

**EMPOWER**  
**ELEVATE**  
**2023 HASC ANNUAL MEETING**

**MAY 17-19, 2023 | JW Marriott Desert Springs Resort & Spa**



# Supplier Diversity

## Staying Ahead of the Curve



COMMUNITIES  
LIFTING COMMUNITIES®



Communities Lifting Communities (CLC) is a 501(c)(3) nonprofit organization and regional community health improvement initiative led by the Hospital Association of Southern California (HASC) to reduce health inequities and improve community health in Los Angeles, Orange, Riverside, San Bernardino, Santa Barbara, and Ventura counties.

### **Vision**

Working in partnership with local communities, we will facilitate transforming the health care system to reduce health inequities and improve community health.

### **Mission**

We work to advance systems change and promote intercultural health equity by effectively using data, prevention strategies, leadership, advocacy, and partnerships.

CLC and HASC, in partnership with the Healthcare Anchor Network, convene hospitals to assess organizational progress to advance health equity and anchor strategies and provide collaborative learning opportunities, including:

- Adoption of an anchor mission;
- Inclusive local hiring and internal workforce development;
- Local purchasing with diverse suppliers;
- Place-based investment strategies; and
- Community partnerships

# Advancing Health Equity and Economic Opportunity Initiative

# Legislation

## AB962 – HCAI Reporting

- Requirement for hospitals to annually submit a report on their diverse business enterprise procurement efforts to the Department of Health Care Access and Information (HCAI)
- Requirement for HCAI to convene a Hospital Supplier Diversity Commission to advise HCAI on the Hospital Supplier Diversity program
- Commission meets quarterly; two participants representing hospitals
- **Report submissions due on July 3, 2023, via the HCAI portal. Penalties will apply every day the report is late.**

## AB 1392 – Proposed Legislation

- Requires hospitals to submit a detailed and verifiable plan, instead of a report, for increasing procurement from minority, women, LGBT, and disabled veteran business enterprises.
- Requires the plan to include short- and long-term goals, but not quotas, for increasing procurement and how the hospital has resolved issues that may limit an enterprise from becoming a supplier.
- Encourage hospitals not required to submit a plan to voluntarily adopt one for increasing procurement

## APPROACH TO BUILDING CAPACITY

# Supplier Diversity Initiative

- Support the Supplier Diversity Committee to advise on and support implementation strategies
- Connect hospitals to diverse-owned suppliers across the HASC region
- Host hospital and supplier networking and engagement events
- Explore opportunities to support diverse-owned businesses in submitting RFPs to hospitals
- Provide learning opportunities for hospitals to enhance their supplier diversity initiatives
- Provide a pilot-project opportunity for hospitals to increase their vendor pools through participation in the City of Los Angeles' Regional Alliance Marketplace for Procurement

# Landscape Analysis Goals

- Assess if a hospital **accelerator or capital investment program** is needed to support diverse-owned businesses (LA County Focus)
- Assess hospital **readiness to invest in diverse businesses** and build the case for support to **expand the depth of the landscape analysis** to all HASC regions.
- Assess current hospital supplier diversity procurement practices and policies to identify **barriers and areas of opportunity**.

