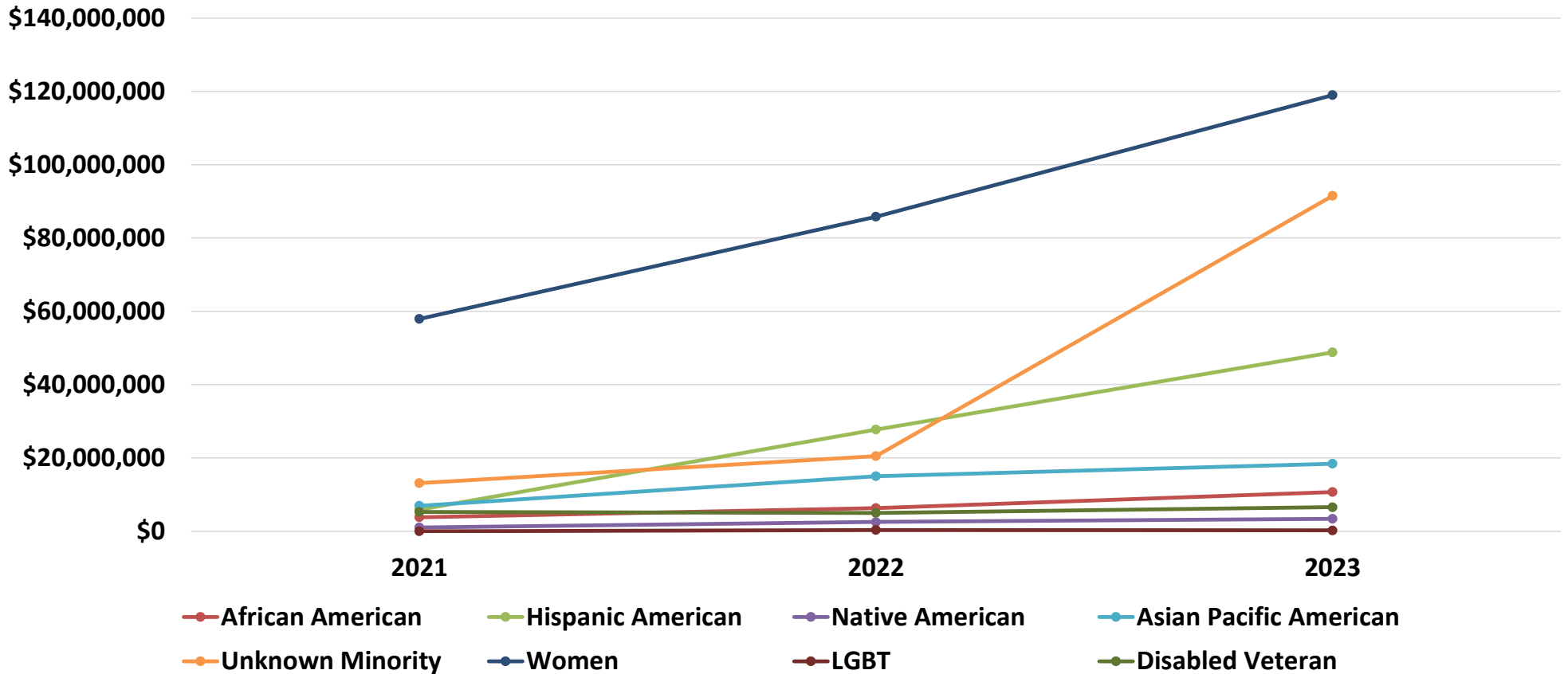
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# 2021-2023 System Comparison

Total Diverse Procurement	2021	2022	2023
African American	\$3,827,801	\$6,300,298	\$10,682,302
Hispanic American	\$5,926,454	\$27,749,393	\$48,795,741
Native American	\$993,527	\$2,520,303	\$3,378,482
Asian Pacific American	\$6,954,374	\$15,005,799	\$18,383,180
Unknown Minority	\$13,136,272	\$20,495,318	\$91,496,945
Women	\$57,941,051	\$85,787,107	\$118,961,620
LGBT	\$14,499	\$348,145	\$224,189
Disabled Veteran	\$5,283,950	\$5,002,600	\$6,553,730
<b>Less Duplicate</b>	<b>\$7,055,323</b>	<b>\$34,325,830</b>	<b>\$35,102,401</b>
<b>Total</b>	<b>\$87,022,605</b>	<b>\$128,883,133</b>	<b>\$263,332,945</b>

