



Advancing Diversity, Equity, Inclusion, Belonging, and Accessibility: 2.0

By Betsy Chapin Taylor, FAHP, CEO, *Accordant*

Hospital and health system boards face increasing urgency to demonstrate social consciousness through advancing diversity, equity, inclusion, belonging, and accessibility (DEIBA).

For many, this journey has reached an inflection point. It is no longer enough to articulate that the organization has positive intentions in this space. Further, most organizations have already undertaken basic efforts to:

- Declare the inherent value of diverse experiences and perspectives.
- Determine the current status of DEIBA efforts in the organization.
- Seek perspectives of diverse constituencies to shape plans.
- Identify clear improvement goals.
- Communicate the rationale and plans for change.
- Commit to an action plan.

With demonstrated progress in achieving DEIBA still slow and sometimes floundering, it is time to move to the next curve in elevating DEIBA by acknowledging unnamed barriers and by more powerfully connecting DEIBA to systemic changes, scalable and sustainable outcomes, and overarching strategy. It is time for DEIBA 2.0.

Confront Unconscious Bias

Leaders often acknowledge the value of diversity in life experience, thought, and perspective. Yet, even leaders who feel their hearts and minds are open to others, sometimes find unconscious bias thwarts good intentions. Leaders often fail to recognize how stereotypes and bias can unintentionally influence how we perceive others who are different from us as well as decisions and actions. In this way, unconscious bias creates intolerance or inattention.

What's Inside:

- Advancing Diversity, Equity, Inclusion, Belonging, and Accessibility: 2.0
- The Current State of Acute Care M&A: Trends and Strategic Considerations
- Leveraging Patient Experience as an Effective Approach to Alleviating Provider Burnout

Diversity
Equity
Inclusion
Belonging
Accessibility

Therefore, there is value to openly confronting unconscious bias as a material issue to acknowledge and address in order to better understand those with different experiences and perceptions. To address this issue, hospitals and health systems can consider explicit training and tools for current and prospective board members to uncover how unintentional perceptions and actions impact the way others are perceived, treated, or engaged and even how decisions are made. Boards can also create “safe space” opportunities for open dialogue about unconscious bias without fear of judgment, blame, or retaliation. Finally, determine how board members will respectfully but directly provide feedback or accountability when unconscious bias occurs.

Take an Expansive View

Advancing DEIBA is no longer an end in itself. Many organizations identify actions and outcomes specific to DEIBA as part of their strategic and operational plans. However, it’s time to integrate these efforts as an element of achieving larger goals.

For example, authenticity in embracing diverse communities requires more than addressing board composition, voice, and policies. The commitment to DEIBA must be a whole-organization effort that illuminates and aligns with the organization’s overall commitments. Efforts to truly live DEIBA can be expressed within the healthcare organization through fair and equitable recruitment, fair compensation, and career growth opportunities. However, the healthcare organization also has an obligation to better understand and to proactively address the health and well-being of diverse communities. This means the organization must consider its position, plans, partnerships, and investments to drive issues such as health equity. Too often, people of color and people in poverty experience poorer health outcomes and decreased life expectancy. Engaging the board around this bigger work is the ultimate expression of successful DEIBA efforts; it is where philosophical commitment alongside intentional action enables more vibrant mission fulfillment to lift up people from all walks of life.

Hardwire an Inclusive Culture

DEIBA should be pervasive rather than esoteric. This means it must be part of the mindset and social fabric of the organization: its culture. Building an organizational culture involves affirming what the organization values and believes in, how decisions are made, what language is used, and more—it is about creating norms that become “how we do things around here.” As such, shaping culture requires clarity of intention, commitment, and consistency.

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Culture is rooted in values that drive the words, actions, and decisions of people across the entire organization. As the organization seeks to create an inclusive culture that respects diversity and extends respect and belonging, it will be essential to engage those who represent unique life experiences and perspectives to understand what is meaningful and to guide decision making. Ultimately, the objective must be to create a culture where everyone feels welcome, included, heard, respected, and valued. As the organization makes progress toward greater DEIBA, there is also value in celebrating key outcomes and milestones to both demonstrate progress and provide energy for continuing to move things forward. Ultimately, expanding the goal of DEIBA from a board priority to an organization-wide commitment creates alignment and accountability needed to drive scalable and sustainable change.