# Panelists



**Mikel Whittier**  
Director, Health Equity,  
Diversity and Inclusion  
UCLA Health



**Matthew Freede**  
Area Director  
Supply Chain Shared  
Services  
Kaiser Permanente Los  
Angeles Medical Center



**Motz Feinberg**  
Vice President, Chief  
Supply Chain Officer  
Cedars-Sinai Health  
System

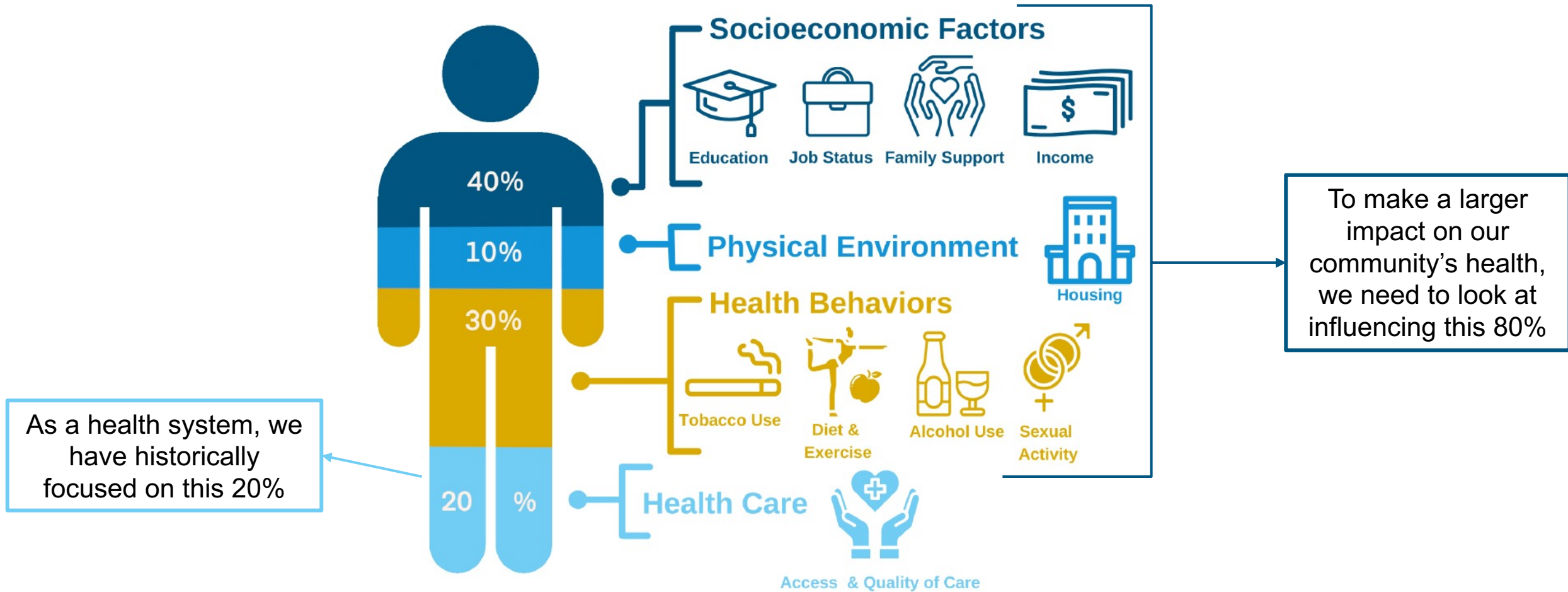




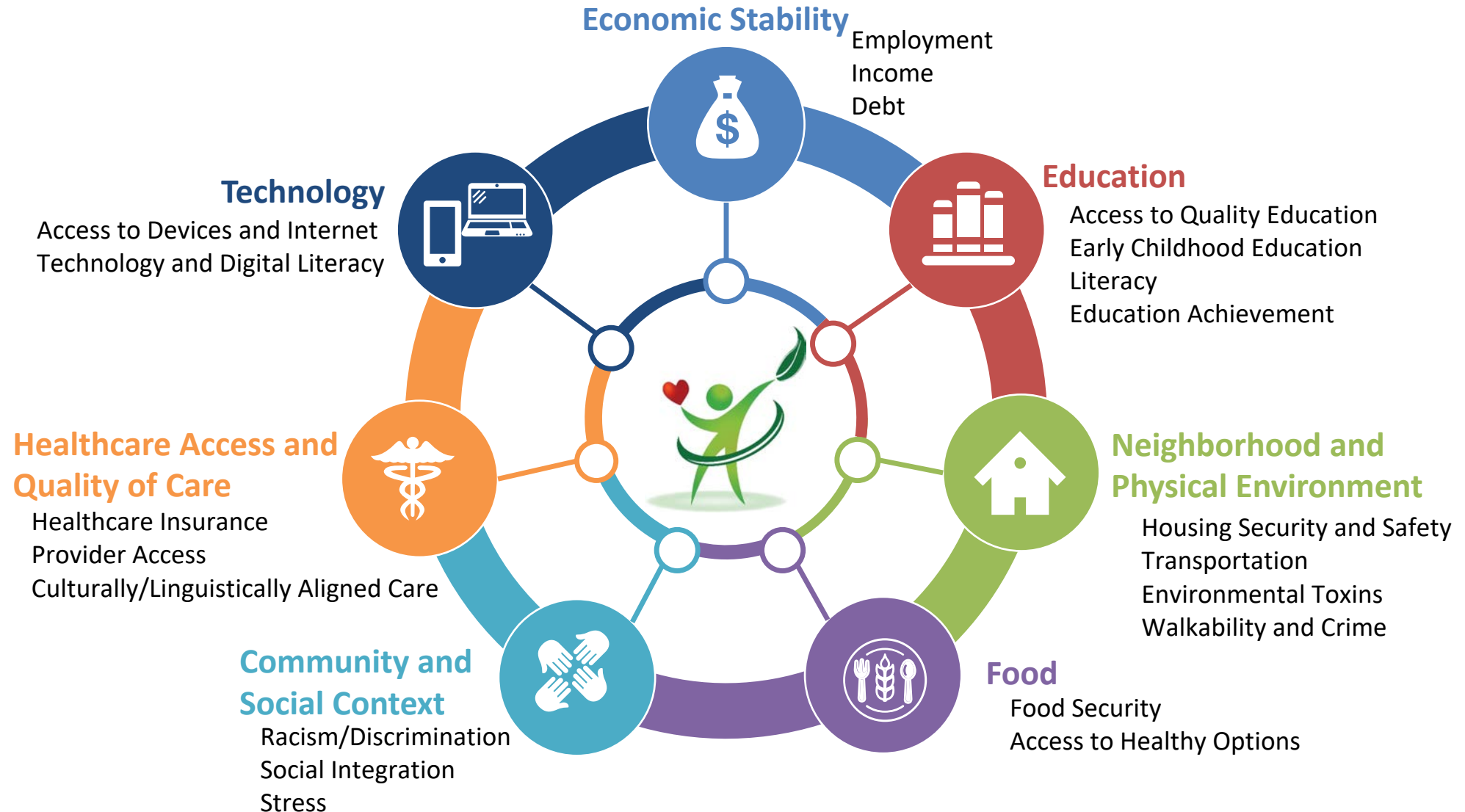
# AIM: UCLA

## UCLA Health Anchor Institution Mission (AIM) Overview

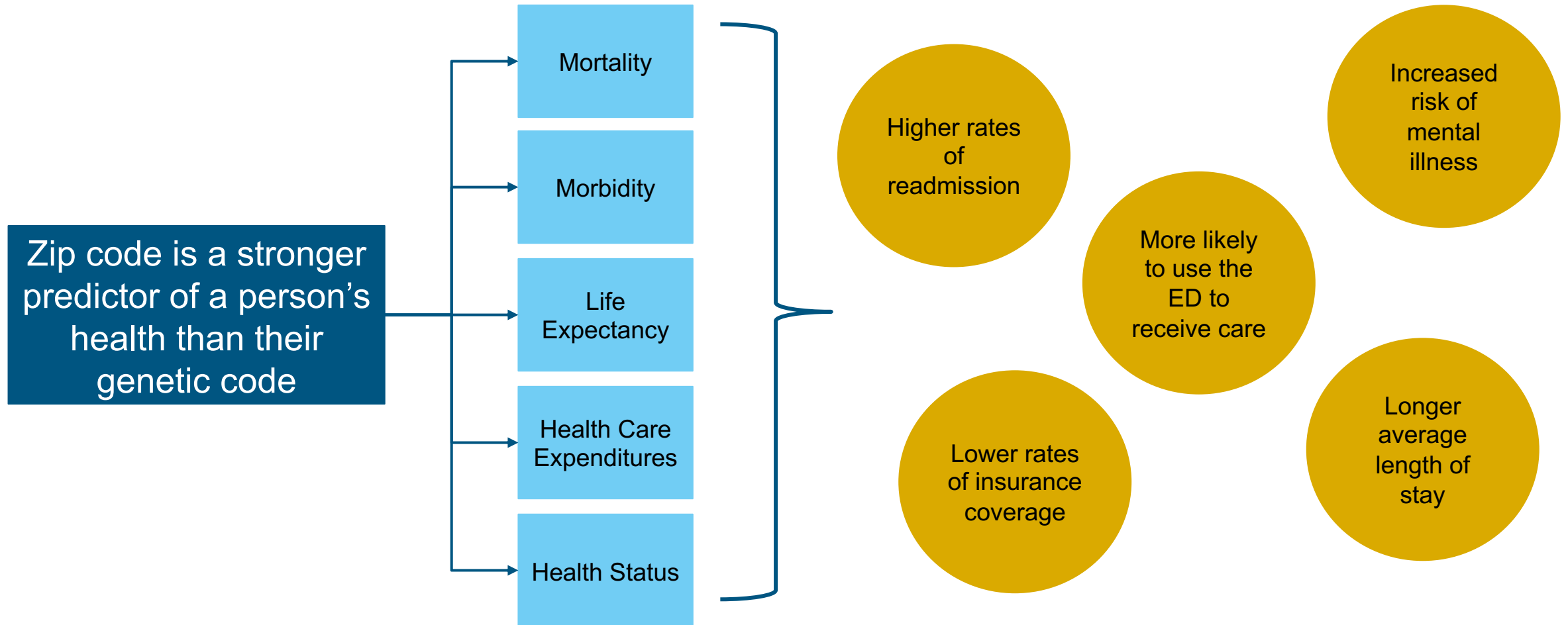
# What Impacts Health?

