2021 HEALTH EQUITY SPOTLIGHT: NOT-FOR-PROFIT VS. FOR-PROFIT

BDO

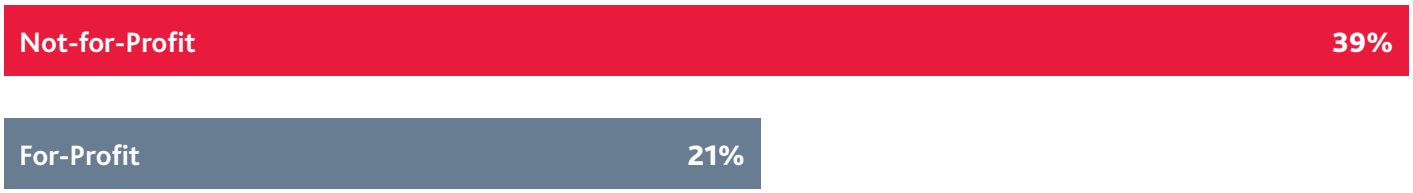
Most health systems and hospitals fall into one of two ownership categories: for-profit or not-for-profit. While the tax status and business model differ between the two, they share a primary goal: helping people get well.

In June and July 2021, BDO and HIMSS surveyed 153 executives and senior leaders within a hospital or health system to gauge the state of health equity in the U.S. Of those respondents, 117 worked in not-for-profit organizations and 29 worked in for-profit organizations. The resulting data illuminated noteworthy differences between the two in how they operate, whom they hold accountable and how they plan to address health equity.

Not-for-profits are nearly twice as likely to have a health equity strategy in place.

Somewhat unsurprisingly, not-for-profit hospitals and health systems are nearly twice as likely to have a health equity strategy currently in place. This doesn't mean that for-profit organizations are ignoring the pervasive, growing heath equity issue in the U.S. For-profit organizations are more likely to have a plan prepared to launch in the next year — an essential step when only about one in five has a plan in place currently.

