

Hospital Supplier Diversity (HSD) Reporting Program Update

Sharon Takhar, Hospital Disclosures Unit Manager, HCAI

Denard Uy, Utilization and Disclosures Reporting Section Manager, HCAI

Ty Christensen, Health Program Audit Section Manager, HCAI

Program Progress to Date

- Collected first-year annual [hospital reports](#).
- Posted first set of annual reports to the HCAI website.
- HCAI program staff is actively working with the platform vendor to establish an online reporting system.
- Drafted regulations are in the review process.

Program Anticipated Timeline

2022—January to June

- Regulations become effective.
- Deploy online system to collect hospital reports.
- Guidance documents will be developed and sent to hospitals to supplement regulations and provide reporting instructions.
- HCAI will begin collection and review of second year hospital reports.

HSD Data Analysis

Before We Start...

- Thank you to the hospital representatives for their due diligence in submitting this first year of Supplier Diversity reports.
- We received 260 reports by the due date.
- We look forward to our continued partnership with the hospital industry and stakeholder community to meet the goals of this reporting program.



Legislative Intent

- *It is in the state's interest to encourage competitive business opportunities for all of its people.*
- *Hospitals are uniquely positioned to build relationships within the communities they serve through the development, inclusion, and utilization of certified minority, women, lesbian, gay, bisexual, transgender (LGBT), and disabled veteran business enterprises whenever possible.*
- By submitting data to HCAI a report explaining the hospital's supplier diversity statement and expressing its goals regarding certified minority, women, LGBT, and disabled veteran business enterprises, and HCAI placing that information on its internet website, that online resource will help facilitate these supplier relationships.

Goal for the first-year reporting: Understand our starting point and establish a baseline.

Process for Developing First-Year Reporting

- AB 962 (Chapter 815, Statutes of 2019) required HCAI to collect data from licensed hospitals with operating expenses of \$50,000,000 or more, and licensed hospitals with operating expenses of \$25,000,000 or more that are part of a hospital system.
 - **To identify hospitals that would be required to report based on the legislation, HCAI utilized the 2019 Annual Hospital Financial Data.**
- HCAI reached out to hospitals informing them of their requirement to report and shared templates for this first year submission.
 - Letters mailed to facilities announcing mandate: February 25, 2021
 - HCAI presented a training webinar hosted by CHA: April 22, 2021
 - Reminder email to facilities: June 16, 2021

Process for Developing First Year Reporting (cont.)

- First year reports were due by July 1, 2021.
 - 260 hospitals submitted their reports by the due date.
 - ~40 hospitals requested additional time to submit their reports.
- Hospitals that did not request an extension and did not meet the reporting deadline were sent delinquency letters on August 28, 2021.
- HCAI continues to work with the small number of hospitals that have not met the reporting requirements to ensure we are able to get to 100% compliance.

First-Year Reporting: Lessons Learned

- Facilities misunderstood the requirement to include a contact of whom a supplier may contact if they wanted contract with a hospital. Instead, some facilities included a list of their current suppliers.
- Facilities that submitted system reports did not submit the individual reports.
 - The legislation allowed for system reports to be submitted in addition to individual facility reports, not as a replacement for individual facility reports.
- Facilities that submitted a system report used the same data (dollar amount) on individual reports.
- Some facilities submitted detailed data on procurement amounts that were not aligned with the categories as defined in statute.

First -Year Hospital Supplier Diversity Reporting-Data Analysis

First-Year Report Submissions:

- To date, HCAI received 356 Hospital Supplier Diversity Reports.
 - Individual hospital report total: 339
 - System level report total: 17

Sample Size:

- Current data reflective of a random sampling of **120** individual hospital reports.
- Data also includes visualizations for all **17** system level reports submitted.

Data Notes:

- 2 out of 120 hospitals within the sample data was not included in analysis due to data being submitted in a format that was not comparable across other submissions.
- System level reports only comparable to system level reports – separate visualizations developed for individual reports and system reports.

Individual Reporting

Statutory Requirements

- (A) The hospital's supplier diversity policy statement.
- (B) The hospital's outreach and communications to minority, women, LGBT, and disabled veteran business enterprises, including:
 - (i) How the hospital encourages and seeks out minority, women, LGBT, and disabled veteran business enterprises to become potential suppliers.
 - (ii) How the hospital encourages its employees involved in procurement to seek out minority, women, LGBT, and disabled veteran business enterprises to become potential suppliers.
 - (iii) How the hospital conducts outreach and communication to minority, women, LGBT, and disabled veteran business enterprises.
 - (iv) How the hospital supports organizations that promote or certify minority, women, LGBT, and disabled veteran business enterprises.
 - (v) Information regarding appropriate contacts at the hospital for interested business enterprises.
- (C) (i) The hospital's procurements that are made from minority, women, LGBT, and disabled veteran business enterprises with at least a majority of the enterprise's workforce in California, with each category aggregated separately, to the extent that information is readily accessible.

Individual Hospital Supplier Diversity Template



California Hospital Supplier Diversity Report 2020

Hospital Name: [Redacted]

Hospital OSHPD ID: [Redacted]

Reporting Organization: [Redacted]

Report Period Start Date: [Redacted]

Report Period End Date: [Redacted]

Hospital's Supplier Diversity Policy Statement:

[Redacted]

How does your hospital encourage and seek out minority, women, LGBT, and disabled veteran business enterprises to become potential suppliers?

[Redacted]

HCAI's individual suggested Hospital Supplier Diversity template. Hospitals were not required to use this template.

Approach to Analysis of Individual Hospital Supplier Diversity Reports:

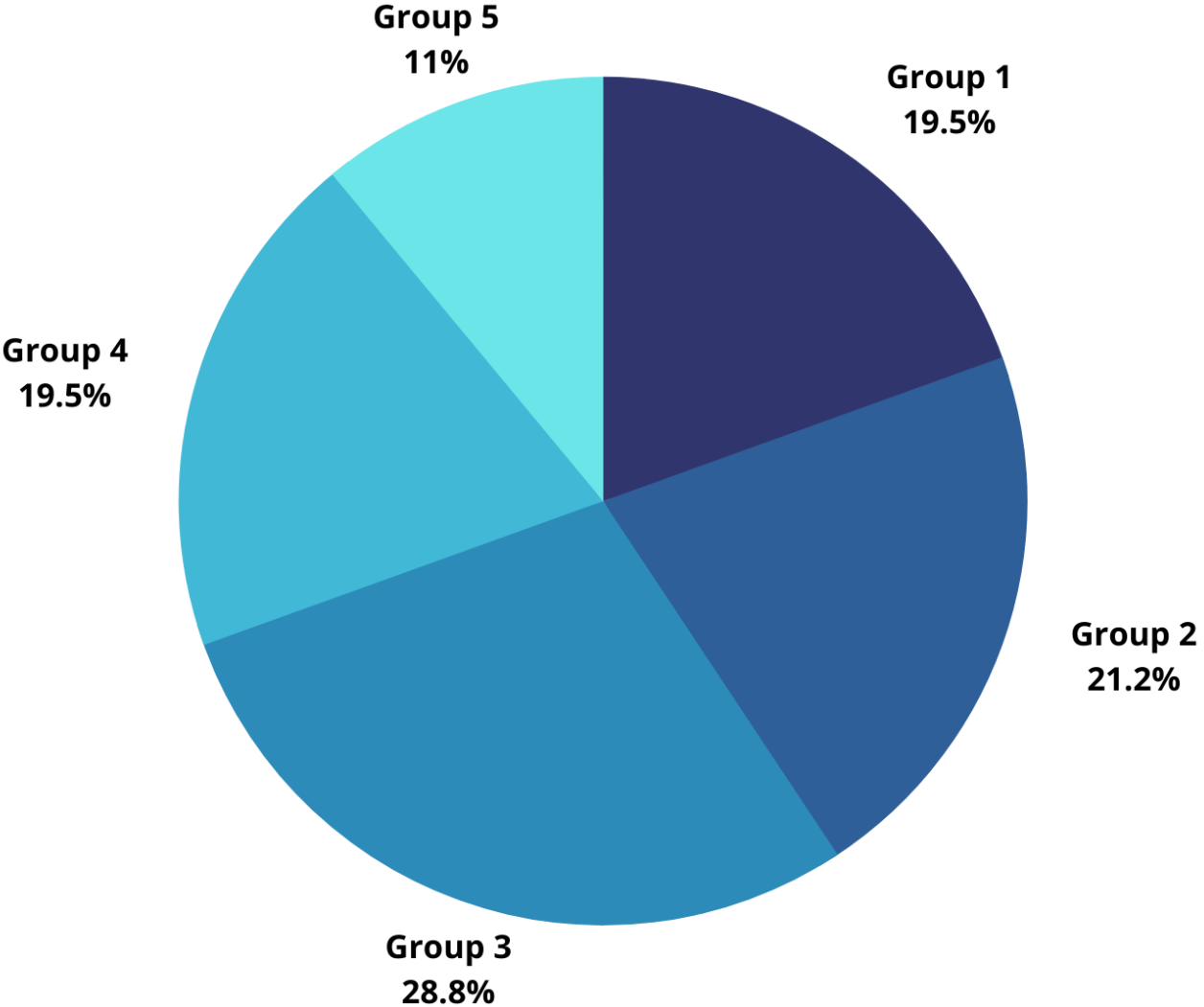
Method:

1. Selected random sampling of 120 individual hospitals, through random number generator.
2. Reviewed each individual hospital report for the following criteria, as outlined in the statute:
 - a. Level of detail provided on procurement.
 - b. Inclusion of a supplier diversity policy statement.
 - c. Inclusion of a statement on outreach and communication.
 - d. Responses to questions regarding certification.
 - e. Inclusion of procurement contacts and types of contacts provided.
3. Created data visualizations to summarize responses.

Level of Detail Provided on Procurement

Category	Level of Detail Provided
Group 1	Reports that did not include any procurement amount.
Group 2	Reports that include total procurement amount. Data is not disaggregated.
Group 3	Reports that include procurement amount separated by MBE, LGBTBE, DVBE, and WBE.
Group 4	Reports that include procurement amount disaggregated by MBE, LGBTE, DVBE, WBE and minority types as outlined in the statute.
Group 5	Reports that include full product and services amounts at all disaggregated levels.

***Data note:** Some hospitals that are in Group 1 only provided procurement at the system level, therefore their individual report was blank.*



Inclusion of Supplier Diversity Statement

Did hospital include a hospital supplier diversity statement?	Total
Yes	90.7%
No	9.3%

Statements that qualified as a “No” include:

- Hospitals that left the response blank.
- Hospitals that stated that they do not have one.
- Hospitals that stated they are in the process of developing one.

Statements that qualified as a “Yes” include:

- All other responses.

Supplier Diversity Policy Statement Examples

Hospital's Supplier Diversity Policy Statement:

██████████ mission is to help patients reach their highest potential for health and healing with intensive medical and rehabilitative care through a compassionate patient experience. A key part of our strategy to meet the needs of a diverse patient population is to create equal opportunities in our sourcing and procurement process for certified diverse suppliers, recognizing that they bring innovation and understanding of the unique needs of our patients that ultimately supports individuals in their healing process.

Hospital's Supplier Diversity Policy Statement:

When making vendor selections or contracting & purchasing decisions, ██████████ may consider and include vendors in our RFX events if they meet our standard sourcing qualifications.

Supplier Diversity Statement Examples

Supplier Diversity Policy Statement at [REDACTED]

At [REDACTED], we are guided by our Mission, and vision of Health for a Better World to support healthy and equitable communities. That includes supporting economic health by investing in diverse and inclusive suppliers and business enterprises. As an anchor institution in the communities in which we serve, our care extends beyond our hospital walls to impact community growth and economic health, through strategic, transformative procurement opportunities. Supplier diversity spend performance is a key business strategy at [REDACTED] with collaborative engagement across internal stakeholders and various outreach programs. This commitment is emphasized by executive leadership and communicated to all employees.

Hospital's Supplier Diversity Policy Statement:

In order to ensure [REDACTED] meets the mandates of EOS-02-06 and Military and Veterans Code section 999.2 et seq. to support California's SB/DVBE business owners, it is [REDACTED] policy to first seek SB/DVBE participation in all solicitations unless there is a strong, documented business reason for not doing so. Furthermore, [REDACTED] is working to expand its SB/DVBE contracting and procurement policies by providing consideration and preference to qualified Disadvantaged Business Enterprises (DBE) whenever feasible and practical. [REDACTED] goal is to develop a program plan that promotes use of DBE's in its contractual agreements and procurement.

Inclusion of Outreach and Communications Statement

Did hospital include a communication and outreach statement?	Total
Yes	89.8%
No	10.2%

Statements that qualified as a “No” include:

- Hospitals that left the response blank.
- Hospitals that stated that they do not have one.
- Hospitals that stated they are in the process of developing one.

Statements that qualified as a “Yes” include:

- All other responses.

Outreach and Communications Statement Examples

How does your hospital conduct outreach and communication to minority, women, LGBT, and disabled veteran business enterprises?

We believe diverse representation in all aspects of our business is essential to long-term success, and that philosophy extends to the companies, suppliers, and contractors with whom we partner for the provision of goods and services. [REDACTED] ensures contract bidding opportunities are presented to all certified diverse businesses that satisfy our procurement and contractual goals with strong preference shown to businesses that have supplier diversity programs of their own. We engage with suppliers through national accreditation agencies and active membership in diverse business chambers and councils. We also provide resources on how to become a certified diverse supplier and training on healthcare compliance. We are committed to continuing our ongoing education around new strategies through active listening and consultation with [REDACTED] Inclusion & Equity Council as well as outside agencies focused on promoting diverse business practices.