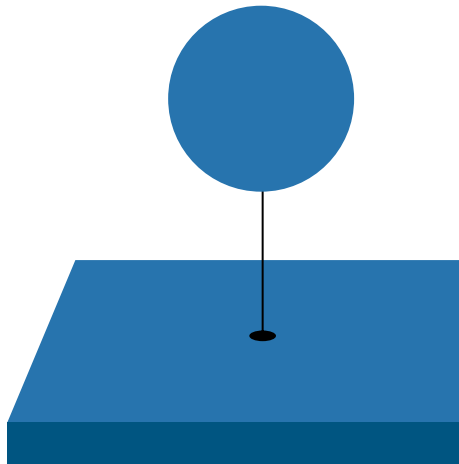


# 7 Social-Structural Drivers of Health

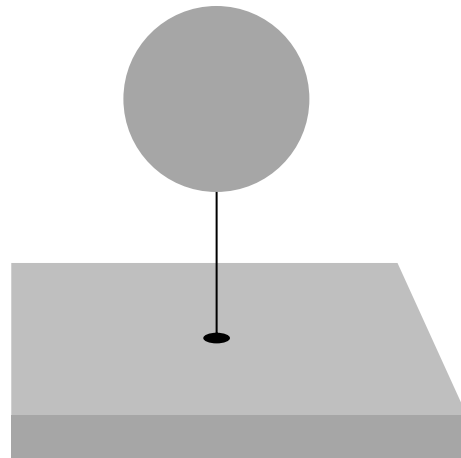


# Why should we focus on influencing socio-structural drivers of health?

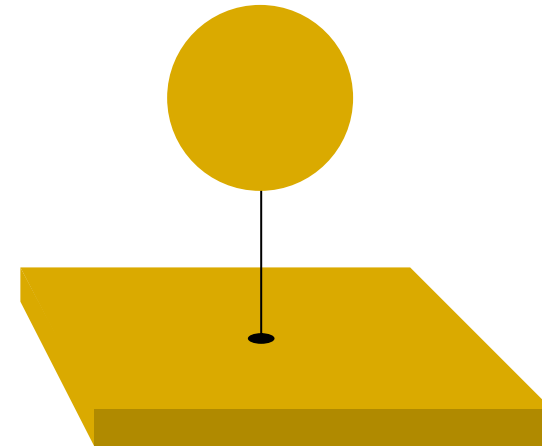




National collaborative with over 75 healthcare systems focused on benefit the long-term health and well-being of the communities they serve

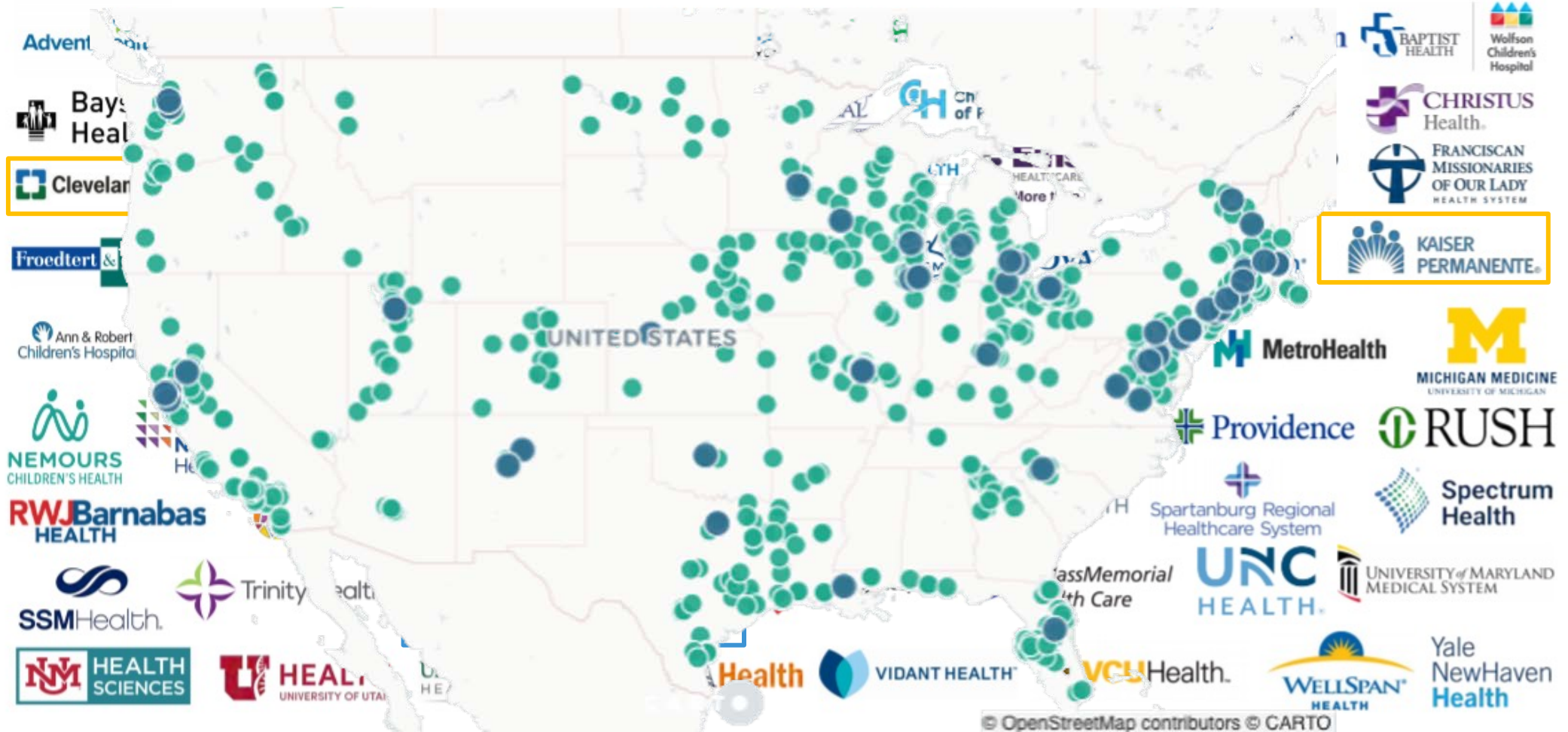


1. Incubate and scale strategies that establish the anchor mission as a healthcare sector priority
2. Address economic and racial inequities that create barriers to health and thriving for people and communities



The long-term goal is to improve community health and well-being by leveraging assets, including hiring, purchasing, and investment

# HAN Members

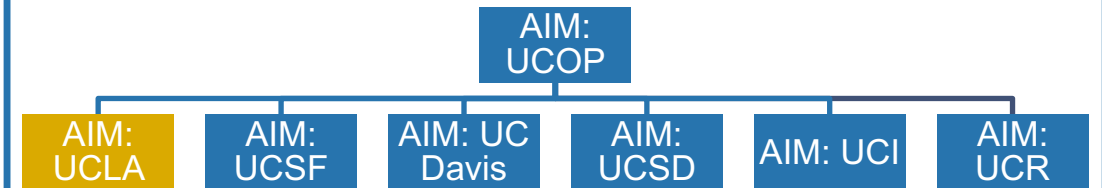


## Original Problem Statement

HELM committed to an institutional goal of joining the Healthcare Anchor Network this fiscal year. To be successful in upholding the anchor mission, additional efforts were needed to understand the expectations of HAN organizations, identify best practices, and develop the UCLA Health HAN mission and vision for success and sustainability

## Objective

Create the Anchor Institution Mission (AIM) and strategic vision for UCLA Health to improve community health.