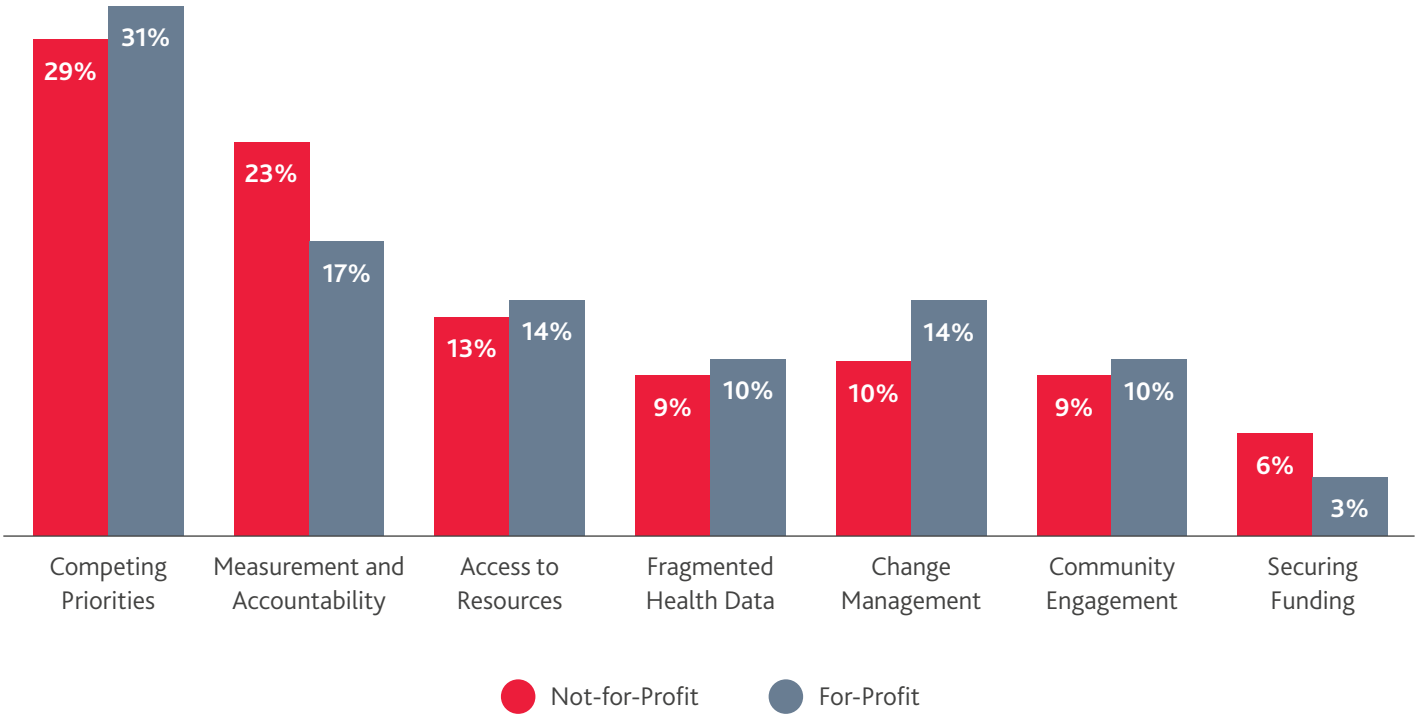
FOR-PROFIT AND NOT-FOR-PROFIT: CURRENTLY HAVE A HEALTH EQUITY STRATEGY



There is still considerable room for improvement with both types of organizations when it comes to health equity strategy.

Solving this decades-old, pervasive issue is no easy task for any health provider. When asked about the difficulties they face in addressing health equity, the top-cited challenges were:

CHALLENGES IN REDUCING HEALTH DISPARITIES



Competing priorities is the primary challenge faced by both categories of healthcare provider, one which we expect to change over time as health equity becomes a higher priority and more visible to the public.

Another essential step to improving equity is employee training. The top three objectives cited when training employees at not-for-profit organizations were:

52%

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

50%

Discuss health disparities related to diverse populations

47%

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

Meanwhile, the top four objectives cited when training employees in health equity at for-profit organizations were:

67%

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

48%

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

44%

Discuss health disparities related to diverse populations

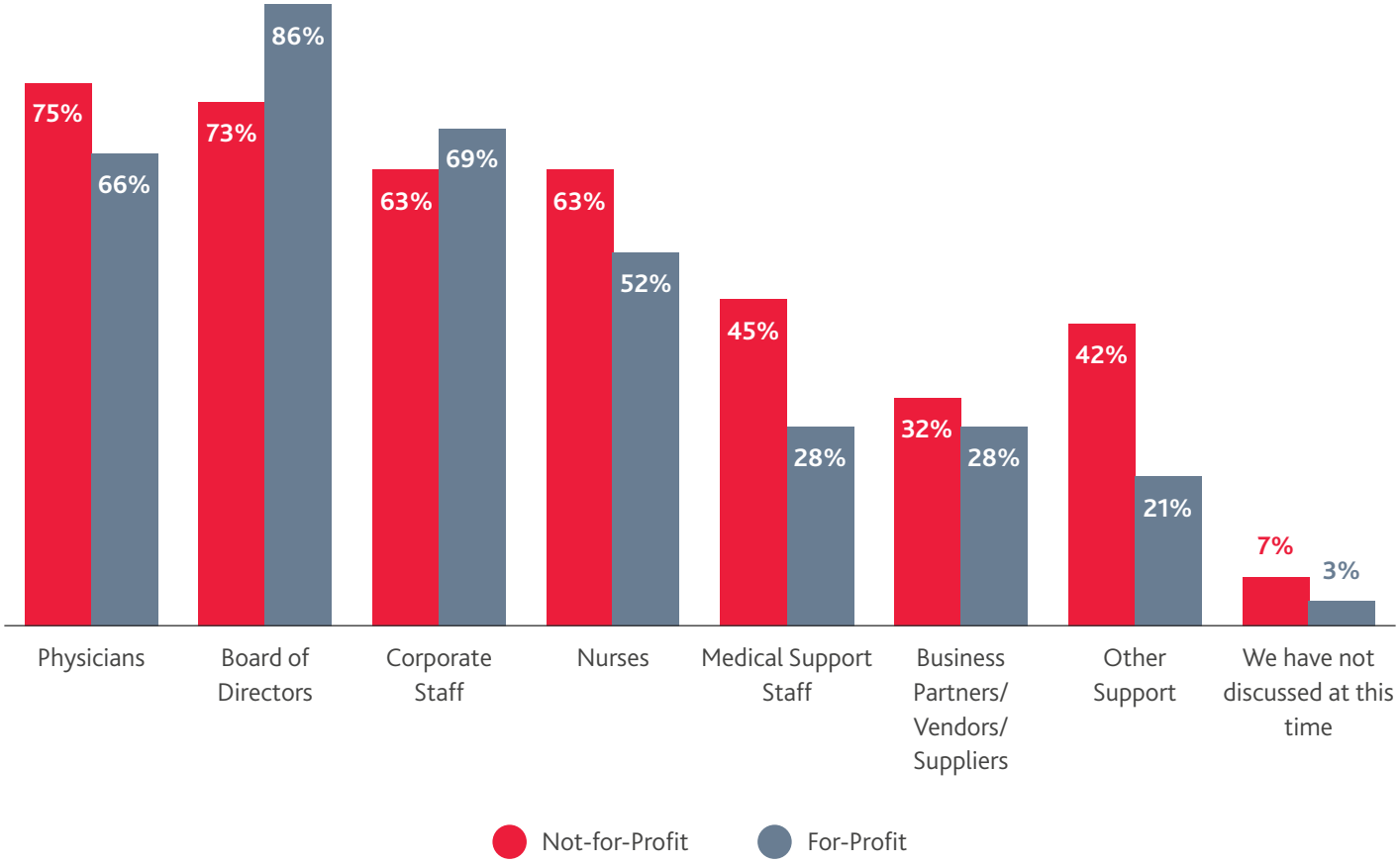
44%

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

Not-for-profit health systems are primarily focused on coaching, whereas for-profit organizations are a step behind as they aim to understand diversity. This divergence corresponds with their likelihood of having a health equity strategy currently in place versus having plans to implement one.