Outreach and Communications Statement Examples

How does your hospital conduct outreach and communication to minority, women, LGBT, and disabled veteran business enterprises?

We consistently reach diverse suppliers through our GPO ecosystem.

How does your hospital conduct outreach and communication to minority, women, LGBT, and disabled veteran business enterprises?

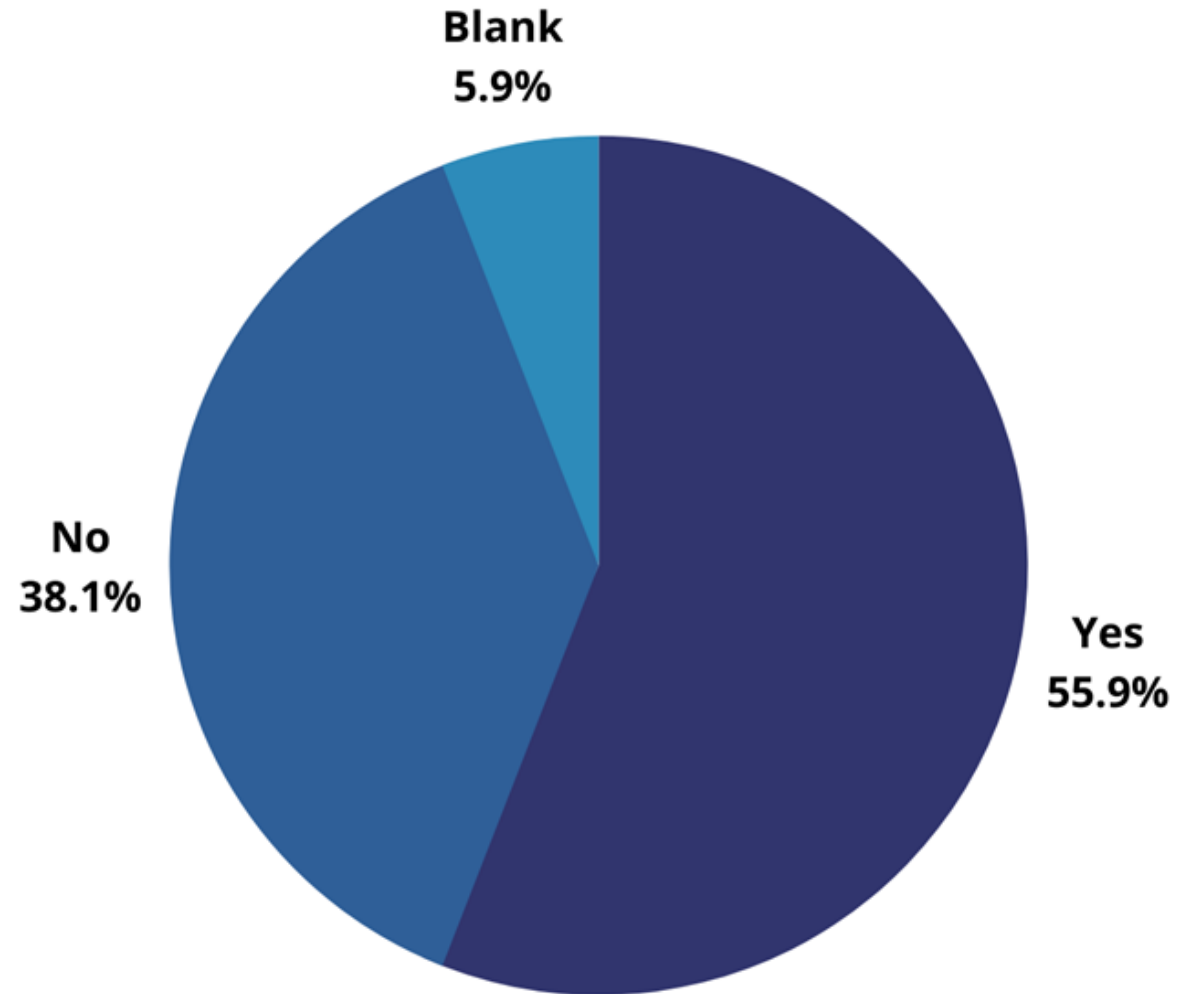
██████████ encourages diverse suppliers to visit our website and complete the New Vendor Registration Process.

How does your hospital conduct outreach and communication to minority, women, LGBT, and disabled veteran business enterprises?

Supplier Outreach is one of the key focus areas of ██████████ Supplier Diversity Program. We plan to utilize our strategic partnerships with external business-based organizations and advocacy partners to participate in various exhibitor fairs, town halls, business symposiums, webinars, panel discussions, and workshops in our efforts of connecting to the diverse owned business community.

Responses to Questions Regarding Certification

Hospitals that require diverse suppliers to have certification.