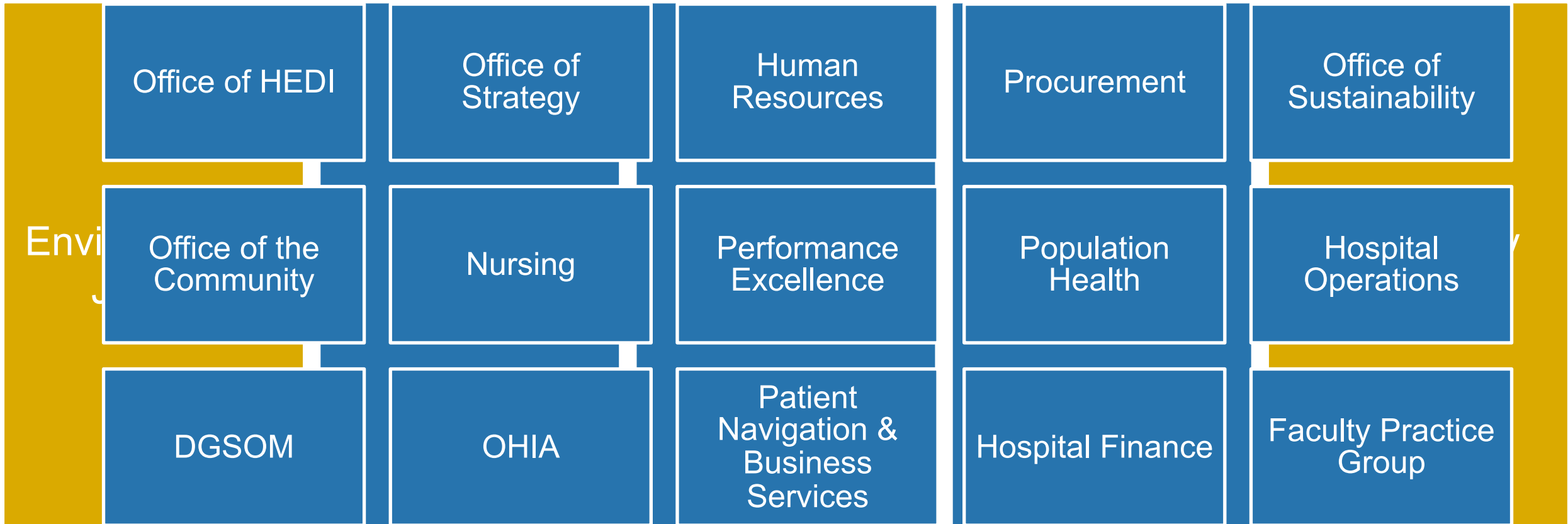


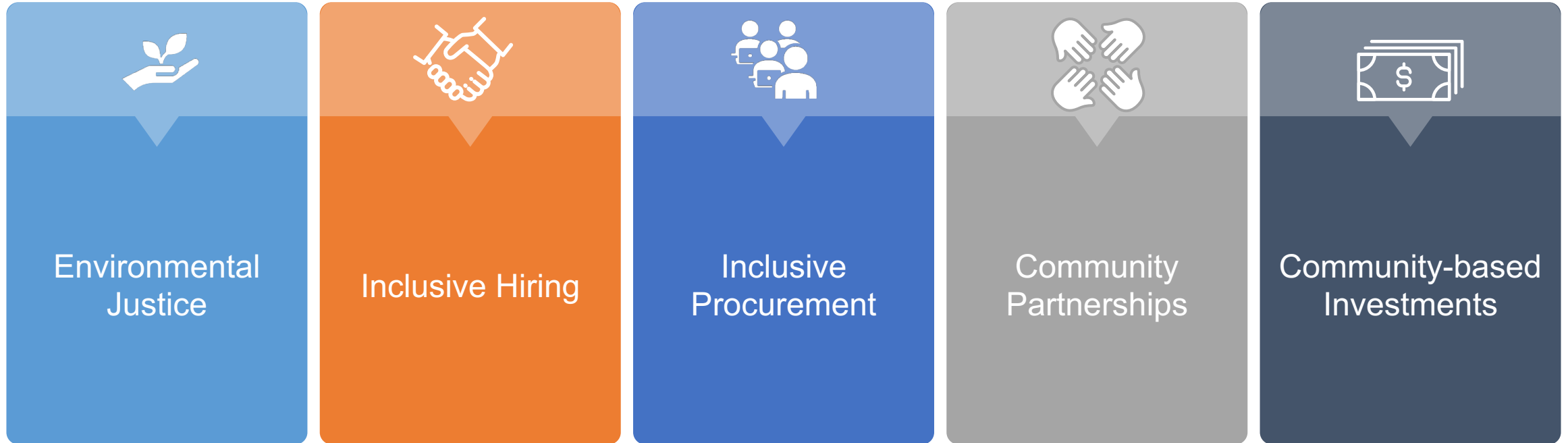


# AIM: UCLA Committee

UCLA Health's responsibility to **advance health equity and justice** extends beyond our four walls. We commit to **building strong community partnerships rooted in trust and collaboration** while leveraging our assets to impact the **socio-structural drivers that contribute to the wellbeing of our diverse communities**