Discussions about unconscious bias and health equity are common among both organization types, but how those discussions are approached, and the parties participating in them, is notably different between for-profits and not-for-profits. Not-for-profit organizations include physicians and medical staff more often, whereas for-profits are more likely to involve the board of directors and executives.

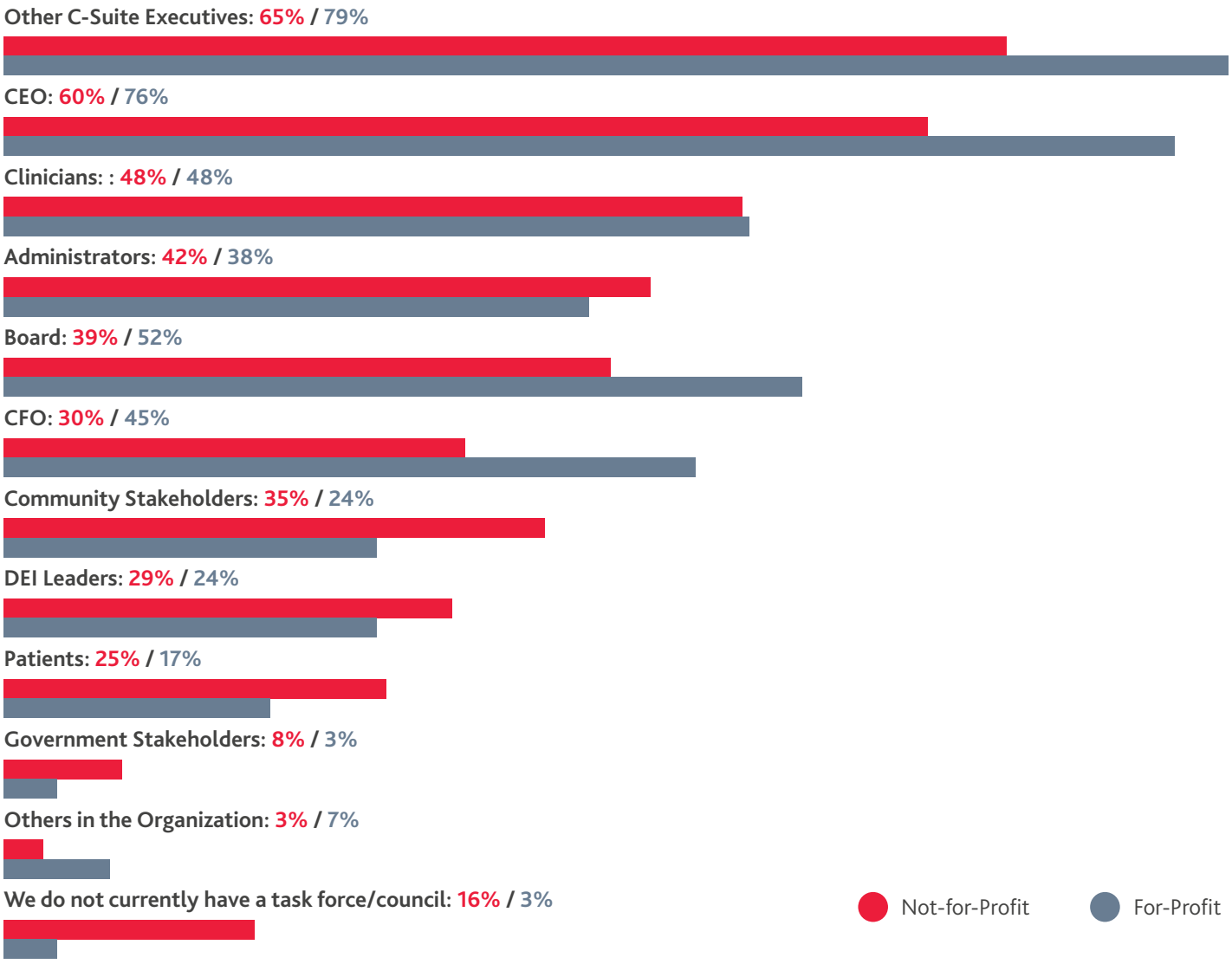
WHO IS INVOLVED IN HEALTH EQUITY DISCUSSIONS FOR-PROFIT VS NOT-FOR-PROFIT?