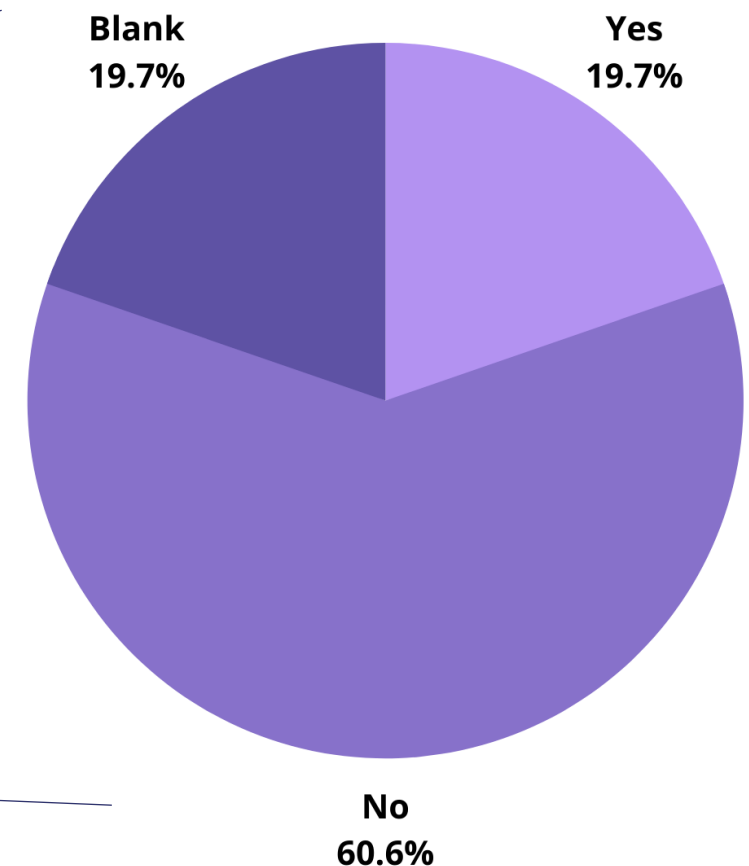
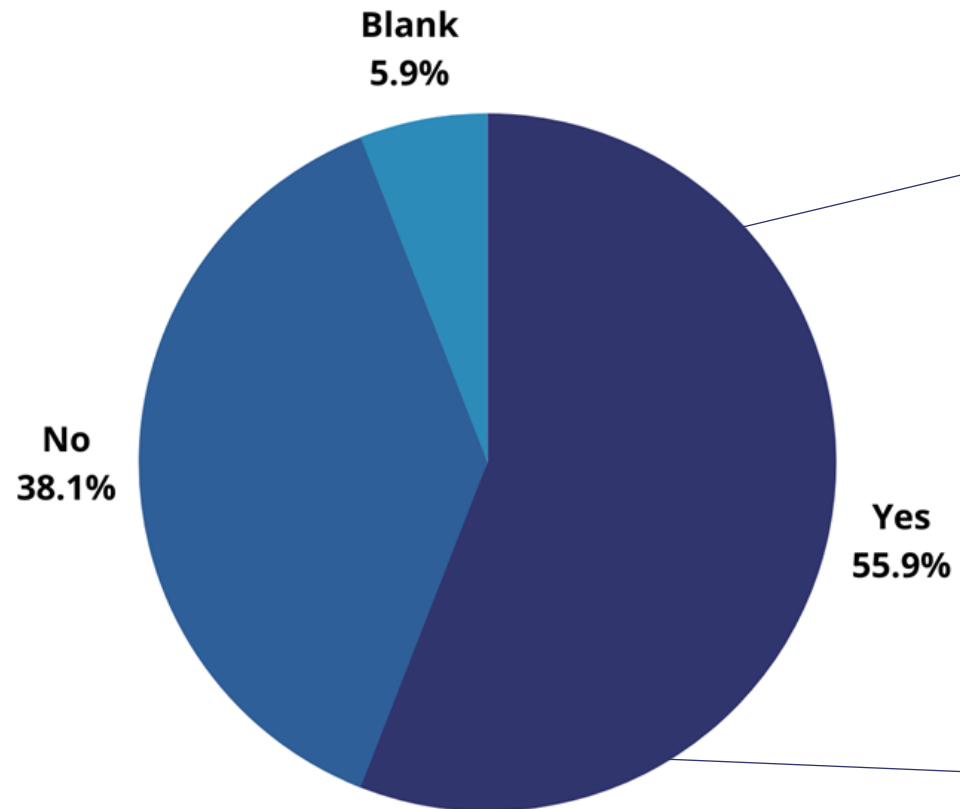


Responses to Questions Regarding Certification

55.9% of hospitals require diverse suppliers to be certified.

Of that 55.9%, when asked if they accepted self-certification:

- 19.7% of hospitals responded “YES”.
- 60.6% of hospitals responded “NO”.
- 19.7% hospitals did not respond.

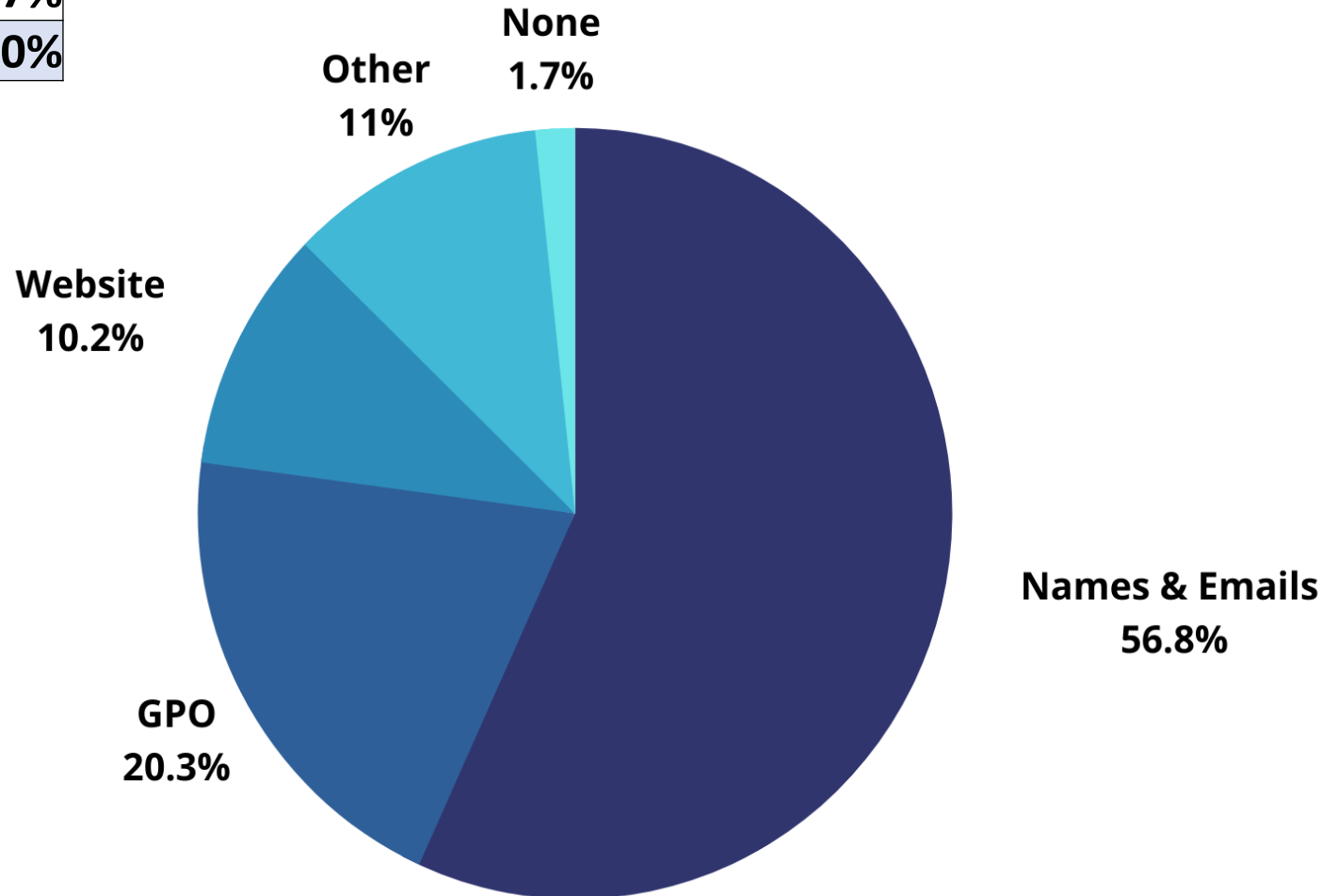


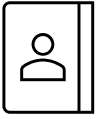
Hospital Contacts

Did the hospital provide a contact?	Total
Yes	87.3%
No	1.7%
Other	11.0%

Data Notes:

- *Nine hospitals included in the “other” category may have misinterpreted the question due to the wording of the question*
 - *Question as worded on HCAI’s template: “Enter the names and contact information below for business enterprises interested in contracting with your organization.”*
- *Two hospitals included in the “none” category.*
 - *One hospital left the response blank and one hospital stated that they are in the process of identifying contact information.*





Contact List

- We are developing a contact list for vendors/suppliers to utilize regarding contracting with hospitals for their procurement needs. This contact list will be posted on the HCAI website.
- Contact information provided by the hospitals may include:
 - Hospital (individual and/or system) name
 - Outreach contact
 - Phone number
 - Email
 - Website
 - Other helpful links/information

System or Regional Reporting

System Level - Hospital Supplier Diversity Template

California Hospital Supplier Diversity System Report 2020

Reporting Organization:

System or Regional Network Description:

Report Period Start Date:

Report Period End Date:

What is the amount of procurement by your hospital system or regional network within your hospital system for the report period from each of the business enterprises with at least a majority of their workforce in California for the categories below? Provide dollar amount and percentage of the total spending. If detail is not available, you may complete total amounts only. If amounts are included in multiple categories, complete the "Less Duplicated Amount" to remove for calculating the "Combined Total."

