



**Assembly Health Committee
Testimony in Support of Assembly Bill 962 (Burke)
Anthony Galace, Director of Health Equity, The Greenlining Institute
Thursday, April 2, 2019**

Good afternoon Mr. Chair and members of the committee – and thank you Assemblymember Burke for your leadership on this important issue. My name is Anthony Galace, and I am the Director of Health Equity with The Greenlining Institute, a statewide multi-ethnic policy organization committed to racial and economic justice. We are proud to support AB 962 (Burke) because this bill will promote diversity, equity, and inclusion by requiring hospitals to annually disclose their supplier diversity goals and the overall procurement with diverse businesses owned by people of color, women, LGBT people, and veterans.

Our state currently lacks data about whether or how hospitals reflect and engage diverse communities in their procurement practices. Without this information, all we can do is speculate about the health sector’s engagement with diverse businesses. AB 962 will allow health care, business, and government leaders to engage in an honest and transparent discussion about leveraging the growth of the health sector to benefit diverse businesses and the communities they serve.

According to the American Hospital Association, hospitals contributed over \$230 billion to the state’s economy in 2016.¹ Furthermore, numerous examples suggest that supplier diversity reporting requirements will lead to increased opportunities and capital for diverse businesses. For example, when the CPUC began tracking supplier diversity among utility companies in 1986, diverse businesses only received \$2.6 million in contracts. However, by 2017, utilities procured over \$10 billion from diverse suppliers.² Additionally, after the Department of Insurance began tracking supplier diversity in 2012, contracting between large insurers and diverse businesses increased by 93 percent – from \$930 million in 2012 to \$1.8 billion in 2017.³

¹ <https://www.aha.org/infographics/2018-06-05-effect-hospitals-total-expenditures-total-output-state-economy-interactive>

² California Public Utilities Commission. (September 2018). *CPUC Report to the Legislature on Utilities’ Year 2017 WMDVLTBE Procurement*. Retrieved from http://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/About_Us/Organization/Divisions/Office_of_Governmental_Affairs/Legislation/2018/2018%20Leg%20Report%20with%20tables.pdf

³ California Department of Insurance. (October 2018). *Insurance Diversity Initiative*. Retrieved from <http://www.insurance.ca.gov/diversity/12-mids/upload/FINAL-CDI-Insurance-Diversity-Initiative-2018-MIDS.pdf>

Hospitals are uniquely positioned to build relationships with the communities they serve by partnering and contracting with diverse businesses. As a result of AB 962, California can leverage the expansion of the state's health sector to benefit small businesses that employ people of color, women, LGBT people, and veterans. Similar to previously enacted supplier diversity legislation, California will benefit from greater transparency and increased business opportunities for diverse businesses across the state.

Thank you and I respectfully request your "AYE" vote.