Health equity task force makeups vary greatly.

When looking at who is involved in the organization's health equity task force, we see notable differences in who sits at the table.

MAKE-UP OF HEALTH EQUITY TASK FORCE FOR-PROFIT VS. NOT-FOR-PROFIT

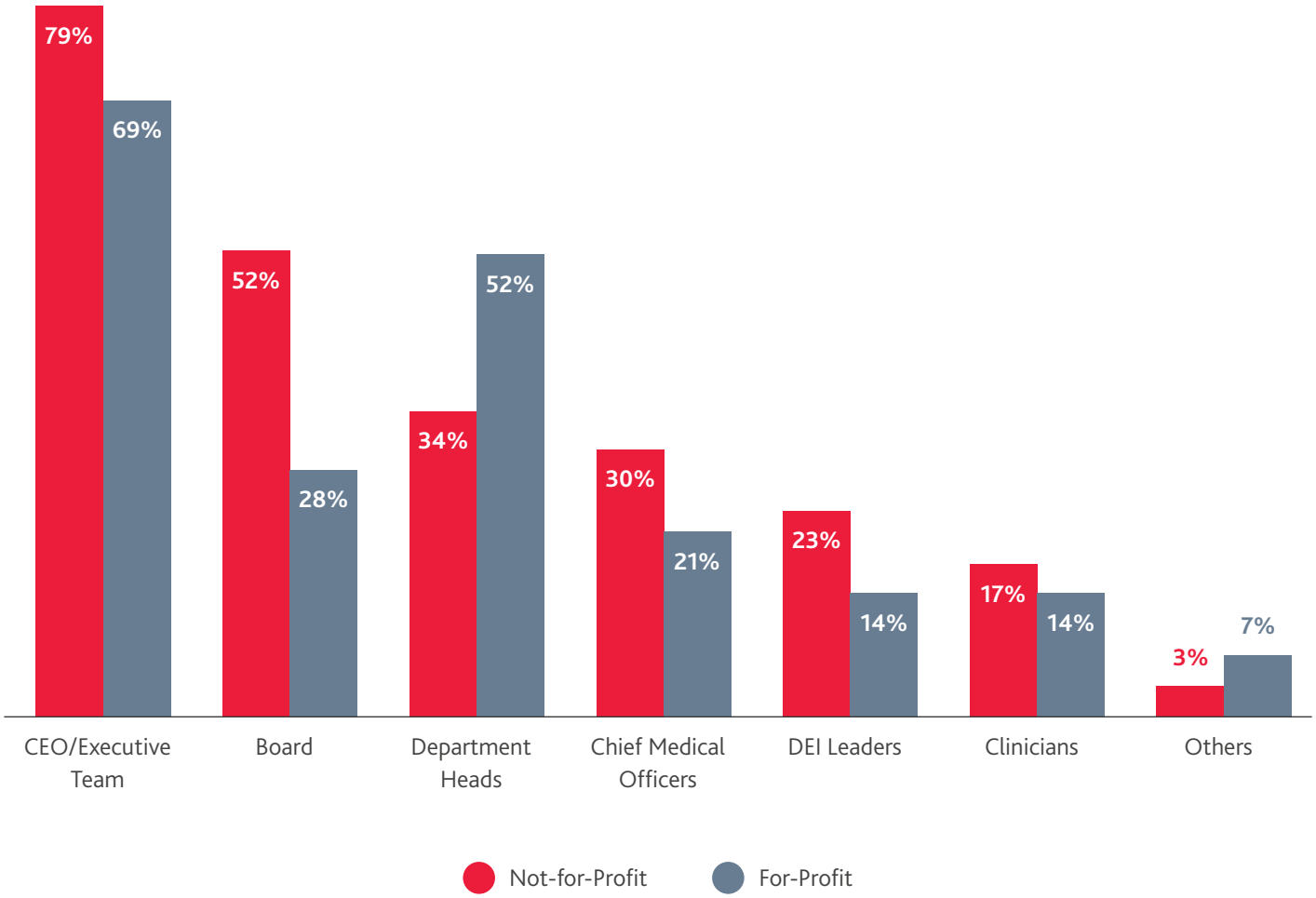


For-profits are more likely to have established a health equity task force, but they are less likely to involve those outside the C-suite and board.

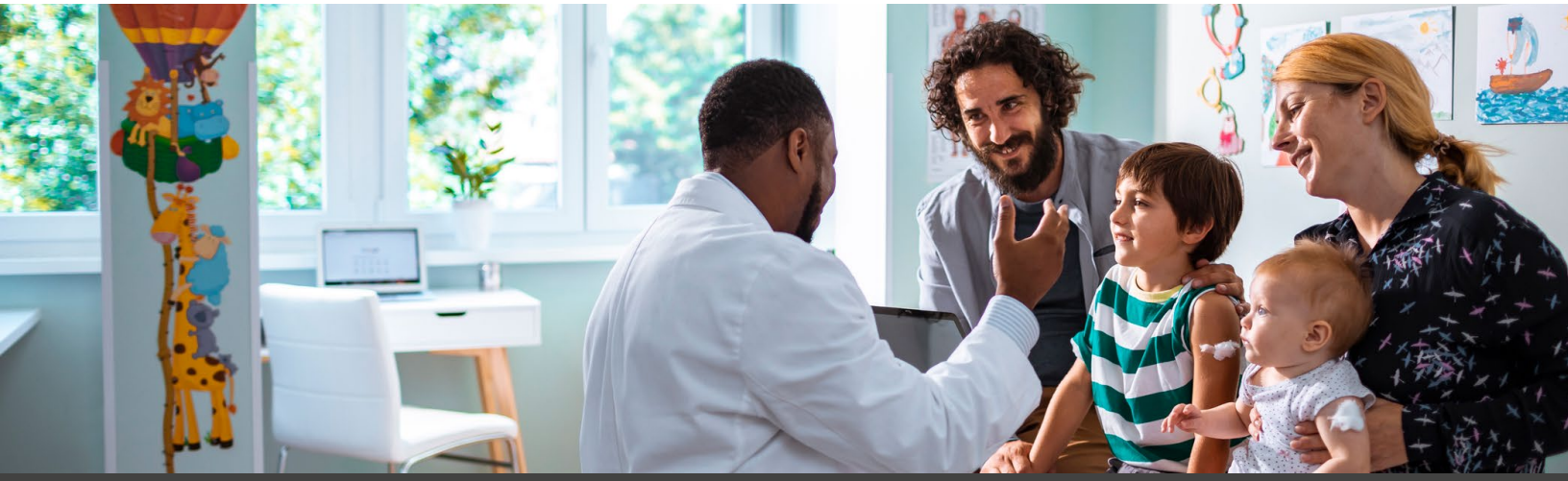
Not-for-profit health systems that did have a task force tended to include a broader range of titles and occupations, like community stakeholders and DEI leaders. This approach of bringing more patient-facing voices to the table can help to understand local health equity issues and how to address them.