	Product Procurement (Dollars)	Services Procurement (Dollars)	Total Procurement (Dollars)	% of Total Spending
African American				
Hispanic American				
Native American				
Asian Pacific American				
Total Minority Owned				
Women Owned				
LGBT Owned				
Disabled Veteran Owned				
Less duplicated amount				
Combined Total				

HCAI's suggested Hospital System Supplier Diversity template. Hospitals were not required to use this template.

Do you require suppliers to be certified?

Do you accept self-certification?

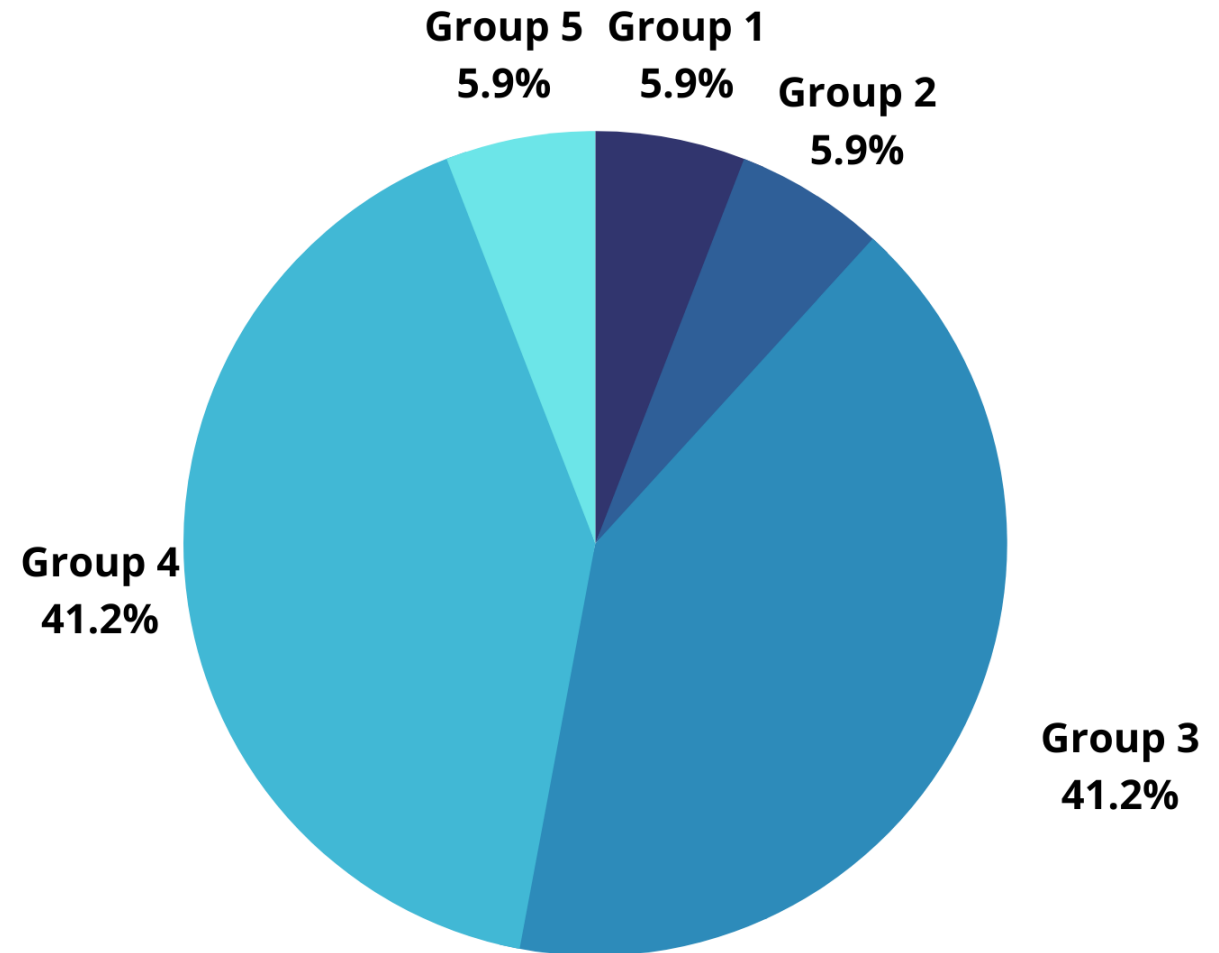
Approach to Analysis of System Level Hospital Supplier Diversity Reports:

Method:

1. Selected all 17 submitted hospital system reports.
2. Reviewed each system report for the following criteria, as outlined in the statute:
 - a. Level of detail provided on procurement.
 - b. Responses to questions regarding certification.
3. Created data visualizations to summarize responses.