Rethink Accountability

Efforts to advance DEIBA have often fallen victim to simplistic measurement of activity—and woefully inadequate box checking. However, for organizations to truly move the dial, leaders must commit to clear and quantifiable short-term and long-term objectives that are focused on outcomes rather than actions. Further, the organization must create mechanisms, such as organizational dashboards, to foster continued accountability. Intentions should also be integrated into strategic plan goals and supported through policies and processes. Proactively addressing what will be measured, why it will be measured, and how it will be measured not only provides a roadmap for achieving success but also an objective means to assess and demonstrate success.

As the organization shifts from measuring activities to drive DEIBA to measuring outcomes that demonstrate success, the board may want to consider a mix of measures that reflect where the organization is in its DEIBA maturity. For example, indicators focused on the board could include board composition, prospective member pipeline development, and board member engagement. Internal indicators may include statistics on representation of various constituencies in the workforce, pay equity by gender and race, percentage of minority and female-led vendors/contractors, and more. External, community-based measures could include short-term issues such as preventive care and screening utilization and longer-term issues such as life expectancy. Creating an objective, measurable, continuous approach to tracking outcomes provides a meaningful picture of substantive progress over time.

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Boards can be architects and enablers to move to a more expansive vision of DEIBA. Through board members' insight and foresight, the seeds can be planted to support respect, collaboration, and inclusivity and to recognize the inherent humanity of all people. Integrating DEIBA across the board, healthcare organization, and greater community leans into core values and recognizes others based on the things that bind people together rather than the things that could separate them. It is an acknowledgement that the combined strengths of various experiences and perspectives will only serve to make our mission and our impact stronger. DEIBA can also become the bedrock for truly elevating health and well-being for all people from all walks of life.

Key Board Takeaways

- Create a clear and shared language around how advancing DEIBA supports the healthcare organization's mission, vision, and values.
- Facilitate a candid and judgment-free conversation about unconscious bias, its implications, and how it will be proactively addressed.
- Illuminate links between the organization's commitment to DEIBA and efforts to advance health equity including elements in the community health needs assessment.
- Look at the organization's overarching culture to ensure DEIBA is appropriately reflected in the organization's norms, language, and decision-making processes.
- Identify clear and quantifiable short-term and long-term objectives that are focused on outcomes rather than actions to support accountability.

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The Current State of Acute Care M&A: Trends and Strategic Considerations

By Hector M. Torres, Managing Director, Aaron T. Newman, Director, and Joseph Burlison, Analyst, *DC Advisory*

Acute care hospitals and health systems across the U.S. are now facing increased, albeit different organizational challenges and opportunities.

Industry-wide headwinds such as outmigration of high-volume/high-margin surgical cases to outpatient and clinic-based settings of care, continued capital deployment and heightened competition from private equity-backed enterprises, and the entry of “non-traditional” players such as Amazon, CVS, and United Healthcare all remain constant.

Yet, in today’s operating environment, these elements are further amplified for acute care organizations by virtue of new, incremental post-COVID competitive paradigms such as rampant labor and personnel costs, broader operating expense inflation, decreased access to capital sources for growth and reinvestment, and materially significant increases in the total cost of capital driven by broader macroeconomic uncertainty. With these elements setting the stage for acute care hospital and health system operators nationally, it is no coincidence that we are commensurately witnessing a recent uptick in overall hospital and health system consolidation. From rural, critical access hospitals to some of the nation’s leading acute care service providers, forward-thinking acute care hospital and health system boards and administrators are either turning to or revisiting strategic partnerships, affiliations, mergers, and acquisitions to ensure the long-term sustainability of their enterprises.

