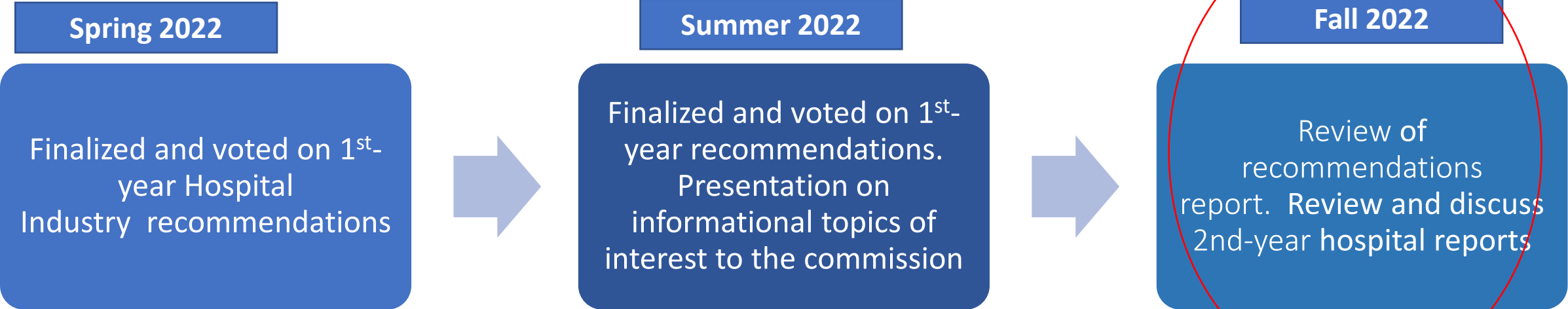


Agenda Item IV: Review of First Year Commission Recommendations Report

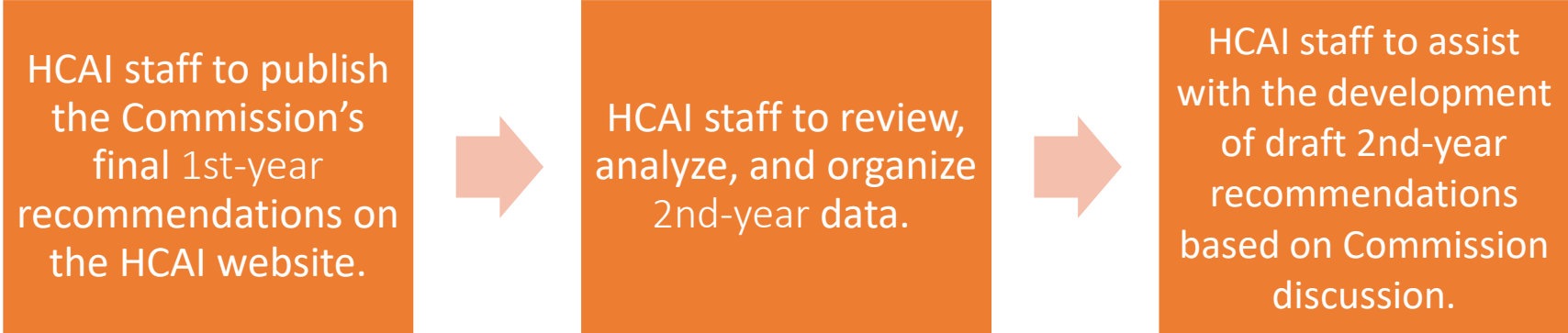
Lupe Alonzo-Diaz, Commission Chair

Next Steps for the Recommendations

Meeting Timeline & Topics



HCAI Staff Responsibilities



Guiding Principles for Finalizing Recommendations

- Meets statutory intent.
 - 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.
- Promotes existing best practices while also encouraging hospitals to expand their outreach and contracting efforts.
- May be applicable to other health systems.

Recommendations for Hospital Industry

- 1 Executive leadership should create a supplier diversity policy statement that promotes the use of diverse suppliers.
- 2 Executive leadership should develop and implement outreach and reporting metrics that support contracting with diverse suppliers.
- 3 Executive leadership should develop and implement hospital supplier diversity procurement metrics that are owned by executive leadership.
- 4 Executive leadership should develop, implement, and fund an internal hospital accountability system to meet specified metrics related to outreach, diverse business usage and provision of technical support for implementation.
- 5 Executive leadership should develop and implement an inclusion policy for hospitals to identify and track spend with diverse business enterprises (E.g., MBE, WBE, DVBE, LGBTQBE).
- 6 Executive leadership should develop and implement procurement processes and policies to document and mitigate internal criteria that may limit or impede diverse suppliers' ability to competitively respond to bids.
- 7 Executive leadership should develop and implement a supplier diversity webpage to inform diverse suppliers on the hospital's procurement process including the contact information of a diverse business outreach liaison.
- 8 Executive leadership should require prime suppliers to measure and report on spend with diverse suppliers.
- 9 Executive leadership should require the review of contract language with prime suppliers to require supplier diversity metrics for any relevant sub-contracts.
- 10 Executive leadership should update how hospitals track and report their supplier diversity outreach efforts, in order to report on how many diverse entities are onboarded as suppliers or manufacturers (e.g., GPOs and direct suppliers).
- 11 Executive leadership should establish a percentage goal for diverse suppliers in GPOs.
- 12 Executive leadership should require diverse suppliers to get their certification through an authorized certification body prior to contract award.

Recommendations for HCAI Director

- | | |
|----|--|
| 13 | HCAI should produce annual regular analyses, as defined by staff, with the data, which should include, but not limited to, analysis statewide, by region, and by hospital type; distribution of spend with diverse businesses; and spending comparisons and benchmarks. |
| 14 | HCAI should publish on its website and distribute via HCAI communication channels, a 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. |
| 15 | HCAI should 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) |
| 16 | HCAI should 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, best practices, challenges/obstacles to advance program goals. |
| 17 | HCAI should ensure that reported data can be differentiated between \$0 spend and data that is not reported. |
| 18 | HCAI should produce a reporting standard and evaluate hospitals with reports that contain all zeros to identify ways to encourage future diverse spend. |
| 19 | HCAI should conduct at least one annual meeting at which hospitals will be invited to present their hospital supplier diversity initiatives. This is known as an “En Banc style” public meeting. |

Other Recommendations

- | | |
|----|--|
| 20 | GPOs should implement a rating system or scale to measure manufacturers', distributors, and GPO's level of procurement with Tier II diverse suppliers. |
| 21 | All entities within the procurement ecosystem should partner with diverse chambers of commerce, technical assistance providers and certification bodies specifically supply chain focused to receive information related to procurement and competitive bid opportunities |
| 22 | Business Associations and/or Chambers should 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; or have a database that can be organization sourced for procurement. |
| 23 | Business Associations and/or Chambers should create training materials and webinars that promote awareness and knowledge on how to compete for hospital RFPs. |
| 24 | Business Associations and/or Chambers should identify and document the barriers and impediments to accessing procurement |
| 25 | GPOs, manufacturers, and distributors should develop and implement processes and policies to support diverse suppliers' ability to competitively respond to procurement opportunities; as well as provide technical assistance and outreach for the competitive procurement processes. |
| 26 | GPOs should track and publish the number of unique diverse suppliers and the associated contracted value that is available through the GPO on an annual basis. |