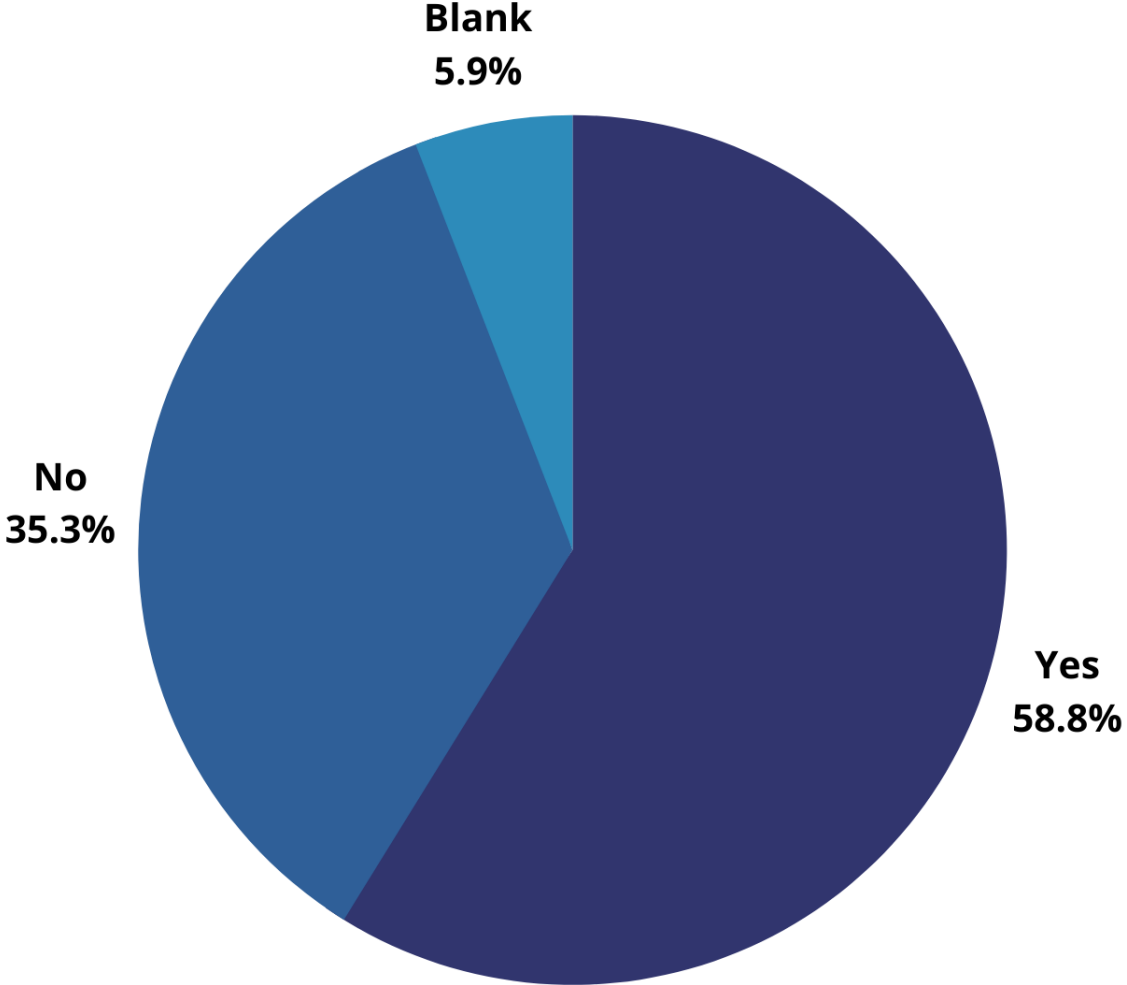
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Responses to Questions Regarding Certification

Hospital Systems that require certification.

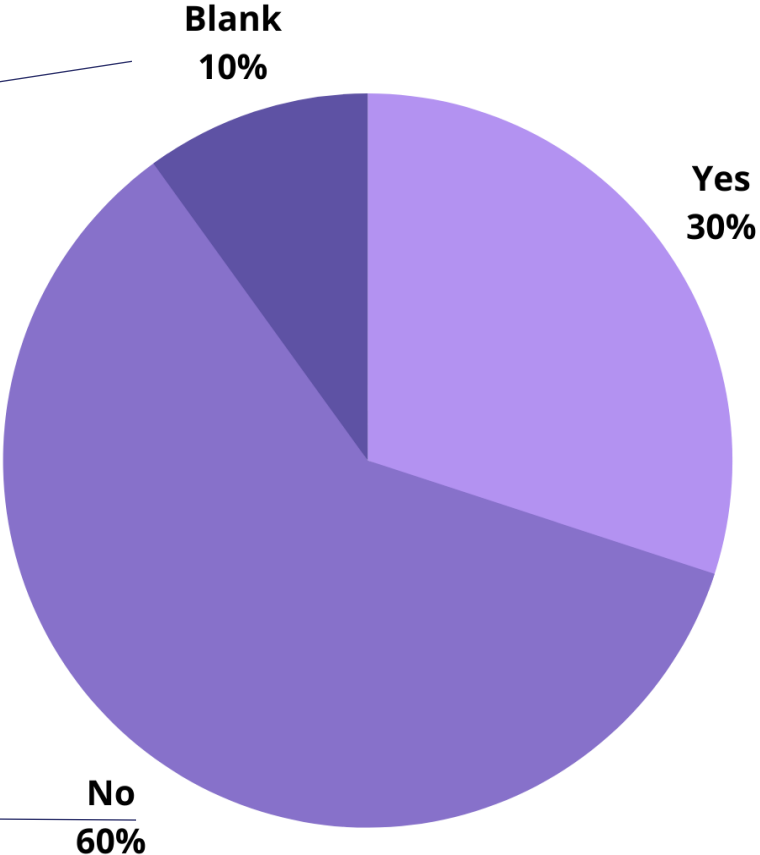
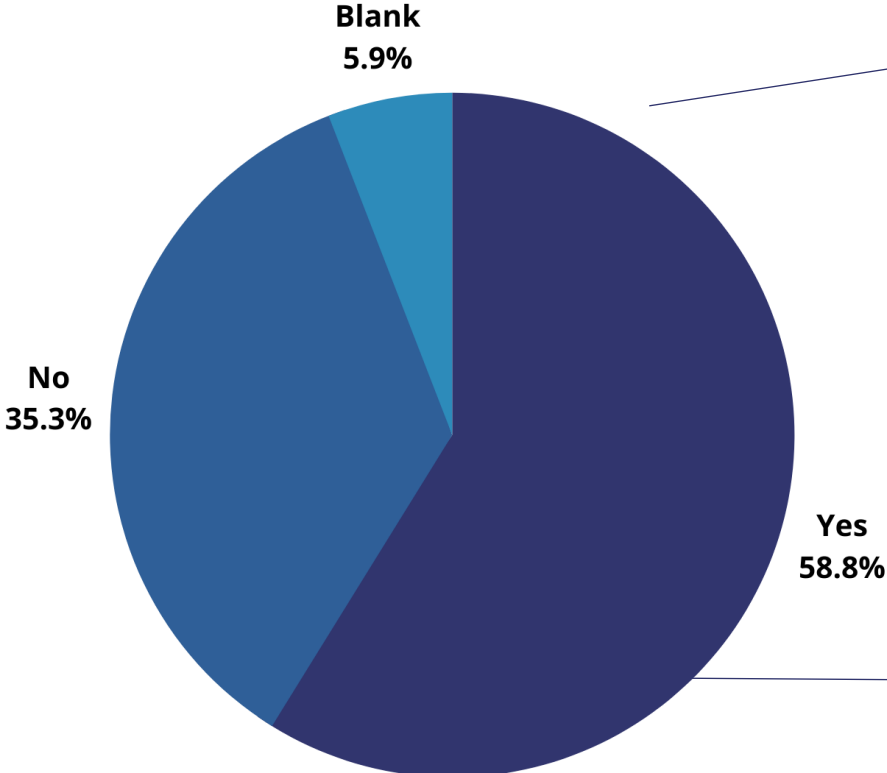


Responses to Questions Regarding Self-Certification

58.8% of hospital systems do require diverse suppliers to be certified.