When asked who is accountable for health equity within the organization, respondents cited the following:

WHO IS ACCOUNTABLE FOR HEALTH EQUITY WITHIN THE ORGANIZATION?



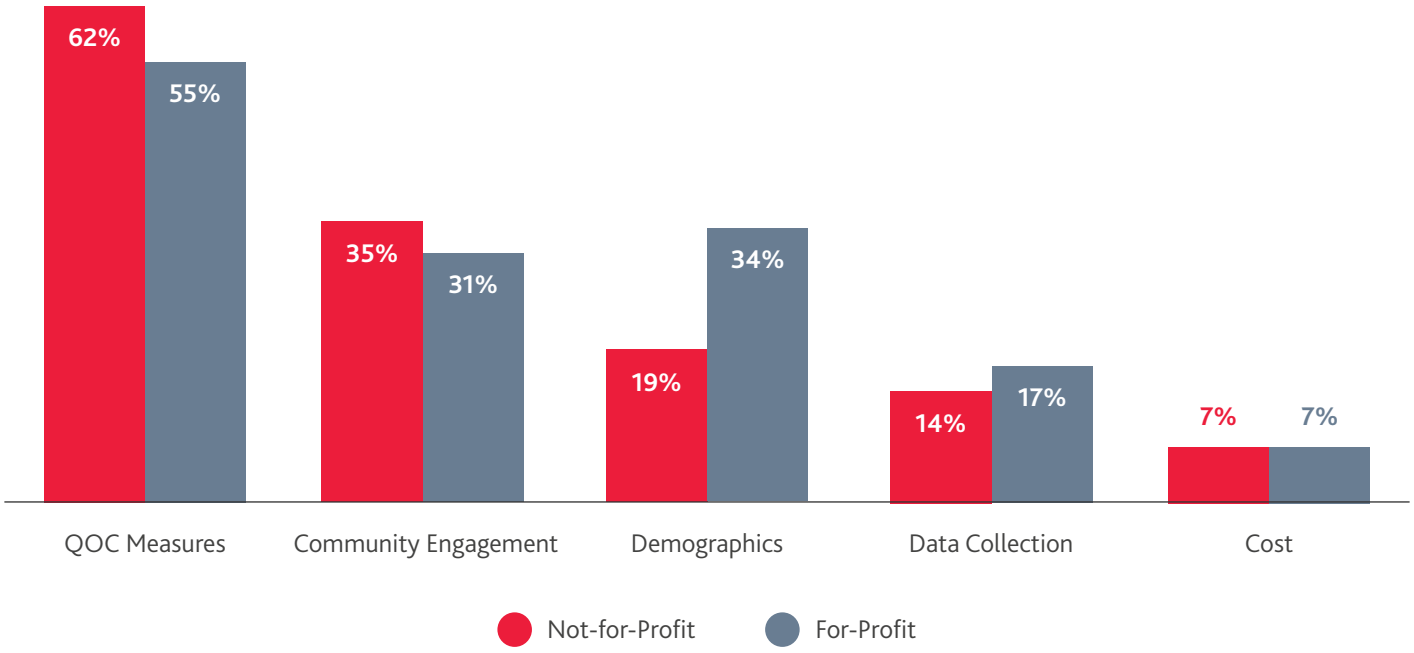
Accountability among both segments is top-heavy, but not-for-profit organizations are nearly twice as likely to hold the board accountable. Overall, accountability at not-for-profit health systems tends to be more spread out when compared to for-profits, reflecting the diverse makeup of not-for-profit task forces. Wider accountability is a prudent way to keep more members of the organization focused on the goal of health equity rather than concentrating accountability at the top.



