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Health Equity – Are We Starting to See Meaningful Action?

The goal of hospitals and healthcare organizations is to treat and improve the health of their patients. But as more research has focused on social determinants of health, healthcare providers now understand that treating and discharging patients is only part of the story. Each patient needs a care plan tailored to their circumstances and resources. Just as you would not treat a patient with a broken arm and a patient with diabetes in the same way, two patients from different zip codes, with different incomes and different cultural backgrounds, but with the same illness, will likely need different care. It's not about the same care plans; it's about the same potential for positive health outcomes.

While healthcare organizations have been aware of social determinants of health issues for some time, COVID-19 laid bare the existing patterns of inequity. People from economically disadvantaged groups are more likely to work an in-person job and have crowded living situations, which increased their virus exposure. And underlying conditions that disproportionately affect vulnerable patient populations meant these patients were more likely to be hospitalized or die from COVID-19. Amid a national reckoning with racial and social inequality, healthcare organizations are at the frontlines in more ways than one and are beginning to take action.

Regulators, including the Department of Health and Human Services, investors, suppliers, bond holders and other financial stakeholders are now prioritizing environmental, social and governance (ESG) issues too. Healthcare organizations would be wise to take stock of where health equity stands at their organizations.

In a period of profound change, The BDO Center for Healthcare Excellence and Innovation wanted to benchmark today's priorities and better understand the needs ahead.

In 2021, BDO and the Healthcare Information and Management Systems Society (HIMSS) Market Intelligence Unit surveyed 153 hospital executives and leaders in diversity, equity, and inclusion (DE&I) about addressing health equity challenges, where they've made progress and where they will go from here. The goal was to understand health equity initiatives and strategies in hospitals and health systems, find out if organizations are tracking health equity metrics, and determine who within the organization is accountable for health equity progress and pitfalls. For the purpose of this survey, we define health equity as a strategy to ensure everyone has a fair and just opportunity to be as healthy as possible.

Overall, our survey found that hospitals and health systems are still in the early stages of diagnosing their health equity hurdles and setting a strategy to address them. Accountability will be a key driver as organizations move to track the right metrics consistently, prioritize health equity from the top down, and bring more patients and community leaders into the conversation.



HERMAN WILLIAMS, M.D.

Managing Director & Chief Physician Executive
The BDO Center for Healthcare Excellence & Innovation



STEVEN SHILL, CPA

Partner and Global Leader
The BDO Center for Healthcare Excellence & Innovation

Does Your Health Equity Strategy Get **All "A's"?**

Advancing health equity and reducing healthcare disparities require a holistic strategy. Key steps an organization should take to reduce healthcare disparities include:

ACKNOWLEDGE



Recognize structural racism and inequity in your organization openly and honestly.

ASSESS



Gather data to understand specific areas of inequity and disparate quality of care at your organization and among your patient population.

ACCESS



Identify access issues specific to your patient populations. This could include technology, food, security and other social determinants of health.

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Establish an enterprise-wide strategy to address short- and long-term needs, and put it into action.

ANALYZE



Establish benchmarks and track them in real time to monitor progress. Report out outcomes to stakeholders.

66

The COVID-19 pandemic also laid bare the inequities in our global health systems. Access to care can mean the difference between what is life threatening and what is treatable. We need to meet patients where they are and deliver care on their terms by breaking down barriers to access. At the same time, healthcare has an opportunity to understand evolving payment models, the impact of nontraditional entrants into the industry, and the ability for new care models, like telehealth and home care, to make a difference in patients' lives.