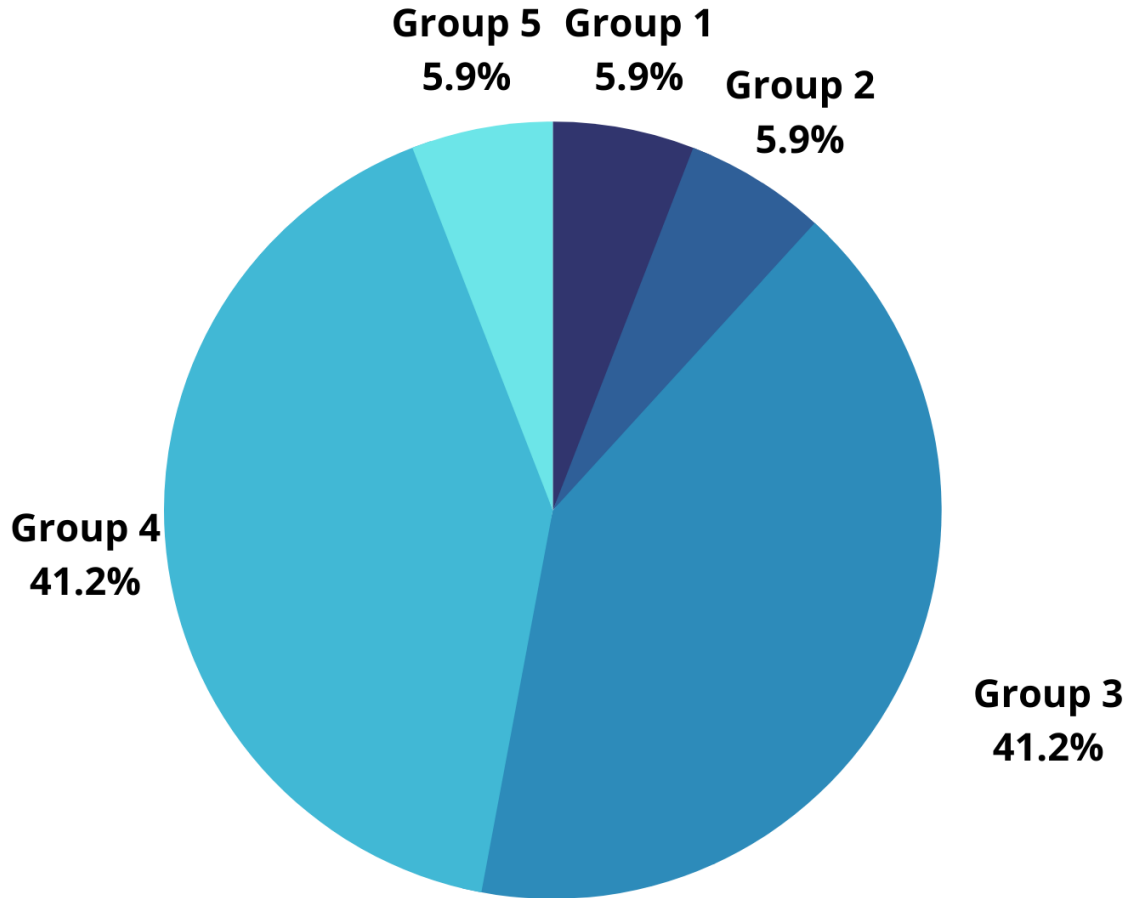
Of that 58.8%, when asked if they accepted self-certification:

- 30% of hospitals responded “YES”.
- 60% of hospitals responded “NO”.
- 10% hospitals did not respond

