California Hospital Supplier Diversity Report Guidance

Assembly Bill 962 (Burke, Chapter 815, Statutes of 2019) Hospitals: procurement contracts, established new public transparency requirements for hospital supplier diversity. In compliance with Assembly Bill 962 (AB 962), all hospitals that meet certain thresholds are required to submit their Hospital Supplier Diversity data by July 1, 2021. To assist hospitals in complying with this requirement, OSHPD has developed an optional reporting template, as well as recommended guidance for reporting.

Overall, AB 962 is about transparency, and it does not require hospitals to take actions outside of filing the required report. OSHPD’s goal is to help you meet this requirement, while also furthering the goal of increased procurement with diverse suppliers in the hospital industry. OSHPD has not promulgated strict regulations at this time, and instead is providing a suggested template and guidance that hospitals can choose to adopt. Keep in mind, OSHPD will be posting all reports to our website.

There are two templates provided; a California Hospital Supplier Diversity Report which contains information that must be submitted individually for each hospital, and a California Hospital Supplier Diversity System Report which allows systemwide or regional network level reporting of spending for suppliers that serve all hospitals in the system.

When completing the Hospital Name and OSHPD ID, we ask that the name as specified on the facility license be used. Both this and the OSHPD ID can be found on our website using the Facility Finder from the top menu. If the information is being completed by someone other than the facility (i.e. Home Office), please complete the Reporting Organization.

AB 962 did not specify for which period information is to be reported. The uniform due date of July 1 seems to point toward reporting the prior calendar year. However, the threshold to determine if a hospital must report points to the Hospital Annual Financial Disclosure Report, which is reported on a fiscal year basis (due seven months after the fiscal year end). Please complete the Report Period Start Date and End Date for the period you are reporting. If this is less than a year for any reason (i.e. not in operation all year or a change of ownership limiting data availability), please explain this in the Other Relevant Information at the end of the report.
There are several items in the statute to be reported about policies and actions a hospital takes related to supplier diversity. If your hospital does not have some of these, please feel free to provide an explanation in these fields (i.e. plans for future actions).

When completing the names and contact information for interested business enterprises, please also provide the organization if they work for an entity other than the hospital (i.e. a hospital system home office). This item does need to be completed for each hospital, even if it is a home office contact.

The table for reporting the amount of procurements provides the option to separate between products and services but can also be completed by total procurement for the four main categories, to the extent that information is readily accessible. If you have detail by the four minority groups specified in AB 962, you may complete those and then total them on the Total Minority Owned line. We have also allowed for reporting procurement that may qualify for multiple categories on all lines (i.e. a minority women owned business). We provided a line to remove any duplicated procurement amounts when calculating the Combined Total diverse procurement amount.

A few questions have been added to the template around certification of suppliers. There are a couple yes/no boxes related to your recognition of certified business enterprises. We also hope to compile any certification sources you provide as a resource list for other hospitals and would appreciate your input.

If you have reported systemwide or regional network level spending for suppliers that serve all hospitals in the system, there is a yes/no box to indicate this and a box to list the name of the entity that procurement is reported under. This will allow users of the report to connect the system level reporting to their individual hospital and get a complete picture.

Finally, there is an Other Relevant Information field where you can provide additional information for anyone viewing your report.

The California Hospital Supplier Diversity System Report is similar for the items that can be reported at the system or regional network level. The System or Regional Network Description only needs to be completed where the report is not representative of the entire Reporting Organization.

When your reports are complete, they can be submitted to OSHDP via email to SupplierDiversity@oshpd.ca.gov. AB 962 also allows for a thirty-day extension for unintended or unforeseen delays, which may be requested via the same email address. There is a $100 per day penalty for each day beyond the due date or extended due date that a report is delinquent.