



# Hospital Supplier Diversity Frequently Asked Questions

1. What is the reporting period?  
January 1st through December 31st.
2. When is the report due?  
Annually on July 1 for the prior calendar year, Example: the 2022 report covering the time period 1/1/2022 – 12/31/2022 is due on 7/1/2023.
3. How do I create an account in the Hospital Disclosure and Compliance (HDC) System?  
Instructions are available in the [HDC System and Hospital Supplier Diversity Report Resource Manual](#).
4. How do I associate to a facility in the HDC System?  
Instructions are available in the [HDC System and Hospital Supplier Diversity Report Resource Manual](#).
5. Who can approve requests to associate with a facility?  
Primary contacts, associated users, and HCAI analysts can approve pending requests for facilities.
6. How do I request an extension in the HDC System?  
Instructions are available in the [HDC System and Hospital Supplier Diversity Report Resource Manual](#).
7. How do I submit a report in the HDC System?  
Instructions are available in the [HDC System and Hospital Supplier Diversity Report Resource Manual](#).
8. How do I review previously submitted reports?  
Previously submitted reports can be reviewed [here](#).
9. Where can I find procurement opportunities for diverse suppliers?  
A list of hospital contacts for diverse suppliers are available on the [Hospital Supplier Diversity Reporting Program website](#) under additional resources.
10. Do I need to provide a list of diverse suppliers with my report?  
No, this is not a requirement per the statute.
11. Who is required to submit a report?  
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.
12. What if my facility did not spend in all the diverse categories on the report?  
If \$0 were spent on procurement for a category, you may enter \$0.
13. What if I do not have data for all the diverse categories on the report?  
If the procurement data is not readily accessible, you may leave the category blank.

14. Are facilities required to meet a minimum spending amount on diverse procurement?

No, this is not a requirement per the statute.

15. What is the difference between Tier I and Tier II?

“Tier I procurement” means the procurement by direct contract between a hospital and a supplier directly to provide goods and services that support the operations of your hospital.

Example 1: Contracts that were originally negotiated by a Global Purchasing Organization would be Tier I if the hospital directly contracts with the supplier. They may be using the negotiated contract but if the hospital signs directly with the supplier, it is Tier I.

“Tier II procurement” means procurement by any agreement or arrangement between a contractor and any third party.

Example 2: A hospital enters into an agreement (Tier I) with a supplier. As part of services to the hospital, the supplier engages a subcontractor on behalf of the hospital (Tier II). However, in those circumstances, the cost of the subcontractor could be reflected in the original contract, this would be Tier II.

16. What does the “less duplicated amount” mean?

When a supplier qualifies for more than one diverse category, their procurement total is reported in each category. To prevent the procurement from being counted multiple times in the combined total, the identical amount should be reported in the less duplicate amount row.

17. Does AB962 only pertain to health care systems located in California?

Yes.

18. Are other states besides California adopting similar legislations?

Yes, currently Illinois has similar legislation regarding hospital construction projects.

19. Do the suppliers have to be a California-based business in order to be listed?

The business needs have at least a majority (51% or more) of the enterprise’s workforce in California.