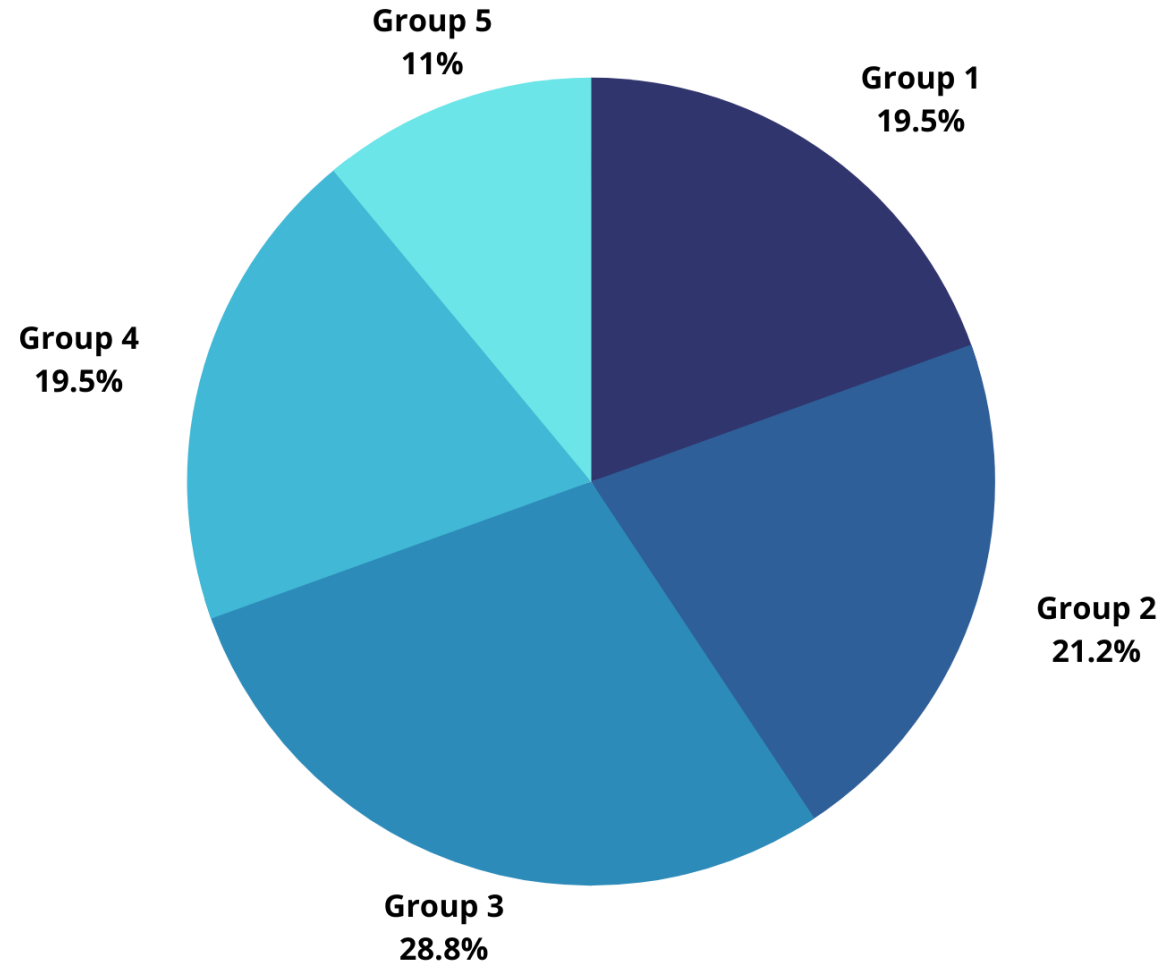


System vs. Individual Overview

Level of Detail Provided on Procurement



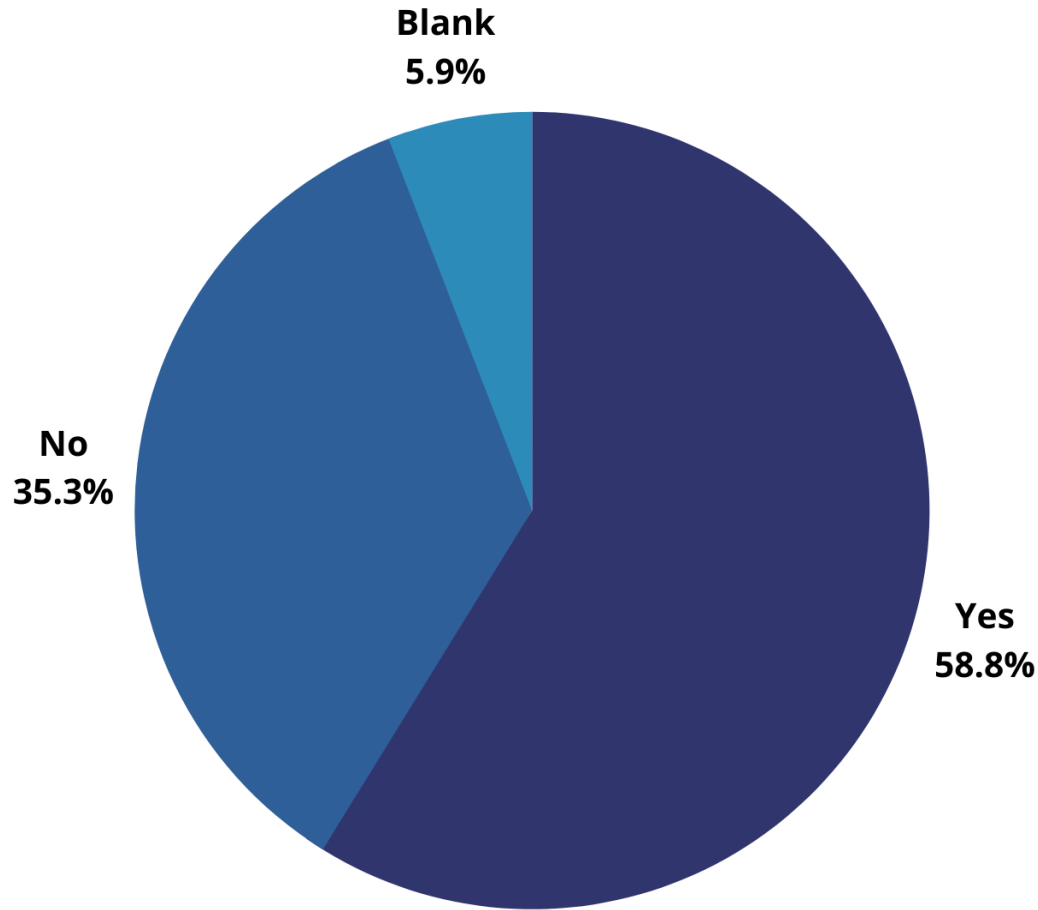
System level



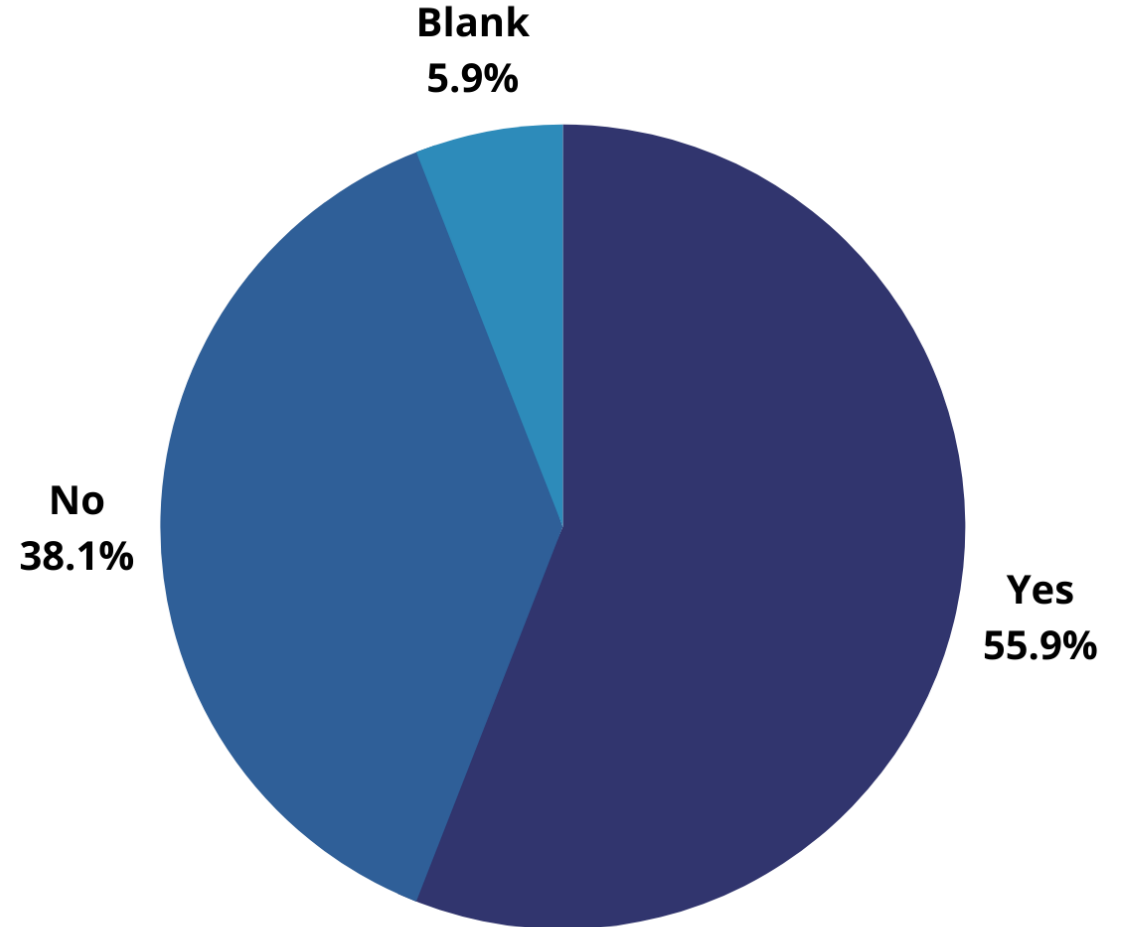
Individual level

System vs. Individual Overview

Hospitals that require certification.



System level



Individual level

Q&A