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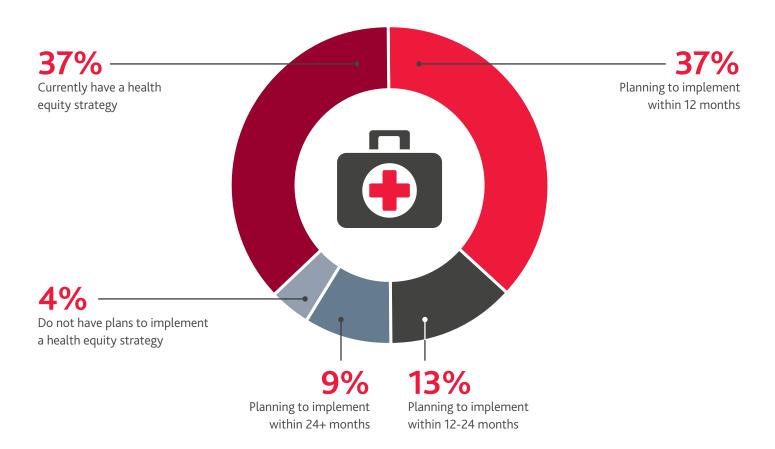
STEVEN SHILL

Global Healthcare Leader, The BDO Center for Healthcare Excellence & Innovation

Maturity

Data suggests that hospitals and health systems are beginning to develop a plan for addressing health equity. Thirty-seven percent of them have a health equity strategy in place, and an additional 37% are planning to implement a strategy within the next 12 months.

STATUS OF HEALTHCARE ORGANIZATIONS' HEALTH EQUITY STRATEGIES IN 2021-



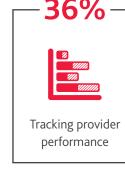
While it's encouraging to see organizations begin to design a healthcare equity strategy, they can do more to make measurable strides toward reducing healthcare disparities in their patient populations. Our data suggests that the outcomes of those strategies have yet to be determined. Without access to the right data and the right analysis, hospitals and health systems may struggle to understand how a patient's circumstances will impact their care. Most organizations say tracking economic health is extremely challenging or very challenging, while a little over a third struggle to track patient outcomes and provider performance.



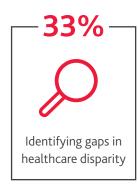
TOP CHALLENGES FOR HEALTHCARE ORGANIZATIONS IN ADDRESSING HEALTH EQUITY

Tracking economic health









Understanding each patient's resources and challenges is a vital first step to delivering care that meets their needs and reduces the likelihood of readmittance. Tracking how clinicians interact with and deliver care to patients will also show healthcare organizations where and how they can provide more effective health equity training to their staff.

An additional challenge may be that hospitals and health systems still think too broadly about health equity. When it comes to training employees on health equity and disparities, 50% of them stated their top objective was to discuss health disparities related to diverse patient populations. By contrast, 28% cited focusing on their specific patient population's demographics as a top objective.

To maximize their impact, hospitals and health systems should consider going beyond basic health equity training. Tailoring training programs for their specific patient population's needs will help them realize measurable health equity improvements in their communities.



When it comes to health equity, providers can't forget about other factors, such as disability status, chronic conditions, or access to care. During the pandemic, many cancer patients had anxiety about attending doctor's appointments. Already immunocompromised, doctor's offices presented an even greater risk for cancer patients. New models of care delivery, such as telehealth or at-home care can help protect and reduce anxieties for patients with compromised immunities or other challenges.



ELIZABETH KOELKER

Director, The BDO Center for Healthcare Excellence & Innovation

TOP OBJECTIVES FOR TRAINING EMPLOYEES ON HEALTH EQUITY & HEALTHCARE DISPARITIES



Discuss healthcare disparities related to diverse patient populations

50%



Outline how unconscious bias can influence attitudes, behaviors and expectations related to health, medications, treatment regimens, healthcare, and healthcare providers

49%



Coach communication skills, such as teach-back, plain language, verbal and written instruction methods, interviewing, non-verbal communication and knowledge confirmation

49%



Confirm how to meet diverse needs of patients with disabilities and/or cognitive or mental health impairments

43%



Gain a deeper understanding of diverse cultures, such as languages, religions, spiritual practices, traditions, customs, beliefs, preferences and values

41%



Train on demographics of our organization's patient populations

28%



Confirm how to address confidentiality concerns of diverse populations

24%



Review the positive contributions where diversity has made significant impact on society