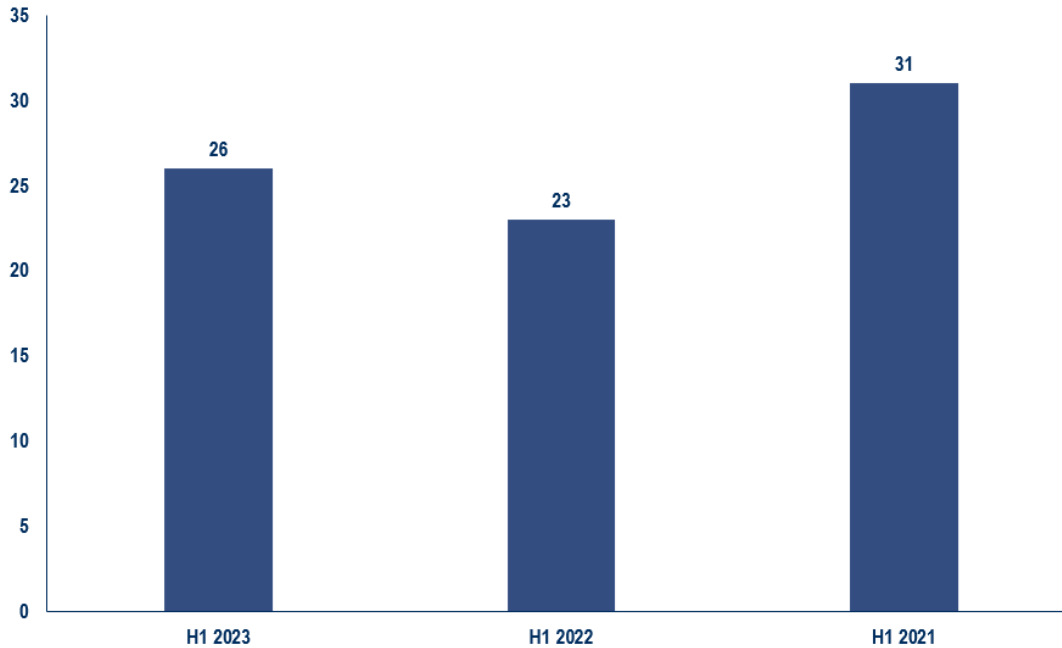
New Themes Driving Hospital Partnerships and Affiliations

While the 51 announced and/or completed hospital and health system M&A transactions in 2022 were slightly lower than 2021 and paled in comparison to the levels of hospital consolidation realized in the pre-COVID era, the first half of 2023 showed signs of rebounding as players within the space continue to look to consolidation and partnerships as a solution for their distressed organizations (see **Exhibit 1**).¹

Strategic partnerships can help to ensure long-term sustainability of an organization.

1 Sources include LevinPro HC, Definitive Healthcare, IBISWorld, and DC Advisory research.

Exhibit 1: H1 Announced M&A Transactions



The slight rebound in M&A activity can also be seen in the public markets where four players have outperformed the S&P 500 Health Care index, three of which also outperformed the S&P 500 index since June 2022 (see **Exhibit 2**). Players such as HCA Healthcare and Tenet Healthcare attributed their success to the strategic growth initiatives that they have in place. The example of HCA Healthcare’s six mergers, acquisitions, or joint ventures YTD shows that even in macroeconomic uncertainty, consolidation and targeted enhancements to platform capabilities can correlate to greater success.²