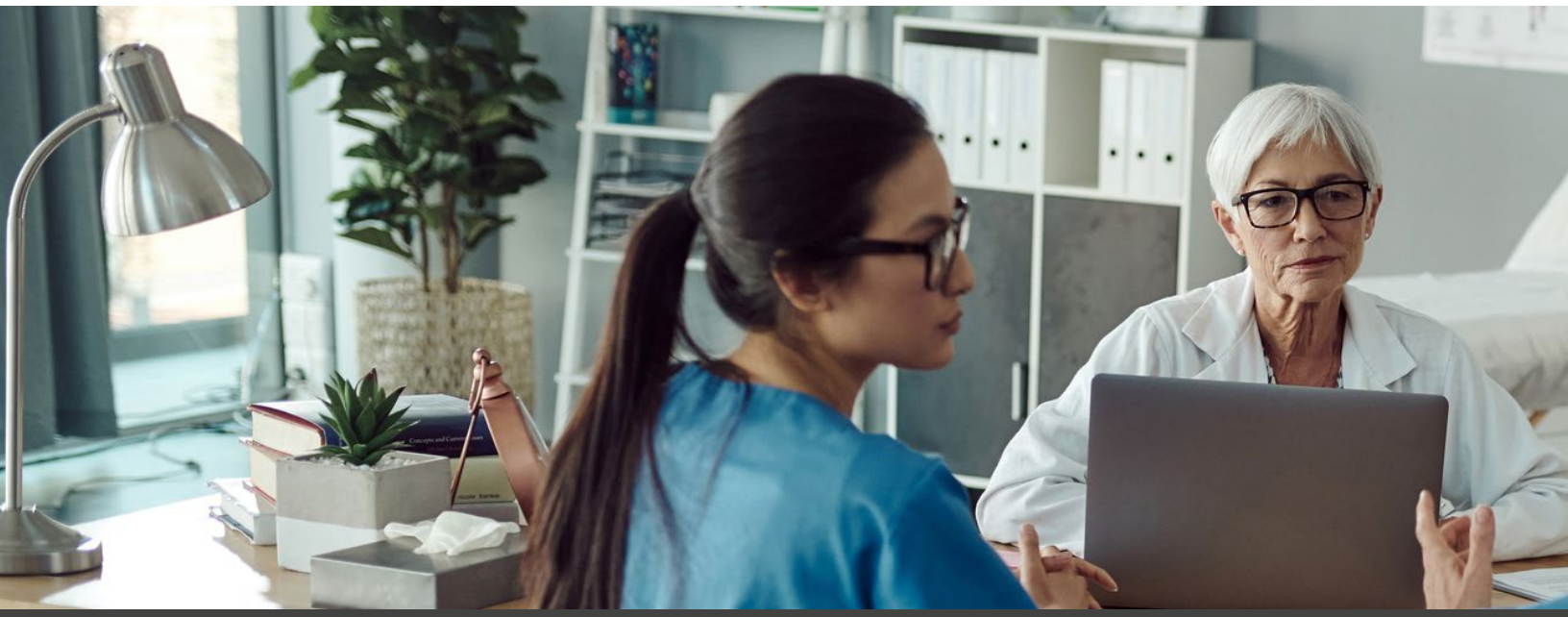
For-profits and not-for-profits measure healthy equity improvement differently.

When asked about the KPIs their institutions rely on to measure health equity improvement, respondents cited:

HEALTH EQUITY KPIS THAT FOR-PROFIT AND NOT-FOR-PROFIT ORGANIZATIONS ARE TRACKING



Notably, when it comes to measuring health equity improvement, for-profits focus on demographic metrics far more often, while not-for-profits look to Quality of Care (QOC) measures. Both consider community engagement an important indicator of improved health equity. Increasing partnerships with community organizations can help improve this metric going forward.



Tying it all together.

Comparing these two segments of healthcare providers highlights areas for improvement and showcases where they can learn from each other.

▶ Bring more voices to the table when discussing health equity.

Health equity discussions that are limited to executives and board members can lead to skewed perspectives and initiatives, as business leaders may have limited experience providing care to patients. For-profits in particular should look to include clinicians and medical staff in these discussions for first-hand perspectives on the patients they care for.

▶ Foster organization-wide accountability.

Health providers must focus on aligning their health equity discussions and task forces with their accountability expectations. For example, DEI leaders should have greater representation on health equity task forces at both for-profit and not-for-profit organizations, and their accountability should follow suit. Including diversity and equity experts will lead to greater health equity improvement.

▶ Prioritize health equity strategies.

While a small portion of for-profit organizations have already made progress in their health equity strategies, far too many have not yet implemented one. Where possible, prioritizing these initiatives can provide better care more quickly to those who need it most.

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

Follow us @BDOHealth

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

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

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

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

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