14%



Another Objective

2%



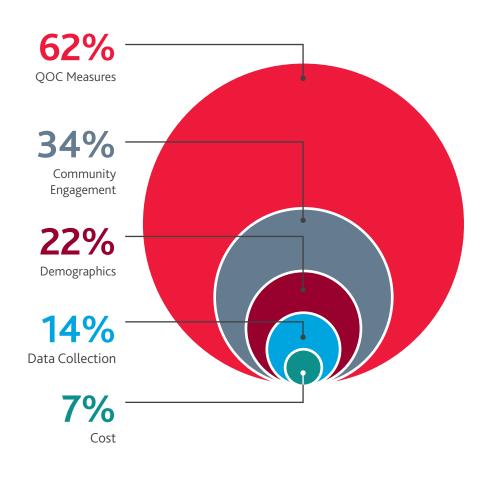
While the **#1 OBJECTIVE** for half of the respondents is related to diverse populations, **LESS THAN 1/3** focus on their organizations' patient populations.



Metrics and Measurement

Currently, Quality of Care (QOC) measures are the top KPI for quantifying health equity progress, nearly double any other KPI.

TOP KPIS ORGANIZATIONS ARE MEASURING OR PLAN TO MEASURE TO TRACK HEALTH EQUITY

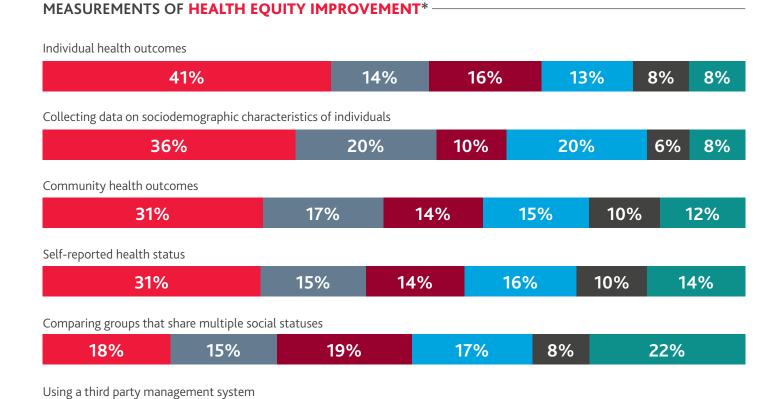




While QOC measures are the most common, there is still no industry standard on how and what healthcare organizations should be measuring to assess health equity.



In terms of measuring health equity improvement, the top-cited metric is individual health outcomes. However, collecting data on the sociodemographic information of individuals is poised to surpass individual health outcomes as the top-cited metric within the next 12 months.



13%

Plan to measure within 12 months

Plan to measure in 36+ months

7%

Plan to measure within 24-36 months

16%

Currently Measuring

While hospitals and health systems are beginning to track metrics for health equity improvement, this is just a first step to reducing healthcare disparities. Providers committed to health equity should also consider if they're tracking the right metrics and how they're using that data to generate patient insights.

12%

14%

- ► How do outcomes vary when it comes to gender, racial and ethnic, socio-economic and disability identities?
- ► Have factors such as nutrition, employment status, mental health and others influenced patient outcomes?
- ► Are these factors being accounted for when it comes to care delivery?

Organizations should analyze data gathered on individual health outcomes to create an informed approach to improve care and reduce readmittance. A data-backed approach to patient care and equity will demonstrate that committed healthcare providers are making real strides toward health equity.

39%

No plans/unable to measure

Plan to measure within 12-24 months

^{*}Due to rounding, responses may not total 100%.



As healthcare leaders look to reduce healthcare disparities within their organizations and patient populations, data analytics can be used to work towards more equitable outcomes. Data analytics can help predict how likely a patient is to be readmitted based on compounding factors in the patient's social and economic situation. This information will help organizations develop a strategy for outreach and intervention for high-risk patients.



MICHAEL LEE

Principal and BDO Digital Healthcare Leader



Health Equity Considerations for Actuaries

Actuaries and actuarial science can play a role in lessening inequities between patient groups at hospitals and healthcare organizations. However, actuaries may be relying on biased data or outdated formulas in their current development of benefit plans and managed-care contract portfolios.