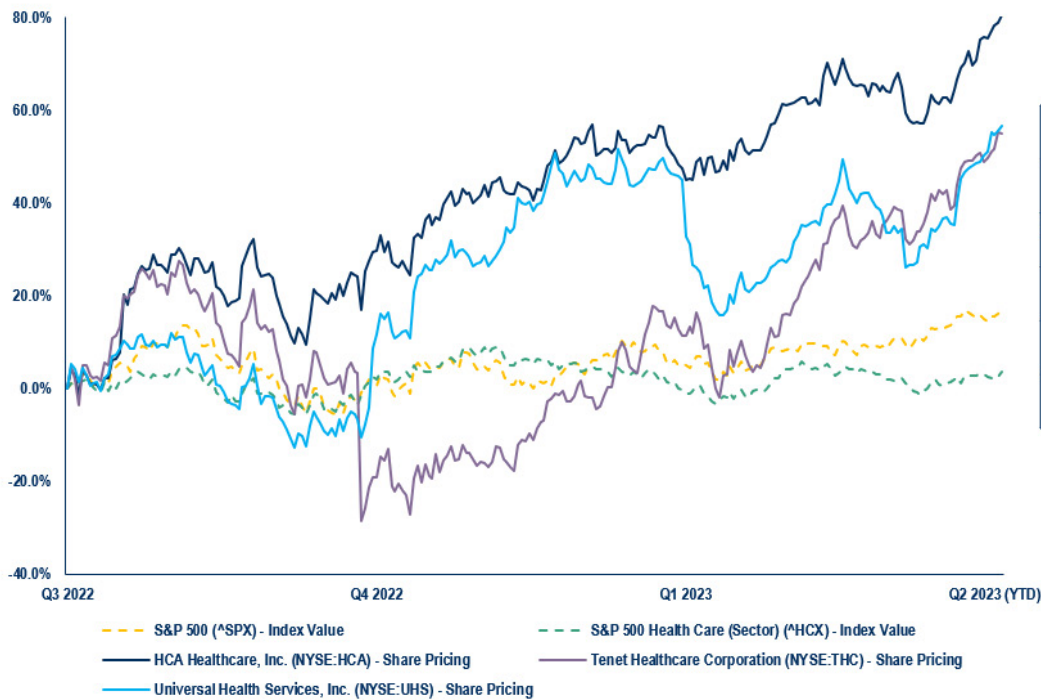
More important than the raw figures articulating transaction volume are the key themes and imperatives influencing acute care operators to carefully consider M&A as a holistic strategy. 2022 witnessed several large-scale, transformational mergers such as the creation of Advocate Health, which was formed through the merger of Illinois-based Advocate Aurora Health and North Carolina-based Atrium Health. This strategic combination represents a departure from the traditional drivers of hospital consolidation such as the need for size and scale to maintain market relevance, and instead is driven by a mutual desire of both organizations to transform their respective care delivery models to improve patient outcomes, advance health equity, and accelerate medical innovation.³ The merger of Utah-based Intermountain Health with Colorado-based SCL Health provides a further example of two relatively strong organizations that had scale within their respective markets combining forces to accelerate expansion of clinical services and

2 Sources include S&P Global Market Intelligence, Pitchbook, and Quarterly Filings; YTD as of June 30, 2023.

3 “Advocate Aurora Health and Atrium Health Complete Combination” (press release), Atrium Health News, December 2, 2022.

leverage world-class academic research and technology to optimally serve a growing patient population.⁴ These are just two examples of transformational drivers of health system consolidation, but represent a growing trend whereby even larger, more well-capitalized organizations are turning to strategic partnerships and affiliations to optimally position themselves for the long term.

Exhibit 2: Public Markets Comparisons



	YTD % gain	12-month % gain
S&P 500	16.4%	17.6%
S&P 500 Health Care	(2.1%)	3.6%
HCA	66.2%	80.6%
Tenet	10.6%	54.8%
UHS	24.8%	56.7%

A second theme driving acute care M&A activity is an increased level of partnership/joint venture activity with private equity-backed and for-profit healthcare enterprises. As health systems and hospitals continue to evaluate their service offerings in a difficult operating environment, many executive teams and boards have elected to partner with companies that have expertise in specific clinical offerings, such as lab services, home health and hospice care, behavioral health, and specialty physician services. Frequently these offerings sit outside of an organization’s core acute care expertise and can potentially be more efficiently operated by an outside enterprise that has deep clinical and operational experience in a specific model of care. In turn, health systems and hospitals have structured joint venture relationships with these organizations whereby they can offer improved patient care, but also participate in the economic upside realized through partnering with an experienced and skilled operator.

4 “Intermountain Healthcare and SCL Health Complete Merger” (press release), April 5, 2022.