## 2021-2023 Total Diverse Procurement System Comparison



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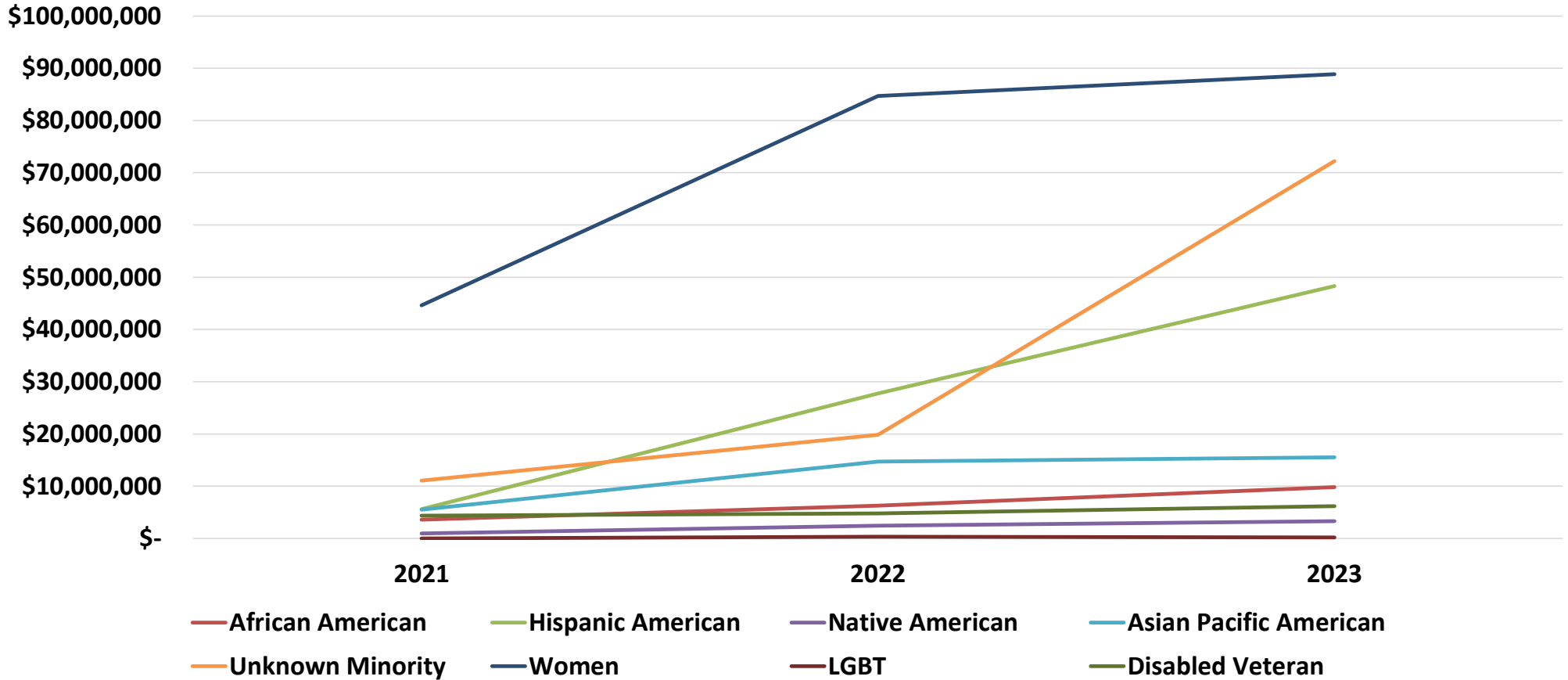
# 2021-2023 Tier I Comparison

Tier 1	2021	2022	2023
African American	\$3,594,039	\$6,280,081	\$9,841,351
Hispanic American	\$5,595,813	\$27,748,293	\$48,292,551
Native American	\$952,051	\$2,461,128	\$3,293,584
Asian Pacific American	\$5,529,542	\$14,720,289	\$15,516,672
Unknown Minority	\$11,055,856	\$19,830,764	\$72,242,309
Women	\$44,618,205	\$84,650,900	\$88,866,136
LGBT	\$8,634	\$348,145	\$167,896
Disabled Veteran	\$4,349,703	\$4,809,545	\$6,168,527

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## Tier I 2021-2023 Comparison