Actuaries need to adopt a health equity strategy to eliminate these possible biases. For example, according to research from The Urban Institute, the formula used to calculate allocation of provider relief funding to hospitals was based on the hospital's revenue, instead of the proportion of COVID-19 cases to total patients, or other health data. As a result, hospitals that serve predominantly Medicare and Medicaid populations were allocated proportionally less funds than hospitals relying on privately insured patient populations. As an added burden, the hospitals serving low-income communities faced higher numbers of COVID-19 patients, as the disease disproportionately hospitalized patients in low-income communities and communities of color. In subsequent rounds of funding, HHS has tried to correct this by focusing on smaller providers that rely on Medicare, Medicaid and CHIP patient populations.

Additionally, throughout the pandemic, healthcare organizations and insurers may have relied on financial models that assumed patient volumes based on historical data. For most organizations, patient volumes were very different in 2020 and 2021. Hospitals that saw a spike in COVID patients in high-need areas may have received fewer payments than they were owed from payers.

Other examples of inequity in health actuarial sciences include racial bias in algorithms addressing intensive care management. One algorithm flagged white patients with fewer chronic health conditions for intensive care management compared to Black patients with the same or worse conditions. This algorithm was based on historical claims data. Yet claims data may not tell the full story. Socioeconomic disadvantages tend to disproportionately impact Black patients who may struggle with the time and resources needed to make medical visits or refill prescriptions. As a result, these patients are showing up in claims data less often than patients with greater resources and may in fact suffer from chronic conditions at a higher rate than the numbers show.

Actuaries need to consider creating codes for social factors, including housing instability, food insecurity, transportation access, primary language, race, and ethnicity when analyzing claims data. For healthcare organizations, make sure to meet with providers to renegotiate payer contract portfolios and correct inaccurate actuarial assumptions made by payers. Learn more in our recent insight: Maximizing Value and Minimizing Risk in your Managed Care Contract Portfolio.



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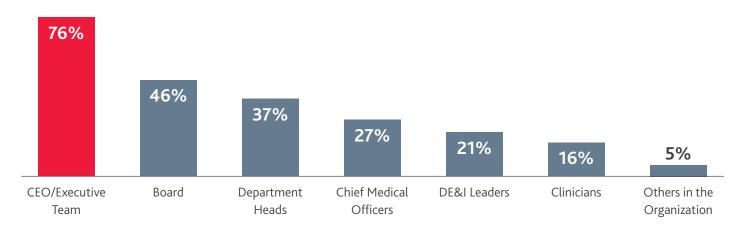
Actuarial Leader, The BDO Center for Healthcare Excellence and Innovation



Management and Accountability

Bringing all relevant stakeholders to the discussion table is a crucial part of addressing health equity. That includes patients, providers, community members and healthcare leaders.

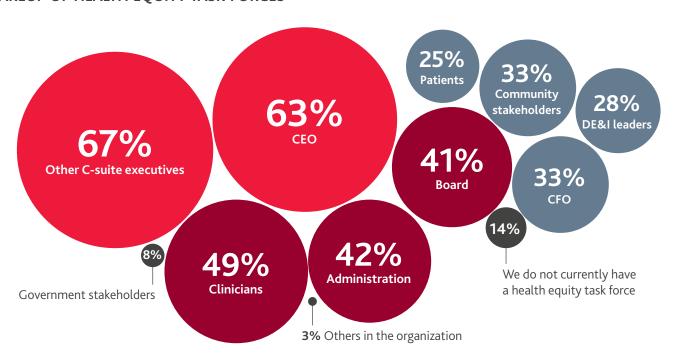
WHO IS ACCOUNTABLE FOR HEALTH EQUITY METRICS?



It's clear from the data that health equity conversations primarily happen at the executive and board levels. Leadership should be taking accountability for health equity, in fact without leadership buy-in and guidance, initiatives stand little chance of success. But all roles and levels need to be active in health equity initiatives. Leadership should develop a clear approach to health equity that lays out guidelines and goals for clinicians, department heads and other executives.