Key Board Takeaways

The following elements can help hospital and health system board members contextualize and possibly consider the viability of a strategic partnership as a pathway to ensure long-term sustainability:

- **Be honest with where you are and what you can achieve independently.** Independent hospitals and health systems have typically faced much stronger operational challenges than their larger regional/national counterparts. Fully and comprehensively understand where you are as an organization today, what goals and objectives are mission-critical to long-term success, and “stress test” whether the attainment of these imperatives is possible independently.
- **Embrace the development of a five-year strategic financial plan.** Develop and implement a five-year strategic financial plan that will serve as a roadmap for the management of your organization’s overall financial liquidity position. Ensure this tool can incorporate dynamic “stress test” scenarios that can account for variables such as loss of market share, decreased reimbursement, and other market/organization-specific elements to ensure that all probable scenarios are accounted for, and that your organization can respond accordingly in real time.
- **Consider a strategic partnership or affiliation as a potential catalyst of your broader organizational strategy.** While certainly not a one-size-fits-all solution set, a strategic partnership or affiliation may be the most cost-effective approach to provide for long-term sustainability through enhanced size/scale, access to enhanced clinical services, improved patient outcomes, increased access to capital, implementation of technology infrastructure and related best practices, and even access to higher-margin value-based care programs and related initiatives. View a strategic partnership or affiliation as one of several potential pathways towards the development of both a clinical and operating model that is both durable and relevant to the patient populations being served.

In addition, these joint venture partnerships can be structured to provide a monetization event for health systems and hospitals, helping raise capital that can be utilized across the organization for other strategic initiatives. Examples of recent joint venture partnership M&A activity are Jefferson Health’s sale of its diagnostic lab operations to Labcorp in August 2023 and ProMedica’s sale of its hospice, home healthcare business to Gentiva in February 2023.⁵

5 [“Labcorp and Jefferson Health Announce Strategic Laboratory Relationship”](#) (press release), May 3, 2023; Kathleen Steele Gaivin, [“ProMedica Sells Home Health, Hospice Business to Gentiva for \\$710 Million,”](#) McKnights Senior Living, March 3, 2023.

Size, Scale, and Access to Capital Are Still Relevant Factors

Despite the growing prevalence of both transformational and cross-border care delivery elements driving much of the acute care consolidation activity in 2023 and beyond, the operational and financial headwinds faced by independent hospitals and health systems across the U.S. will also remain an enduring driver of ongoing industry consolidation.⁶ As such, we believe the following four potential attributes should be carefully considered by hospital and health system boards and leadership teams when contemplating a potential strategic affiliation or partnership:

- **Enhanced organizational scale:** Access to enhanced and/or higher-quality clinical services, capabilities, clinical providers, and medical supplies and/or infrastructure continues to be and will remain a key factor driving hospital partnerships and affiliations. Some of the benefits of size/scale may include revenue synergies via access to new acute care and/or ancillary clinical services, while simultaneously realizing operating expense synergies through group purchasing, lower overall cost of capital, and enhanced organizational bargaining power.
- **Increased access to capital for growth:** Increased access to lower-cost capital sources is another major driver of hospital partnerships and affiliations. Access to cost-effective sources of capital can provide for better clinical equipment, resources, and related infrastructure, along with the ability to recruit and retain top clinical provider talent. Many hospitals and health systems pursuing strategic affiliations or partnerships cite access to capital and the desire for continued reinvestment in people, processes, and physical plant as a key driver for the pursuit of a strategic partnership or affiliation.
- **Shared technologies and associated infrastructure:** This includes increased patient access to clinical care and enhanced overall throughput via access to best-in-class technology infrastructure, telemedicine, and related capabilities. IT implementation cost savings realized through economies of scale, as well as improved overall financial performance via cost-sharing and/or subsidization of “high ticket” purchase elements such as EMR, telemedicine, and related infrastructure elements can also bring tremendous value via partnership or affiliation.
- **Access to alternative reimbursement payment models:** Ability to attain improved clinical outcomes, while reducing overall cost of care through participation in value-based care programs by fully leveraging a partner organization’s infrastructure and organizational expertise can result in bolstered financial performance through participation in higher-margin value-based care incentive programs that both enhance profitability and reduce organizational waste.

6 For a list of common characteristics that often allow independent hospitals to continue to operate as successful independent institutions, view [The Governance Institute’s interactive Web page](#).

