



April 4, 2023

Assemblymember Jim Wood  
Chair of the Assembly Health Committee  
1020 N Street, Room 390  
Sacramento, California 95814

*RE: Small Business Majority supports AB 1392; Diversity in Hospital Supplier Procurement*

Dear Assemblymember Wood,

As a leading representative of small businesses in California, Small Business Majority writes to express support for AB 1392, legislation that would require large hospitals to submit a plan to the California Department of Health Care Access and Information (HCAI) to increase procurement from minority, women, LGBT, and disabled veteran business enterprises.

Small Business Majority is a national small business organization that empowers America's diverse entrepreneurs to build a thriving and equitable economy. We engage our network of more than 85,000 small businesses and 1,500 business and community organizations to deliver resources to entrepreneurs and advocate for public policy solutions that promote inclusive small business growth.

California is known for its vast diverse habitants and small businesses, which is why it's surprising to see that only 2% of the total hospital procurement spending budget of \$119,600,502,405 goes toward diverse procurement. As our state continues to find sensible and innovative ways to support our diverse small business community, it's important to pass intentional measures that will target and support that diversity. This is why it's critical for you to vote yes on AB 1392.

The legislation would require hospitals to develop detailed and verifiable strategies and goals that increase procurement opportunities for people of color, women, LGBT, and disabled veteran business enterprises. Hospitals would be required to include short and long-term goals and timetables, with specific strategies for encouraging prime contractors and grantees to engage small businesses in subcontracting that mirrors the communities they serve. This bill would move away from the outdated, and frankly, inefficient strategy of simply reporting data on hospital procurement.

We already know that investments in this area are low—detrimentally low—so what's next? How do we address this oversight? AB 1392 will address this by setting specific standards and measurable goals that firmly commit hospitals to supplier diversity, while directly making an impact on small businesses that deserve a chance to work and earn government contracts.

We urge you to consider this initiative as you continue to explore statewide strategies that can support small business owners in California.

Sincerely,

Bianca Blomquist  
California Policy Director, Small Business Majority