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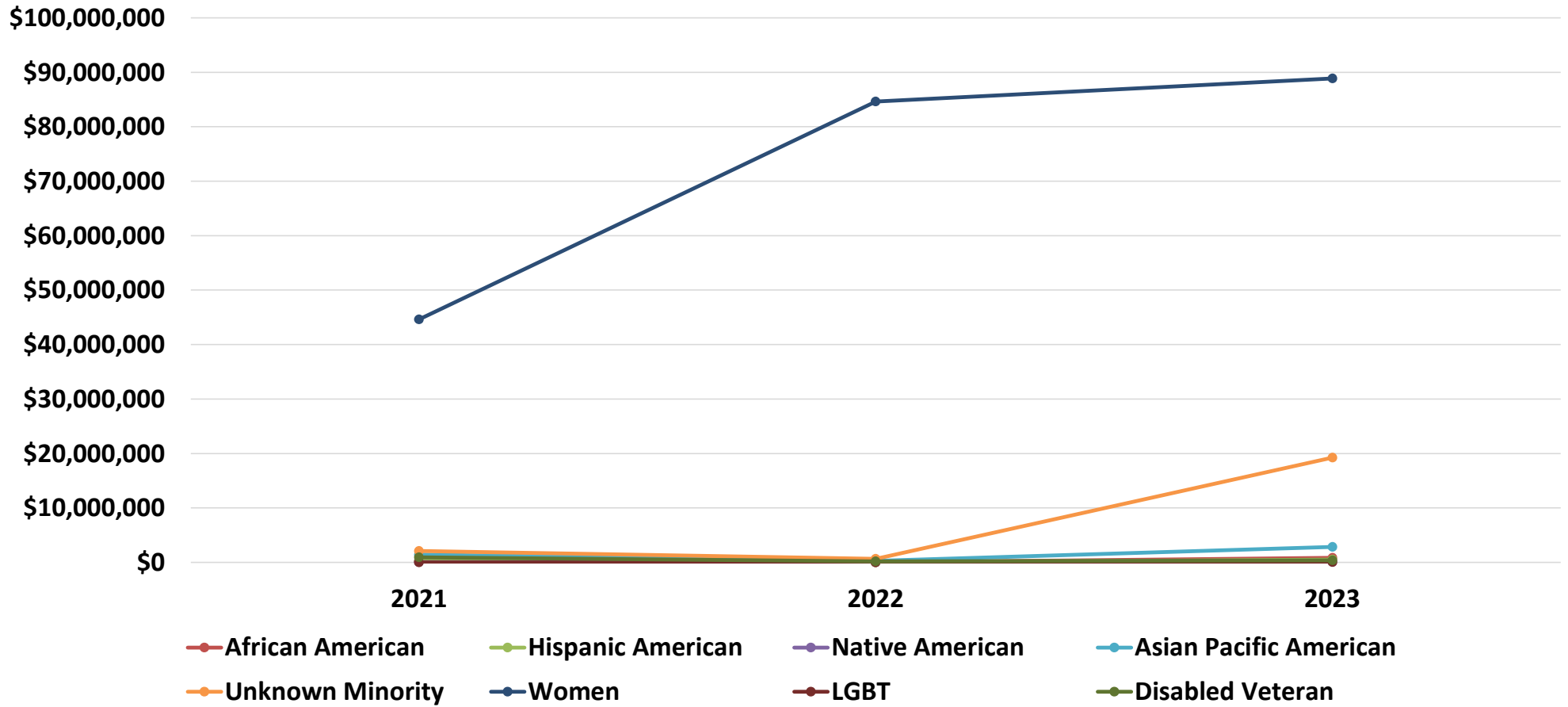
## 2021-2023 Tier II Comparison

Tier II	2021	2022	2023
African American	\$233,762	\$20,217	\$840,951
Hispanic American	\$330,641	\$1,100	\$503,190
Native American	\$41,476	\$59,175	\$84,898
Asian Pacific American	\$1,424,832	\$285,510	\$2,866,508
Unknown Minority	\$2,080,416	\$664,554	\$19,254,636
Women	\$44,618,205	\$84,650,900	\$88,866,136
LGBT	\$5,865	\$0	\$56,293
Disabled Veteran	\$934,247	\$193,055	\$385,203

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## 2021-2023 Tier II Comparison



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Tier II procurement: The procurement by any agreement or arrangement between a contractor and any <sup>26</sup>third party.

# Hospital Supplier Diversity Data Products

- Submitted Reports
- Hospital Supplier Diversity Dataset
- Hospital Supplier Diversity Pivot Tables



# AB 1392 Reporting Changes

# AB 1392 Reporting Impact

## **Expands the Hospital Supplier Diversity report to include:**

- Rephrases current questions and adds additional questions surrounding:
  - Short-term and long-term goals and timetables for increasing procurement from diverse business enterprises. (not quotas)
  - Methods in which hospitals resolve any issues that may limit or impede an enterprise from becoming a supplier.
  - Information on appropriation contacts for interested business enterprises and description of the procurement process.
  - Planned and past implementation of relevant recommendations made by the Hospital Supplier Diversity Commission.

**First reports to include this information is for the 2024 report period due July 1, 2025.**

# Additional Resources

- [Fact Sheet](#)
- Hospital Supplier Diversity Reporting Program [website](#).
- [Reporting Regulations](#).
- [Submitted Supplier Diversity reports](#).
- [Statewide Supplier Diversity Datasets](#).
- [Pivot Tables](#)
- Submission portal [HDC System](#).
- All hospital contacts for diverse suppliers are available [here](#) (last updated on 10/16/2024).
- If you have any questions or concerns regarding the data included, please email [supplier.diversity@hcai.ca.gov](mailto:supplier.diversity@hcai.ca.gov).
- To receive email updates regarding the program, please [subscribe](#).

# Next Steps:

- Final publication of reports was completed on October 28, 2024.
- AB 1392- Regulatory package is currently under review with the Office of Administrative Legal (OAL). Expected regulatory effective date is January 1, 2025.
- Update reporting system, resources and templates.

# Public Comment