Conclusion

While hospital and health system industry-specific headwinds remain a constant within the current operating environment, forward-thinking organizations are actively pursuing strategic partnerships and affiliations to achieve long-term sustainability. Bolstered in part by the long-established benefits related to size, scale, and the attainment of operating efficiencies related to becoming part of a larger, fully integrated organization, today many hospital and health system boards are also entering into partnerships for non-traditional purposes such as the development of regional and/or national clinically integrated networks. Regardless of the organizational imperatives, a well-rounded long-term strategic plan should give due consideration to both the potential benefits and drawbacks related to a strategic affiliation or partnership to ensure that the very best resources, services, and patient care can be delivered to the communities being served.

The Governance Institute thanks Hector M. Torres, Managing Director, Aaron T. Newman, Director, and Joseph Burlison, Analyst, within the global Healthcare Investment Banking practice of DC Advisory, LLC, for contributing this article. They can be reached at hector.torres@dcadvisory.com, aaron.newman@dcadvisory.com, and joseph.burlison@dcadvisory.com.

Leveraging Patient Experience Feedback as an Effective Approach to Alleviating Provider Burnout

By Toya Gorley, Improvement Advisor, and

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Nobody ever said being a doctor was easy, but no one ever said it would be this hard.

The demands placed on healthcare providers have reached unprecedented levels. Doctors are now expected to see more patients, deliver perfect quality care, and be constantly available through digital platforms. Patients, too, have increasingly high expectations for personalized experiences that demonstrate an understanding of their unique health circumstances and goals. NRC Health surveys show that 68 percent of patients expect providers to understand how health affects their life, and 71 percent of patients expect providers to understand their health goals.¹

Unfortunately, this heightened pressure has resulted in a significant rise in provider burnout, stress, and overall well-being issues. A study by the American Medical Association revealed that an alarming 63 percent of physicians reported symptoms of burnout in 2021, a substantial increase from 38 percent in 2020.²

It is no secret that many physicians don't love getting graded on their interactions with patients. In fact, many providers list patient experience scores as a contributing factor to their burnout.³ Of course, simply dismissing patient feedback is not the solution, as it plays a crucial role in human-centered care. Instead, there is an opportunity for hospitals and health systems to improve the utilization of patient experience feedback data. When utilized effectively, patient feedback can serve as a powerful tool in combating burnout. This article proposes three shifts in the traditional approach to using patient experience feedback that will help enhance the patient experience and positively impact providers. These changes can transform patient experience from a "bad news" discipline that contributes to stress and burnout, into a "good news" discipline creating motivation and fulfillment for healthcare professionals.

68%

of patients expect providers to understand how health affects their life

71%

of patients expect providers to understand their health goals

63%

of physicians reported symptoms of burnout in 2021 (up from **38%** in 2020)

- 1 NRC Health, National study of 48,688 consumers, March 2022.
- 2 American Medical Association, 2021 National Physician Burnout Study.
- 3 Schneider, et al., "The Effect of Patient Satisfaction Scores on Physician Job Satisfaction and Burnout," *Future Science OA*, November 12, 2020.

Recommendation 1: Leverage Patient Feedback for Recognition and Appreciation

Contrary to certain stereotypes, the vast majority of physicians are compassionate individuals who have chosen their profession to serve and care for others. They deeply care about the experiences they facilitate for their patients. Sharing positive patient feedback can have a profound impact on provider morale and motivation, reinforcing their sense of purpose and reminding them of their initial calling to medicine. According to NRC Health research, 76 percent of patient experience feedback is positive, and the most common comment received in a survey is one that recognizes a care team member. Sharing these positive sentiments through personalized notes can go a long way in demonstrating appreciation for their care. Lean on your patient experience vendors technology to help automatically identify and share comments that are compliments.

76%
of patient experience
feedback is positive

Traditional Patient Experience Approach	Recommended Approach
Improvement-oriented: Identifies comments that show dissatisfaction. Focuses on changing behaviors.	Recognition-oriented: Identifies comments that show appreciation and gratitude. Focuses on instilling behaviors the provider is already great at.
Result: Providers may feel discouraged, resentful, and like they are personally not good enough.	Result: Providers are reminded that their work is meaningful and appreciated. They are motivated to repeat behaviors that are praised.