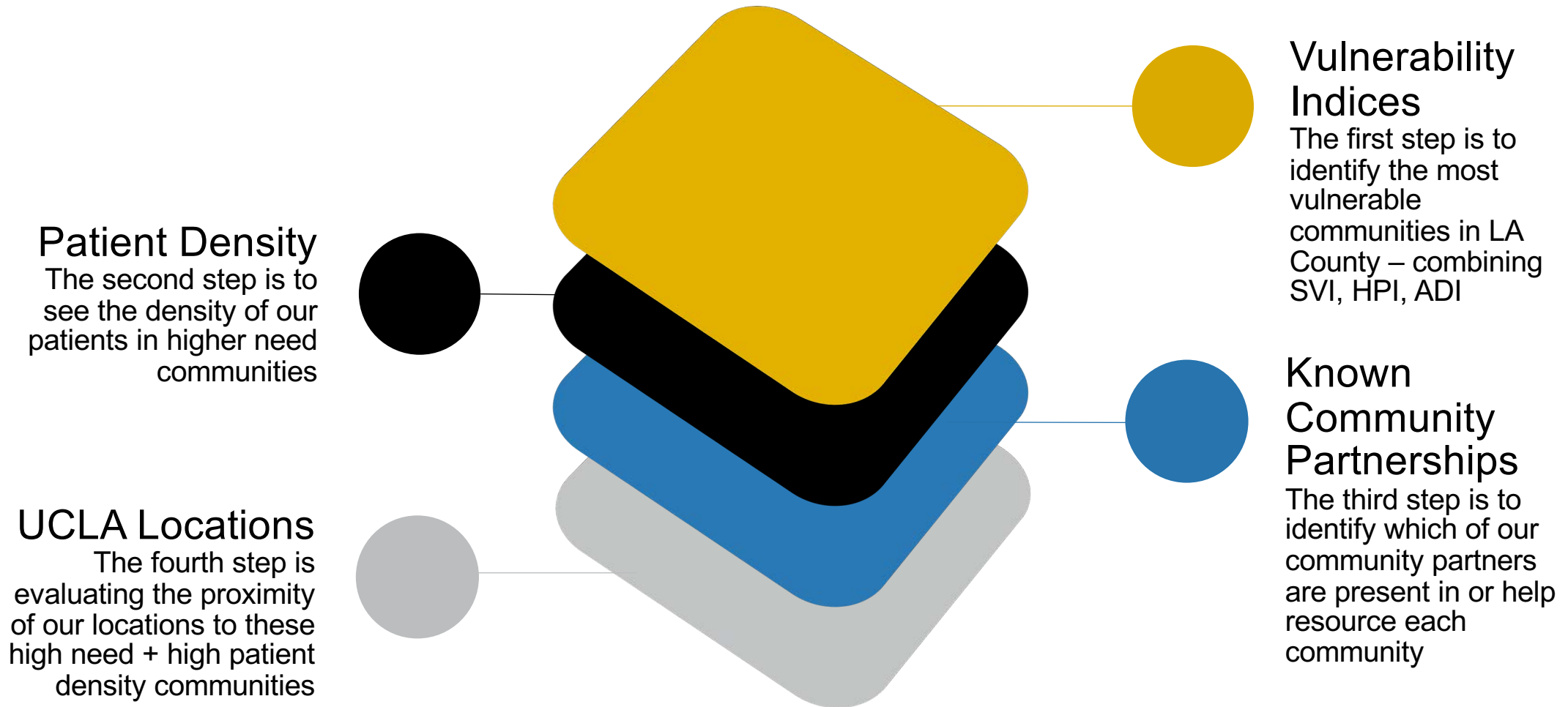
# UCLA Health AIM Infrastructure



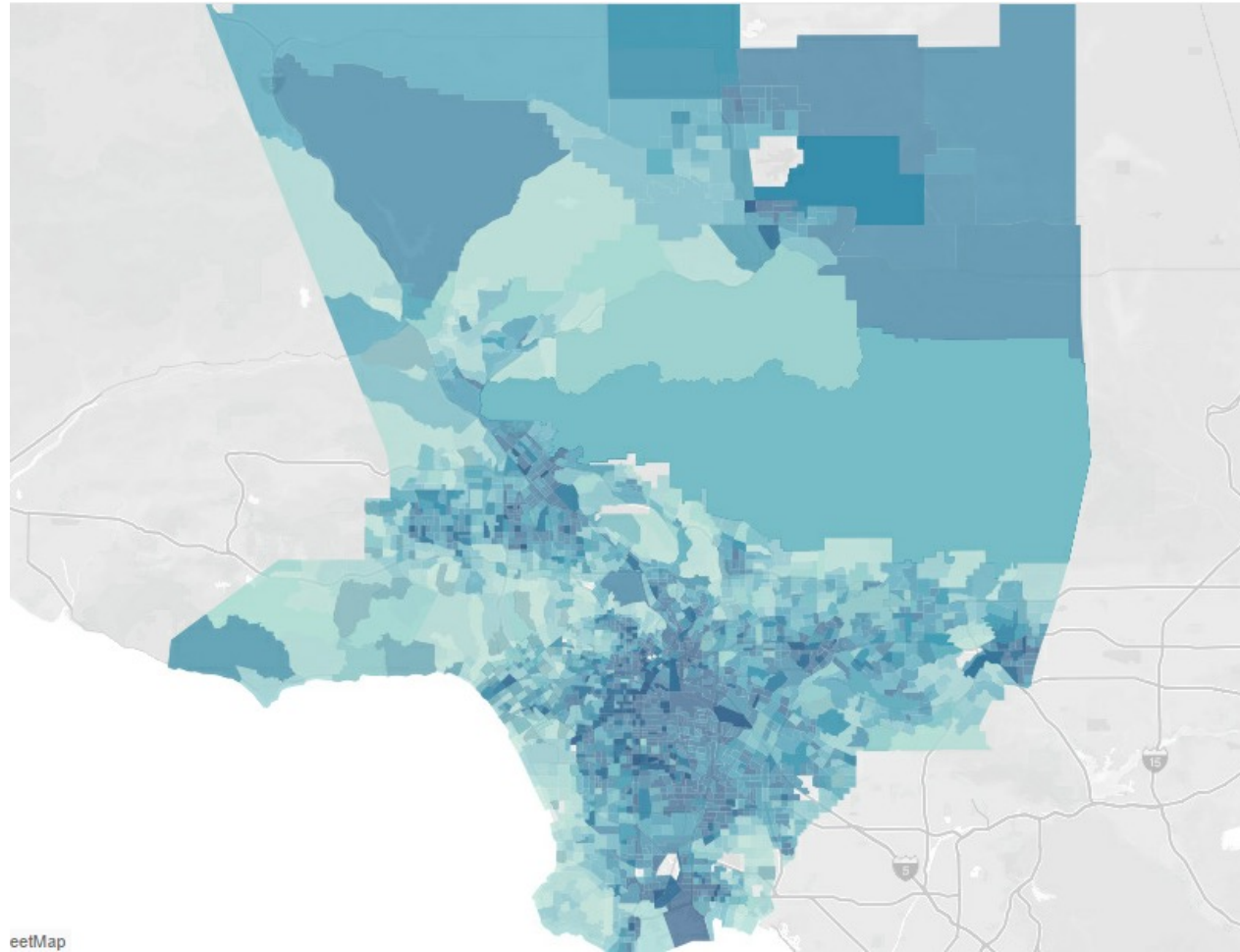


**Financial investment in divested communities of color through:**

1. Small business loans
2. Small business grants
3. Co-ops in partnership with community-based companies



# Vulnerability Across LA



# High Vulnerability Communities

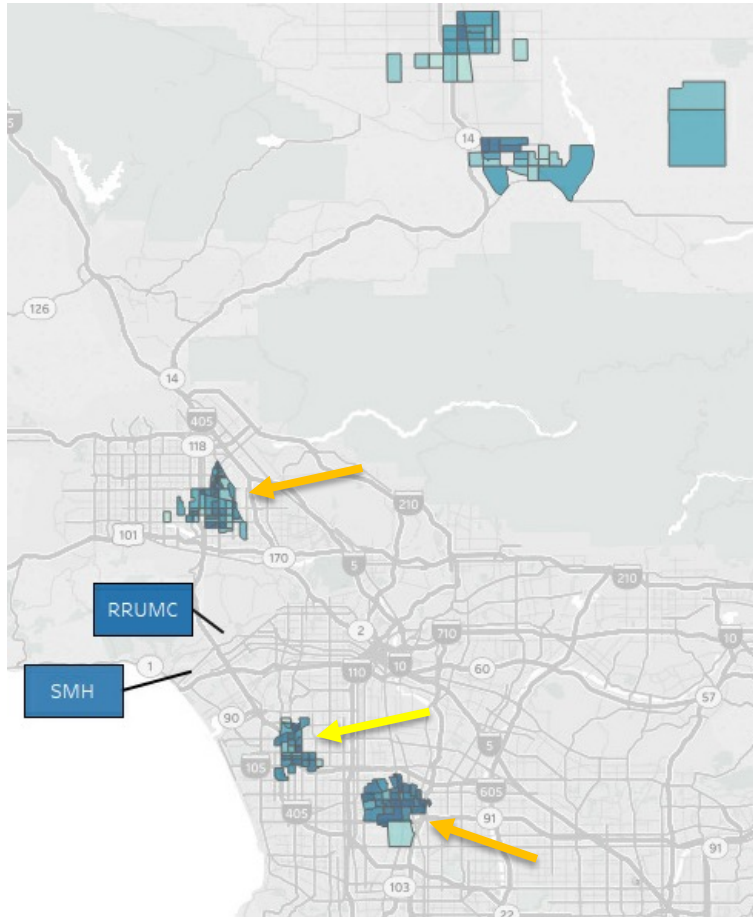
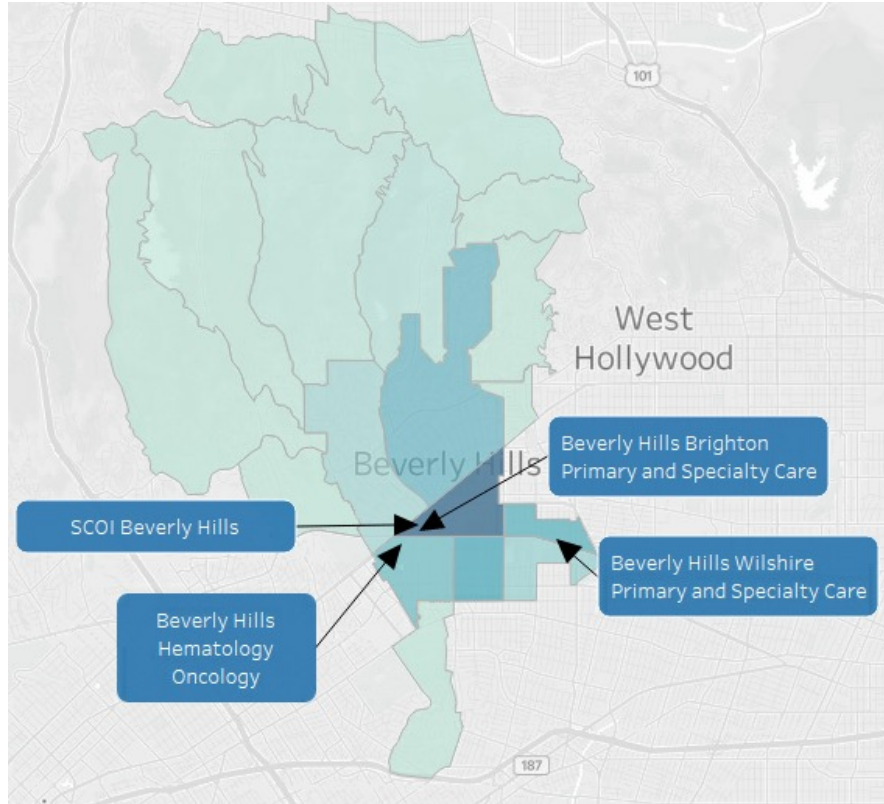


