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The true balance of diversity

How CFOs can prioritize opportunities for equity



CFOs have the critical role of connecting diversity goals to the financial strength of the organization.

In the previous article, The high cost of unchecked bias in the health system: CFOs are building the financial framework for achieving health equity, we explored a basic structure for thinking about areas of opportunity and new sources of data. In this article, we will focus more on the three vectors of the framework. And we will discuss ways that CFOs can make immediate progress and home in on precise strategy.

CFOs can act along three specific vectors:



1 **Enable a diverse, inclusive workforce**



2 **Ensure equitable care across a diverse set of patients**



3 **Address root causes of inequity in the broader community**

1 Enable a diverse, inclusive workforce

Often finance departments fall below benchmarks for attracting and advancing diverse candidates.[1]

A valuable health equity asset — that lies within every employee base — is the ability to reflect the perspectives of the community you serve. Employees are a crucial conduit of insight, experience and feedback that can inform product and service development. If the diversity in your workforce and your leadership does not reflect your community, it introduces the risk that your systems and your offerings lack a strong connection to consumer needs and preferences. If this is true, your business is likely to be less effective and less competitive.

CFOs can start within their own sphere. Often finance departments fall below benchmarks for attracting and advancing diverse candidates.[1] Since a sound financial strategy is such a crucial component for advancing health equity, an immediate step that CFOs can take is hiring and mentoring diverse candidates in their own finance department.

Another opportunity that CFOs have is to ensure pay equity across the board. Too often patterns of bias that are systemic in society hold to be true in health care systems and across most employers. CFOs can help ensure that salaries are equal across race and gender. But the greatest return is getting to the levels of creativity and innovation that a diverse workforce can produce. Organizations in the top quartile of gender diversity are 25% more likely to achieve above-average profitability. And those in the top quartile of ethnic diversity outperformed the lowest quartile by 36%. It's clear that a diverse, inclusive workforce has measurable value.[2] CFOs will want to map the path forward.

An immediate and instructive metric for CFOs to track is the impact that health equity is having on their own employee base. Working with your CMO and chief human resources officer, you can determine if you have employees who are living below the poverty line, lacking coverage, or facing other social determinants that prevent them from achieving their best health. A CFO may uncover common barriers that can be overcome with longer lunch hours, flextime, childcare services or transportation benefits. These kinds of investments can lower overall health costs and improve loyalty and productivity.



25%

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36%

And those in the top quartile of ethnic diversity **outperformed the lowest quartile by 36%.**

Often unnoticed is the extra challenge that women face in caring for children and their elderly parents. In 2020, nearly 3 million women left the workforce to care for family members during COVID-19.[3] Over the next 10 years, the baby boomer population will nearly double in size, putting more stress and strain on their families. Addressing this challenge — especially for women of color — will help free them to care for their own health and to participate in the workforce more actively.

Employees stay in an environment where they feel respected, included and supported. Diversity has proven to drive innovation and profitability. CFOs can easily measure job satisfaction, productivity levels and turnover rates to learn if their culture is truly inclusive. If satisfaction is low and turnover high, then not only are your costs increasing, but you are also losing the financial power of having diversity in your ranks.





Fast action for enabling a more diverse, inclusive employee base

- Set hiring goals that match the diversity of the population you serve.
- Make sure your finance department is employing, mentoring and attracting diverse candidates.
- Ensure that pay equity exists across race and gender at all levels.
- Determine what added benefits you can add to remove the logistical and financial challenges of family care.
- Measure employee sentiment about inclusivity.
- Measure your productivity levels for gaps related to inequity.
- Calculate the related cost of recruitment, training and turnover.
- Consider the levels of innovation and creativity needed to stay competitive and how you will achieve that in your leadership and staff.

2 Ensure equitable care across a diverse set of patients

When care delivered by one organization or system delivers outcomes that differ by race, ethnicity, gender or economic status, there is an equity issue.

The first step for CFOs is to understand the full financial impact that health equity may have on their business. They already track growing trends in the cost of care and see how their risk, quality and satisfaction scores are impacting reimbursement. CFOs can benchmark performance in-market to see where they are losing a competitive edge and look within to see where inequity is impacting cost and revenue.