Sharing **positive patient feedback** can have a profound impact on provider **morale and motivation**, reinforcing their sense of purpose and reminding them of their **initial calling to medicine**.

Recommendation 2: Shift Focus Away from Grades and Metrics

Another important step is shifting the focus away from grades and metrics in patient experience programs. The traditional approach of emphasizing benchmarks and scores can make providers feel as though they are being graded. Instead, the emphasis should be on empowering providers through constructive feedback. By adopting a more personalized and supportive approach, providers can be guided towards areas of improvement without fixating on numerical rankings. This approach fosters a culture of continuous improvement and prioritizes a comprehensive, patient-centered approach to enhancing the overall patient experience.

Traditional Patient Experience Approach	Recommended Approach
Dr. Garcia, you are in the 67th percentile for the “provider listened carefully metric.” Here are some best practices to make sure you are reaching your goal of 90th percentile.	Dr. Garcia, in general patients love the care they get from you. Based on your most recent patient feedback, the one area it would be great to focus on is making sure it is clear to patients that you are listening to them. Here are some tips from other doctors I’ve seen that work well. What else can I do to support you?
Result: Patient feedback is dehumanized. Emphasis is on scores, not what the scores are meant to reflect.	Result: Providers can concentrate on specific, actionable behavior enhancements and feel supported by leadership.

Recommendation 3: Use Patient Feedback to Build Human Connections

Finally, in line with the principles of human-centered care and de-emphasizing scores, it is recommended to gather patient feedback that goes beyond immediate post-encounter assessments. Traditional patient experience surveys focus on how the healthcare encounter was perceived, but it is equally vital to focus on building human connections. By asking questions that address patients’ pressing concerns, pressures, goals, and risks, patient experience teams can arm providers with valuable insights into what truly matters to their patients. This not only strengthens the patient–provider relationship but also aligns patient experience as the conduit connecting providers with the core purpose that drew them to medicine in the first place.

Put an emphasis on empowering providers through constructive feedback.

Traditional Patient Experience Approach	Recommended Approach
<ul style="list-style-type: none"> • How likely would you be to recommend us? • Did our staff explain things in a way you could understand? • How easy did we make it for you? 	<ul style="list-style-type: none"> • Would you like a nurse to contact you regarding any concerns? • Do you have any questions about your medications? • When it comes to treatment for health problems, I prefer... • In terms of everyday life, this is my biggest pressure or worry...
Result: Reinforces the notion that healthcare is transactional rather than relationship oriented.	Result: Facilitates greater understanding, engagement, and partnership between patients and care providers.

These recommendations center around the transformative concept of reframing patient experience as a “good news” discipline, which has the potential to yield remarkable positive outcomes within healthcare settings. By openly acknowledging the detrimental effects of the conventional “bad news” approach, we can catalyze a shift towards a more constructive and empowering mindset. By highlighting the numerous advantages of adopting a positive outlook, healthcare organizations can cultivate an environment that not only enhances the patient’s experience but also uplifts the quality of life for providers. This comprehensive approach benefits patients by ensuring their needs are met, while simultaneously actively engaging providers in the process, resulting in a more gratifying and meaningful healthcare experience for all individuals involved in the delivery of care.

Key Board Takeaways

With provider burnout and stress levels reaching all-time highs, healthcare boards should ensure that their organizations have the right methods in place for effectively utilizing patient experience data to empower physicians and improve career fulfillment:

- Ask management how patient experience feedback is utilized to improve provider performance at your organization.
- Consider what actions leadership can take to better support and motivate physicians, boost morale, and ensure providers feel appreciated.
- Invite physicians to the table to offer ideas and feedback on patient experience strategies and goals.
- Set a culture at the top that prioritizes physician well-being and encourages positive reinforcement.

The Governance Institute thanks Toya Gorley, Improvement Advisor, and Jon Tanner, Program Director, Human Understanding, at NRC Health, for contributing this article. They can be reached at tgorley@nrchealth.com and jtanner@nrchealth.com.