When it comes to developing an organization's health equity strategy, the adage "it takes a village" applies. While most organizations have executive leadership on their task forces, they need to consider if and how they're gathering feedback from other stakeholders and give them an opportunity to make their voices heard.

MAKEUP OF HEALTH EQUITY TASK FORCES





As the healthcare industry continues to shift away from a fee-for-service model and towards a value-based care model, organizations are beginning to develop and implement a health equity strategy. Leadership, including the C-suite and hospital boards, have an opportunity to ensure health equity is a priority for their organization. This includes taking a baseline measurement of their organization's health equity progress, ensuring buy-in from clinicians and staff and developing metrics to measure and track.



JIM WATSON
Advisory Principal, The BDO Center for Healthcare Excellence & Innovation

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Since clinicians interact with patients daily, they play a key role in developing their organization's approach to health equity, from identifying which metrics to improve, to deciding how to increase accountability throughout the organization. Almost half of providers have clinicians on their health equity task force, showing they know it's crucial to have perspective and input from on the ground staff. However, involvement from community stakeholders and patients remains low.

Getting input from the community and patients is vital for developing and tracking towards health equity goals that are right for the organization. Without this patient and community input, a health equity strategy will be flying blind and will focus on the goals of organizational leadership instead of the needs of patients and communities.

In addition to leadership, clinicians, patients, and community leaders, providers should also bring administrators into the task force. While clinicians, community leaders, and patients themselves all have insight into their patients' health needs, administrators will understand the hospital's resources and bring perspective on operations and logistics. Administrators can bring to the task force an understanding on what health equity strategies and tactics are feasible and efficient within their organization.

WHO IS CURRENTLY INVOLVED IN HEALTH EQUITY DISCUSSIONS?



74%

Physicians



73%

Board of Directors



64%

Corporate Staff



61%

Nurses



42%

Medical Support Staff



31%

Business Partners/ Vendors/Suppliers

Other Support 39%

Additionally, while physicians are critical to health equity initiatives, nurses and medical support staff can't be left out of the conversation. Nurses interact with patients more often than physicians and bring unique insights into patient needs and resources. However, according to **BDO's Nursing Innovation Study**, just 44% of nurses said their C-suite includes someone with a nursing background. Healthcare organizations should tap into the brain power of their nursing staff to drive innovation and deliver more equitable, patient-centered care.

Health Equity, ESG and Hospital Boards

Boards are taking an active approach to ensuring their organizations are prioritizing ESG and health equity. However, while some reporting frameworks have been established—such as the Sustainability Accounting Standards Board, Global Reporting Initiative, and Task Force on Climate-Related Financial Disclosures there are still no standard and uniformly accepted ESG reporting frameworks. There are some steps an organization can take, such as receiving the **Health Equity Accreditation** from NCQA. Given the lack of uniform reporting standards, a hospital may want to work with an audit partner who can measure and report on the organization's health equity progress. This may include analyzing patient diagnostic and outcome data, clinician performance data, clinician and staff diversity and conducting patient and clinician focus groups. Boards and auditors alike should understand that additional reporting standards are necessary, as both can play a role in advocating for and determining those standards.



Health Equity's Path to Tomorrow

Overall, our survey showed that hospitals and health systems are still in the early stages of health equity maturity. To further grow that maturity, they should better understand how to measure health equity and involve all levels of the organization and the community at large in health equity conversations. To that end, here are some actions healthcare organizations can take to boost the quality and efficacy of their health equity programs:



Proactively communicate with the community.

Ensure your community and patient population is involved in health equity conversations by clearly communicating your approach to health equity. Hold town halls and invite members of the community to gather feedback. Ensure your patients feel their voices have been heard by acknowledging their needs and incorporating their perspectives into your health equity program.

Thoughtfully expand the metrics you track.