Where are inequities driving up cost? *(Check all that apply)*	**Race**	**Ethnicity**	**Gender**	**ZIP**
Excess ED utilization				
Underutilization such as low vaccination rates				
Increased morbidities				
Increased co-morbidities and complex conditions				
Disease progression				
Employee absenteeism				

Where is inequity putting revenue at risk? *(Check all that apply)*	**Race**	**Ethnicity**	**Gender**	**ZIP**
Low quality scores				
Risk-bearing contracts				
Low satisfaction scores				
Win/loss ratio on government contracts				
Poor brand equity				

Since data on race, gender, ethnicity and other factors may be limited, a CFO must start with the data they have. But investigating how costs and revenue vary by these factors is an early action CFOs can take. This insight can help them build a financial framework for health equity activities.

A CFO can start to identify how their system may be contributing to poorer outcomes, decreased quality and reduced satisfaction.

Issue: People are treated differently due to bias.

Employees have conscious and unconscious bias that determines the way they interact with consumers and what health recommendations they make. If consumers feel they are being treated unfairly or are being disrespected, their satisfaction levels will plummet. If they don't trust the people working in their health system, they won't engage or adhere to care plans.

Actions:

- Fund the ability to track outcomes at the physician level and pinpoint exactly where activities are leading to disease progression and increased morbidities.
- Prioritize funding for education on learning to recognize bias.

Issue: People struggle to navigate through the health system and care events.

This may be due to cultural differences, language barriers, health literacy, lack of training, limited communication channels and/or poor communications.

Actions:

- Offer translation services, language interpreters and educational programs.
- Fund outreach efforts to understand what is happening during the consumer experience that is preventing them from understanding or trusting your services.
- Staff services with people from their community.

Issue: There is no easy way people can access health services.

This may be due to your physical location, narrow hours of availability, or limited availability of providers. It may be due to their working hours, family obligations, transportation challenges, language barriers, health literacy issues or lack of access to digital channels.

Actions:

- Expand your hours.
- Offer transportation to preventive services.
- Expand your digital, social and mobile channels.

90-day sprint

Look at utilization and outcomes of patients who are covered by Medicaid and/or are dual-eligible.

How do these numbers compare with similar patients who have more costly commercial coverage? What can you do immediately to adjust these metrics?



3 Address root causes of inequity in the broader community

Health inequities lead to poor utilization, increased morbidities, lower satisfaction and higher costs. They rob people of their quality of life, waste billions of dollars and steal productivity from our communities. Addressing the upstream dimensions that create these outcomes is a critical success factor for serving Medicare, Medicaid and state exchange populations.

CFOs must determine exactly where to target efforts and investment in the broader community. Many of the causes of health inequity are systemic and upstream of a health event or care encounter. But we can look at our health metrics and overlay rich consumer data to pinpoint hotspots and determine what barriers we can address.

Useful insights can be hard to come by regarding people who have only limited access or engagement with the health system. Data is often incomplete, and you may not even have a sample size that accurately reflects the community of investment, CFOs need to be able to review more robust analysis.

EMRs and other systems cannot easily receive demographic and SDOH data. And employees may feel uncomfortable collecting information on race or gender identity and see no financial incentive to do so. CFOs will need to start with the data they have and build from there.



Many states mandate community engagement and strategies to address social determinants of health (SDOH) in their RFPs.

CFOs can use a data-driven methodology to pinpoint root causes and track the performance of health equity efforts.

Step 1: Build more holistic data profiles

Invest in better data gathering to build a more complete profile of each person. ZIP code data can tell you where the economics are most depressed and where access to medical facilities or telehealth services is limited. Other amendments could come from public data, consumer data, partner data, new internal data collection methods, and data sets that can pinpoint social isolation and other risks.

Step 2: Gather insight through a health equity lens

Devote resources toward the analysis that can profile the diversity and complexity that exists within your population. You may need support from analysts experienced in looking at data through the health equity lens. This will give you the intelligence you need to pinpoint the root causes of inequity. And it will guide early organizational strategies and investment.

Step 3: Use reporting frameworks to track progress

Ongoing guidance will come from reporting frameworks that link the investment you make in health equity to outcomes and other performance metrics. Reporting frameworks enable CFOs to compare key measures within the population, year-over-year improvements, and performance against benchmarks. This provides guidance to the entire organization and drives targeted refinements of health equity initiatives. They can help project your ROI and the timelines to those returns. They can even help identify where other partnerships can contribute to your plans. These reporting frameworks make your health equity strategy more granular and more scalable.

Financial impact is everywhere

Whether it's around utilization, health care outcomes, services, quality scores, brand loyalty or new contracts — there are costs to reduce and revenue to protect.



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