Table 1: SVI & Patient Encounters by City  
(1/20/2022 - Present)

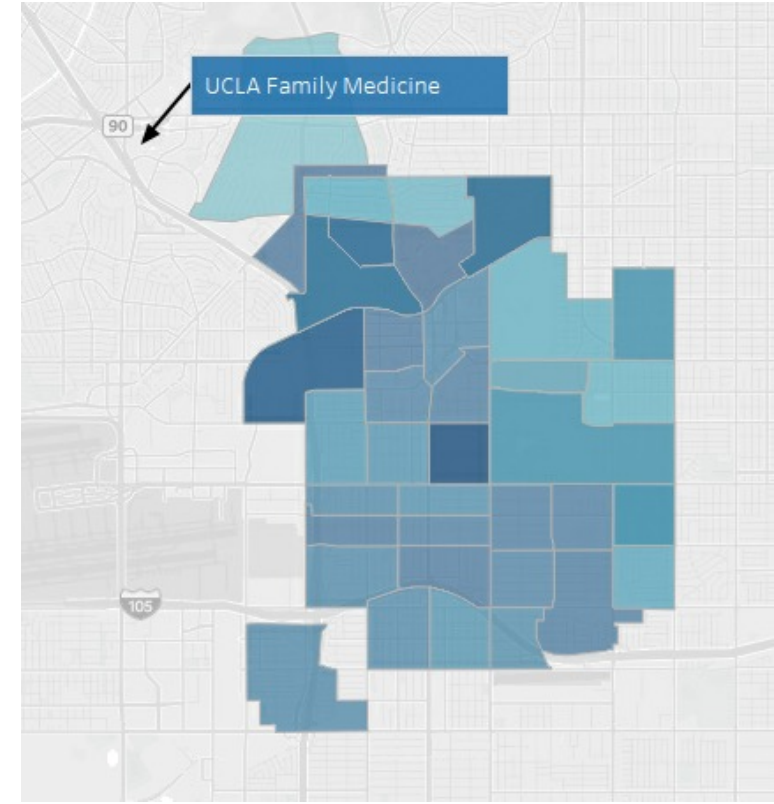
City	Avg SVI	# of pts	# of ED visits	# of clinic encounters
2 Compton	87	3,384	424	2,076
1 Inglewood	78	15,581	4,190	9,008
Lancaster	69	4,596	494	2,634
Palmdale	71	4,495	472	2,608
Panorama City	81	3,505	373	1,961
3 Van Nuys	75	10,937	1,152	6,618

# Comparison: Beverly Hills vs. Inglewood

## Beverly Hills



## Inglewood



# What happens when communities are well resourced?

KPIs	Beverly Hills	Inglewood	LA County
Life Expectancy	85	78	82
Infant Deaths (per 1,000 live births)	NA	5.2	4.2
Average SVI	18	72	35
Cardiovascular Disease Deaths (per 100,000 population)	138.6	260.5	204.8
Lung Cancer Deaths (per 100,000 population)	22.7	29.9	27.1
Median Income	\$221,600	\$53,676	\$76,584
% of Population that Attained a Bachelor's Degree or Higher	61%	18%	30%



**Thank you!**  
**Questions?**

# Impact Spending and Economic Impact at Kaiser Permanente

**Kaiser Permanente**  
Supply Chain

**Why we do it...**

**How we did / do it...**

**Current Results**

# Driving Upstream Health

Fulfilling our Mission, Achieving our Vision



Source: University of Wisconsin, County Health Ranking Model 2018

## Factors that Influence Health

### Physical Environment

- Air & Water Quality
- Housing
- Transportation

### Social and Economic Factors

- Education
- Jobs/Income
- Social Support

### Health Behaviors

- Diet & Exercise
- Smoking
- Substance Abuse

### Clinical Care

- Access to Care
- Quality of Care

## How KP Did It...

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1. Have clearly defined goals and targets
2. Gain C-suite Executive support
3. Align with mission and strategy – *Government Relations, Public Affairs, Population Health, Supply Chain*
4. Establish an enterprise policy – Establish Annual Spend Goals
5. Locate the Supplier Diversity Program in an Operational Department
  1. Engage Suppliers
  2. Updated Contract Language
6. Incentivized key decision makers – *“Billion Dollar Round Table”*
7. Report data with accuracy and integrity
8. Education, Education, Education
9. Reward and recognize success
10. Always add value

## Where do I start???

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Staff the effort

**Develop a strategy and goal...**as % of total non-payroll spend.

Find the most efficient way to **go - Shopping?**

**Think outside of the box** on *Terms and Conditions* for small, local diverse suppliers.

Meet with **CLC**, your local **Chamber of Commerce** and other **healthcare** organizations