Assess the metrics you're already tracking and what you're doing with the data you gather. Then, consider what other data you could gather that would be of value to your health equity efforts. It's important to avoid collecting too much data, which can expose your organization to unnecessary risk. Instead, understand what metrics you should be tracking that you aren't already. You should also consider investing in advanced data analytics capabilities to ensure you're making the most of the data you collect.

Take advantage of all applicable financial opportunities.

Healthcare organizations that serve vulnerable and marginalized patient populations may be in a less stable financial position, which in turn makes it difficult to invest in health equity. Ensure you have team members with exceptional negotiation skills to get fair reimbursement from payers. Also consider making adjustments to your finances—by using zero-based budgeting, for example—to free up cash and make necessary investments. Finally, consider partnering with other organizations or networks dedicated to advancing health equity in order to use all available resources and expertise.

Get buy-in from all front-line health workers.

Improving health equity means improving patient care at the individual level as well as the structural level. It's important that all your front-line workers, including nurses, understand and are actively contributing to your health equity initiative. Many front-line workers are experiencing high levels of burnout and heavy workloads, so you should consider introducing additional medical support staff who focus solely on health equity and can help patients manage their conditions and recovery after they have been discharged.

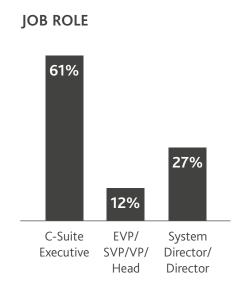


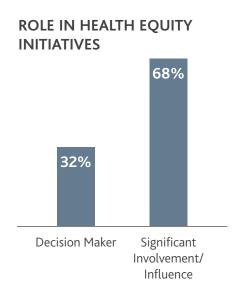


In healthcare, everything comes down to the patient. Offering exceptional patient care to create the healthiest communities possible is the heart of every healthcare organization. By maturing your approach to health equity, you can create a measurable and valuable difference in the communities you serve and bring equitable care to all your patients.

Survey Respondent Profile

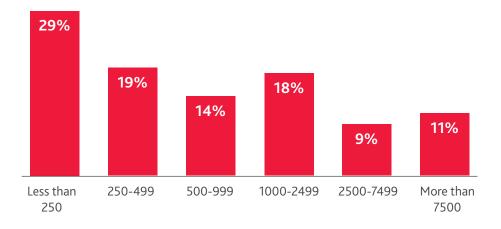




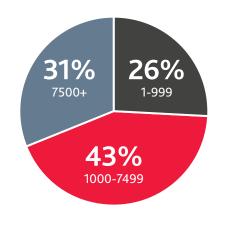


Organizational Respondent Profile

NUMBER OF HOSPITAL BEDS



NUMBER OF EMPLOYEES



WORKSITE DESCRIPTION



Multi-hospital system



Stand-alone/ Specialty hospital



13% Academic medical center



5 %
Ambulatory/
outpatient
practices



Integrated delivery network

ANNUAL REVENUE





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Looking for help advancing health equity at your organization? BDO can help you take the right steps to make a difference in your community.

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STEVEN SHILL, CPA
National & Global Healthcare Practice Leader and BDO Board of Directors Member
The BDO Center for Healthcare Excellence & Innovation
sshill@bdo.com



HERMAN WILLIAMS, MD, MBA
Managing Director & Chief Physician Executive
The BDO Center for Healthcare Excellence & Innovation
hjwilliams@bdo.com



ELIZABETH KOELKER, MHA, FACHE
Director, Healthcare Advisory
The BDO Center for Healthcare Excellence & Innovation
ekoelker@bdo.com



MICHAEL LEE, MS
Principal & BDO Digital Healthcare Leader
BDO Digital
milee@bdo.com



UGO OKPEWHO, FSA, MAAA
Actuarial Leader, Healthcare Advisory
The BDO Center for Healthcare Excellence & Innovation uokpewho@bdo.com
LinkedIn



JIM WATSON, MBA
Principal, Healthcare Advisory
The BDO Center for Healthcare Excellence & Innovation
jwatson@bdo.com
LinkedIn