

CHA FAQs

Hospital Supplier Diversity Reporting

In 2019, the Legislature passed Assembly Bill 962, which requires hospitals with operating expenses of \$50 million or more, and each licensed hospital with operating expenses of \$25 million or more that is part of a hospital system, to submit a report to the Office of Statewide Health Planning and Development (OSHPD) on its minority, women, LGBT, and disabled veteran-owned business enterprise procurement efforts.

The first report is due on July 1, 2021. The following are frequently asked questions about the OSHPD report submission.

General Requirements

What are hospitals required to report on July 1, 2021?

Per [Health and Safety Code 1339.85-1339.87](#), hospitals are required to report the following:

- The hospital's supplier diversity policy statement
- The hospital's outreach and communications to minority, women, LGBT, and disabled veteran business enterprises, including:
 - How the hospital encourages and seeks out minority, women, LGBT, and disabled veteran business enterprises to become potential suppliers
 - How the hospital encourages its employees involved in procurement to seek out minority, women, LGBT, and disabled veteran business enterprises to become potential suppliers
 - How the hospital conducts outreach and communication to minority, women, LGBT, and disabled veteran business enterprises
 - How the hospital supports organizations that promote or certify minority, women, LGBT, and disabled veteran business enterprises
- Information about appropriate contacts at the hospital for interested business enterprises
- 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

Will OSHPD provide a template that hospitals can use to comply with the statutory requirements?

Yes, OSHPD has developed [suggested templates](#) with instructions that hospitals can use.

There seems to be a character limit on the fillable PDF template. Is there a workaround for this limitation?

If using the template, there is currently no workaround. However, you may append pages to the end of the file if you have additional information.

If part of a system, are individual hospitals required to submit an individual report to OSHPD?

Hospitals that are part of a hospital system or are organized in a regional network within a hospital system may report the diversity of their procurement from a systemwide or regional network level if there are suppliers that provide services or goods to all hospitals within the hospital system or regional network. However, hospitals must report the diversity of the remainder of their procurement, including the suppliers that do not resource the entire hospital system or regional network, as an individual hospital.

If only one hospital within a hospital system has operating expenses above \$25 million, does the system have to report or just the impacted hospital?

Only the individual hospitals above \$25 million in operating expenses are required to submit a report.

For what time period is this report expected to cover?

The report should cover at least part of 2020 payments. For example, if a hospital's fiscal year runs from July through June, the report should cover from July 1, 2019 through June 30, 2020. If a hospital's fiscal year runs the calendar year, the report should cover from January 1 through December 31, 2020.

Should hospitals report on payment activity or purchasing activity?

Hospitals should report on purchasing activity.

How would hospitals report suppliers that fit into more than one category?

There are different acceptable methodologies for reporting suppliers that fit more than one category. For example, the amount can be reported in just one category or divided among categories. The suggested template allows for reporting multiple times in all the categories in which a supplier qualifies, and then removes any duplicated amounts.

Is there a required percentage of total spend for diverse suppliers?

No, the statute does not require any percentage of spend on diverse suppliers.

Can a hospital request an extension from the July 1, 2021, date? How will a hospital know if an extension has been granted?

Yes, a hospital can submit a 30-day request to OSHPD. Requests should be emailed to SupplierDiversity@oshpd.ca.gov. OSHPD will let the hospital know if the extension has been granted.

Suppliers

Do hospitals report on the diverse suppliers of goods and services?

Yes, hospitals can report diverse suppliers of both goods and services. Services include but are not limited to labor companies, construction organizations, legal services, public relations, and health care services.

Are there particular certifying organizations or entities that OSHPD will accept?

No, there are no certifying organizations that OSHPD will require for use.

Is there a resource to identify qualified vendors?

There are numerous local, statewide, and national resources.

Will OSHPD publish a list of certifying organizations?

No, OSHPD will not publish a list of certifying organizations at this time.

What is defined as a supplier? For example, could hospitals report their labor companies, construction, or legal services spending?

A supplier is any supplier of goods and/or services.

Do hospitals only submit data on certified suppliers or any diverse supplier?

No, hospitals may submit data from certified suppliers or from suppliers that self-certify to a category.

Group Purchasing Organizations

If we use a group purchasing organization (GPO), how do we determine the supplier diversity of those suppliers?

Most GPOs have their own supplier diversity initiatives. However, per the statute, the company must have at least a majority of the enterprise's workforce in California to be counted for the report.