# Results

## Kaiser Permanente National

**Total Diverse Spend: \$3.4 B**

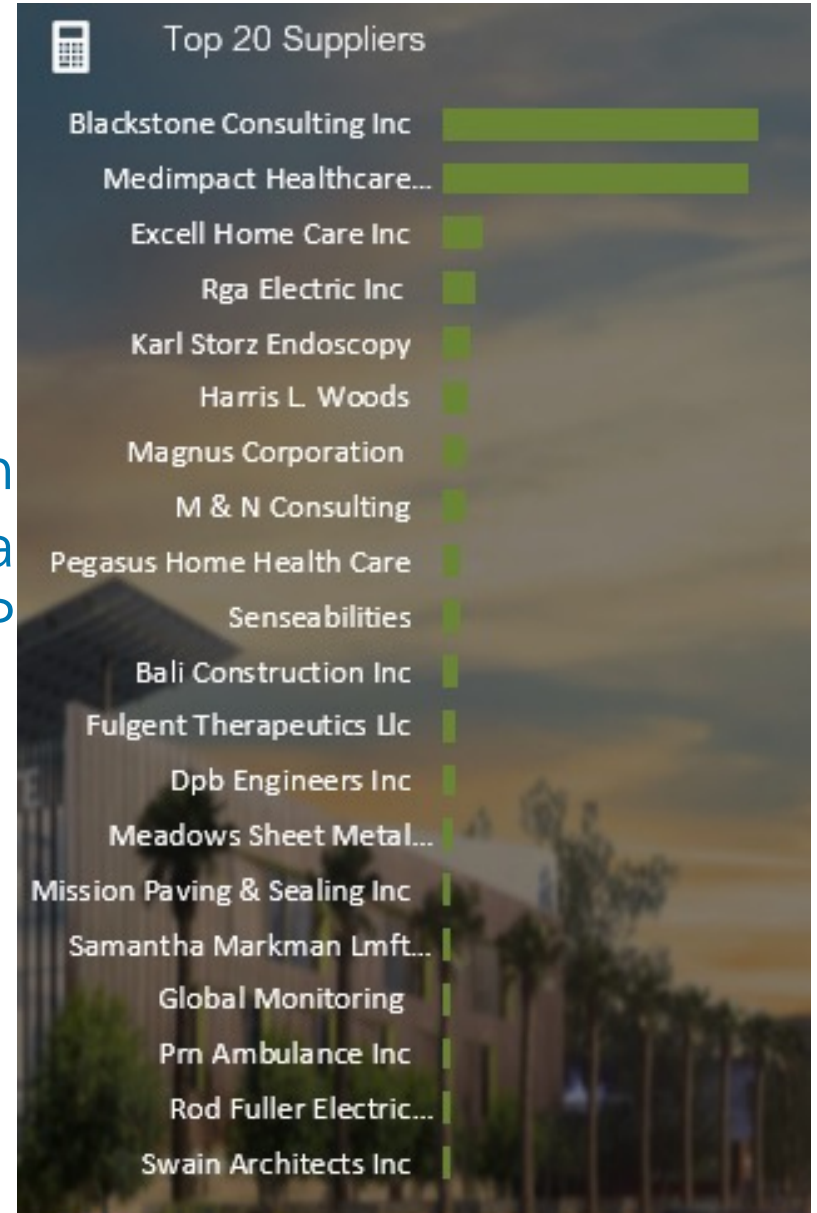
**Tier II Spend: \$450 M**

**Direct Contract: \$338 M**

**Partnering with over 12 advocacy groups across the country**



## Diverse Suppliers in Southern California Used by KP




# Kaiser Permanente's Vision for Impact

Economic Opportunity is foundational for overall health. Our strategy is to **reduce economic inequities** across our communities at systemic & individual levels.

## STRATEGIC FOCUS AREAS

**Diverse Business Growth**

## DESIRED TRANSFORMATION

 **Strengthen ecosystems**


**Individual Financial Health**

 Long-term wealth building

**College & Career Readiness**

 educational attainment

**Quality Jobs & Careers**

 Access to quality jobs





Strengthen  
ecosystems

~~Spend~~ Wealth diverted to the diverse populations most in need

Tier II Suppliers fully engaged

Diverse Suppliers fully functional and capable

Diverse registration @ licensing & much more detectable

A large, diverse group of smiling business professionals in a crowd. The image shows a variety of people of different ages, ethnicities, and genders, all dressed in professional attire like suits and blouses. They are all looking towards the camera with pleasant expressions. The background is slightly blurred, emphasizing the individuals in the foreground.

THANK YOU

# WELCOME!

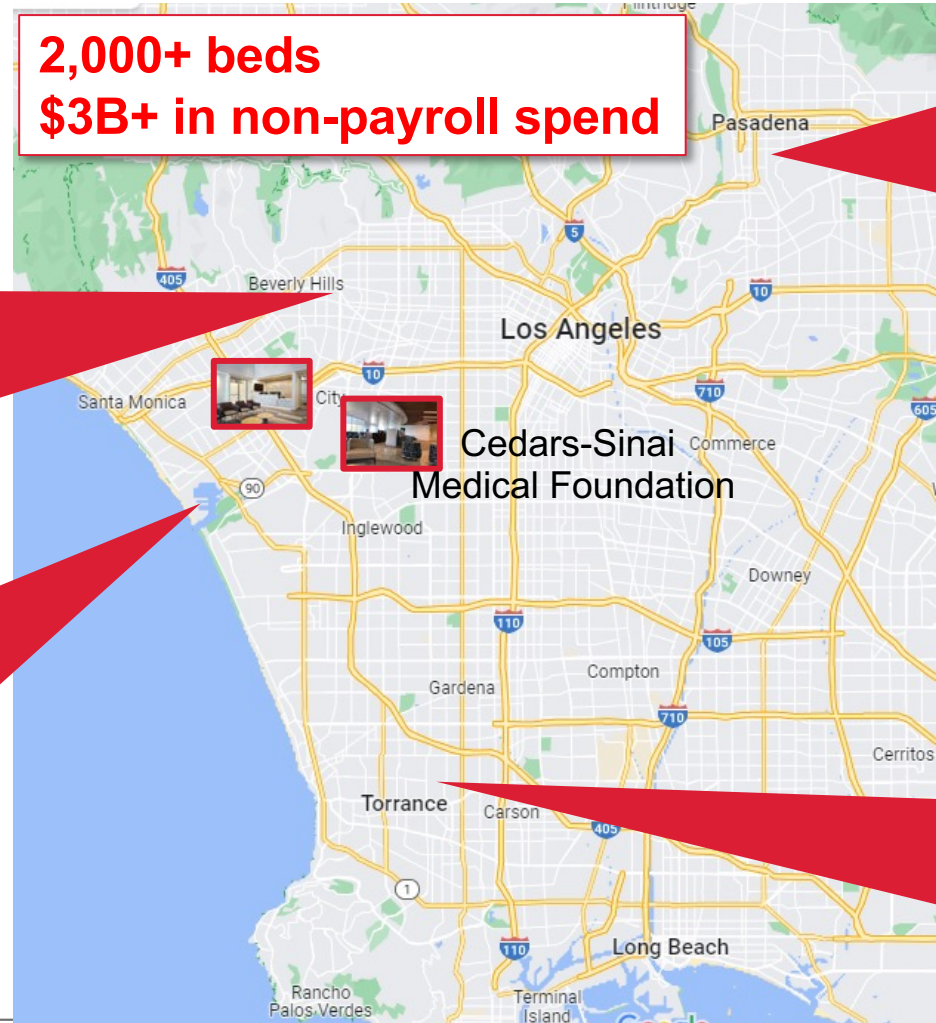
*Cedars-Sinai Health System  
Supply Chain and Supplier Diversity Overview*

