



Date: September 14, 2023

Contact: Taylor Gonsalves

Phone: (916) 319-2053

FOR IMMEDIATE RELEASE

Increasement of Procurement Diversity in Hospital Systems Heads to the Desk of Governor Newsom

(Sacramento, CA) – Assembly Bill (AB) 1392, authored by (Assemblymember Freddie Rodriguez (D – Pomona), has passed both houses of the State Legislature and is headed to Governor Newsom for his signature. This bill would require large hospitals to submit a plan to the Department of Health Care Access and Information (HCAI) to increase procurement from minority, women, LGBT, and disabled veteran business enterprises (MWDVLGBTBE).

“California already has two successful supplier diversity programs from the California Public Utilities Commission and the Insurance Commissioner. This legislation would strengthen the Hospital Supplier Diversity Reporting program by pulling strategies from and aligning statutory language with these existing programs,” **stated Assemblymember Rodriguez.**

AB 962 (Burke, Chapter 815, Statutes of 2019) required hospitals to submit an annual report to the Department of Health Care Access Information (HCAI) on their supplier diversity procurement efforts, including policy statements, outreach to diverse businesses, and how they support these enterprises in their procurement processes. This requirement applied to hospitals with operating expenses of at least \$50 million or \$25 million if they were part of a system of hospitals.

With a more diverse procurement pool, MWLGBTDVBEs have further economic opportunities with a hospital’s supplier roster that mirrors patient and community populations. However, in the most recent HCAI report, diverse procurement spending only accounted for 2% of hospital supplier spending. MWLGBTDVBEs deserve more dollars from our healthcare industry.

According to the American Hospital Association, increasing procurement diversity is not just a social mission but a business strategy that widens the supplier pool and increases competition on the price and quality of goods and services.

“I am proud to see AB 1392 clear the Legislature and thank my colleagues in both houses for their support. Prioritization of supplier diversity benefits the entire community, increasing innovation and value through cost reductions, better contract terms, and improved service,” **added Assemblymember Rodriguez.**

###

Assemblymember Rodriguez ([Linktree](#)) represents the 53rd Assembly District which includes the cities of Chino, Montclair, Ontario, Pomona, and Upland. He is Chair of the Assembly Committee on Emergency Management.