# Cedars-Sinai Supply Chain is transforming to support our evolving Health System

Cedars-Sinai Medical Center



**2,000+ beds**  
**\$3B+ in non-payroll spend**



Huntington Health



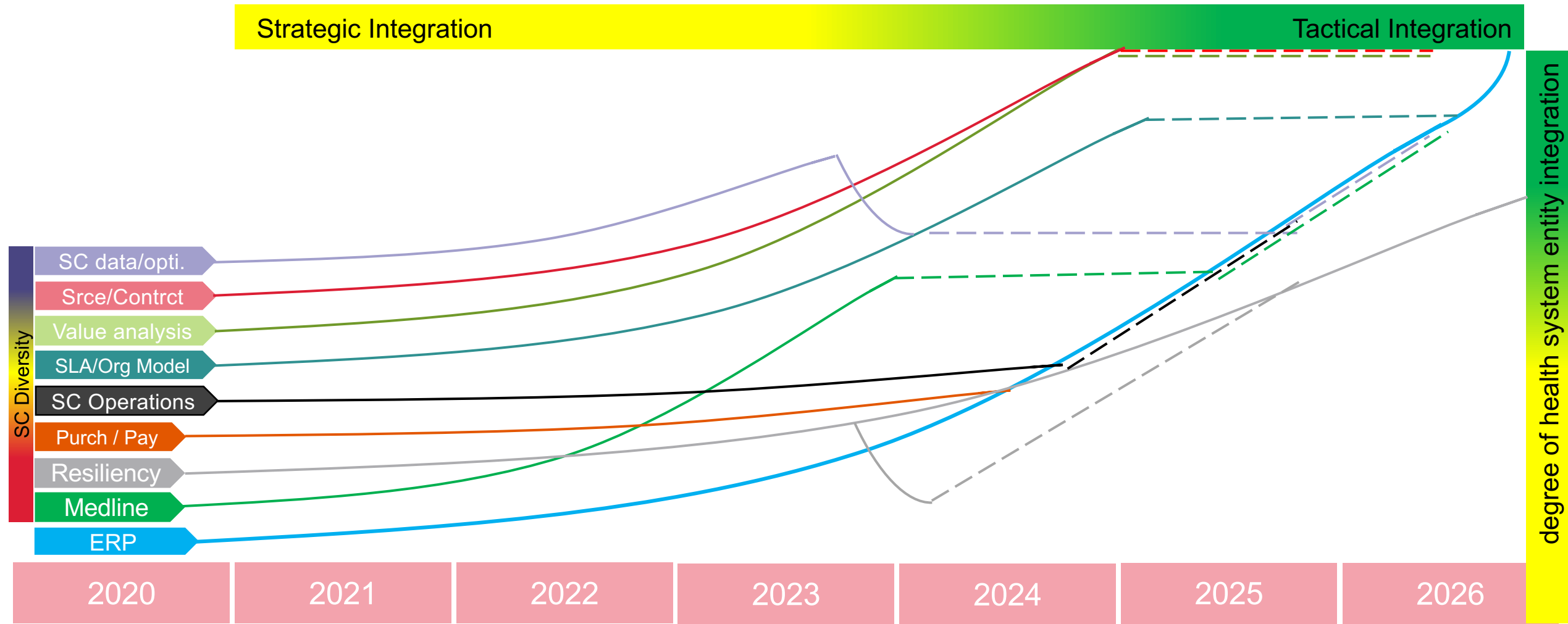
Cedars-Sinai Marina del Rey Hospital



Torrance Memorial Medical Center



# Supplier Diversity is an integral element of our supply chain transformation strategy



# Supplier Diversity is a Component of our DEI and Health Equity Strategy

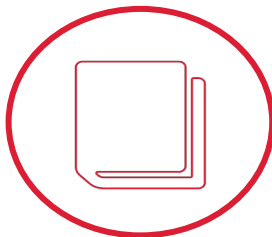
## Caregivers/ staff

are inspired to achieve their potential with compassion for patients as well as for each other



## Educators

instill and encourage in next-physicians and scientists



## Leaders

accept the accountability for creating a culture that values difference



## Patients and their families

are embraced with care and healing



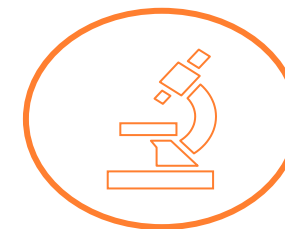
## Our community

is served with integrity and respect for all



## Researchers

find innovation through collaboration and team science



## Vendor partners

reflect the wide range of humanity

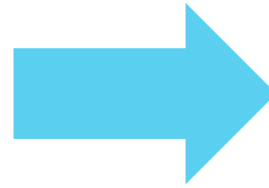
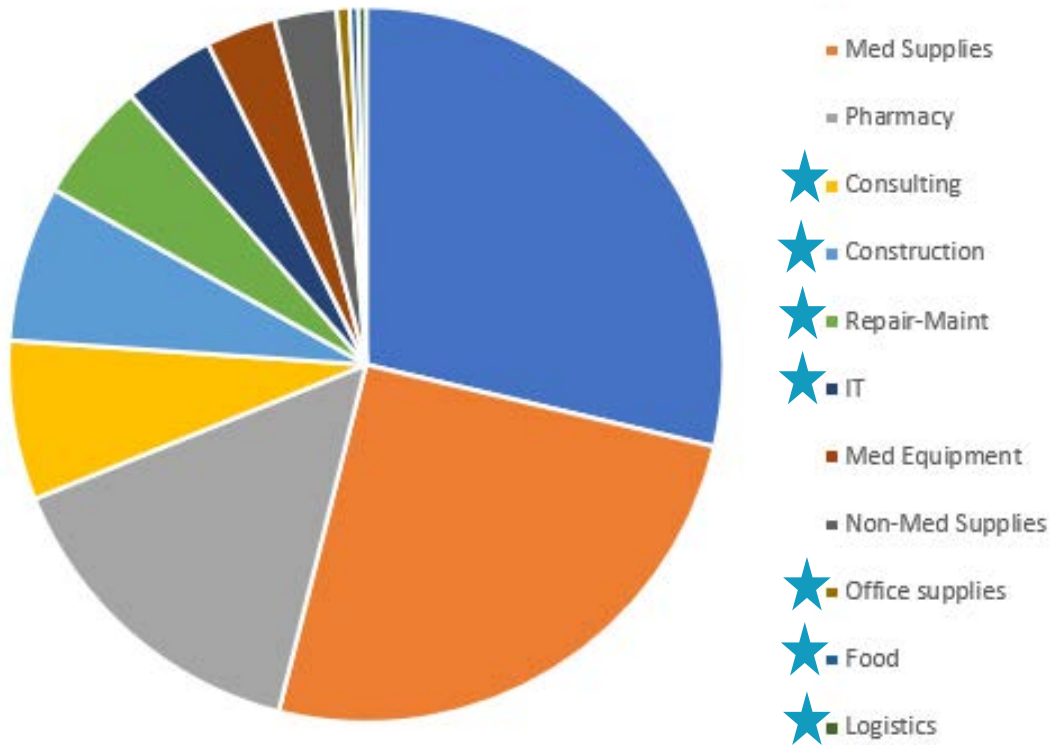


**QUALITY CARE AND RESEARCH –  
FOR ALL, BY ALL**

Cedars-Sinai is committed to pursuing excellence while celebrating the richness of human diversity in an inclusive environment where all stakeholders participate in playing a critical role to build a better future.

# Our strategic sourcing workflows and analytics already incorporate a Supplier Diversity lens

Opportunity Categories



# What's next for the Cedars-Sinai Supplier Diversity Program?

- Andrew Kwok is our Associate Director, Supplier Diversity for the Health System
- Building our internal capabilities across the Health System
  - ✓ Reporting and analysis
  - ✓ Policies and procedures
  - Scaled implementation
- Cultivating partnerships and fostering greater engagement





# Engaging with CSHS Supply Chain



[SupplierDiversity@cshs.org](mailto:SupplierDiversity@cshs.org)




<https://www.cedars-sinai.org/supply-chain.html>





Questions?



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