Trustee Insights

DIVERSITY, EQUITY AND INCLUSION

Yes, Diversity Still Matters

AHA's Governance Survey shows room for growth for board diversity

BY KARMA H. BASS

The rate of hospital and health system affiliations and mergers is projected to increase as organizations struggle in the aftermath of COVID-19. Although going through the process of considering affiliation, identifying a partner, undertaking due diligence and reaching agreement can be arduous, in many ways it is only the beginning of the work. After the lawyers and consultants facilitating the merger have gone home, the two organizations are left to make the marriage work, often facing significant hurdles.

Last year, the U.S. Supreme Court ruled against affirmative action in college admissions programs in cases involving Harvard College and the University of North Carolina. As a result, many public universities are banning or rolling back diversity, equity and inclusion (DEI) measures. Additionally, organizations across many industries are scaling back their DEI programs.

None of this speaks well for advancing diversity. As Lily Zheng explains in her July 2023 Harvard Business Review article, "How to Effectively — and Legally — Use Racial Data for DEI", "The key to sustaining DEI progress and commitment through this volatile time lies in acting intentionally: curtailing your usage of racial data that is the most legally risky, while taking decisive action to continue using racial data to eliminate discrimination, remove bias, and create fairer workplaces."

Particularly in health care settings, the need for greater diversity— among clinicians, across the workforce, in leadership and in the boardroom, remains a priority we cannot ignore.

Survey Results

As I highlighted in my commentary on board diversity for the 2022 AHA Governance Survey, our industry-wide progress on increasing the diversity of hospital and health system board membership remains abysmal.

The survey reported that 80% of all voting board members (across all types of boards — system, subsidiary and freestanding) are white. Only 10 percent of board members are Black or African American, five percent are Hispanic/Latino and three percent are Asian. Also disappointing: women make up only slightly more than a third of members across all boards.

According to population projections from the U.S. Census Bureau,

by 2060, about one-third of the country's population is projected to be a race other than white by 2060. True, that is 36 years from now, but there is a lot of work to be done in that time. According to my calculations, if we continue to progress at our current rates, it will be another 20 years before we even reach gender parity (50% men and 50% women) in our boardrooms. This is simply too long to wait. Our communities deserve better from us in terms of the leadership reflecting the diversity of those our organizations exist to serve.

Sufficient representation means there is someone who understands the culture, common health needs, socioeconomic challenges and even the mindset of a population. When that someone is a member of a hospital or health system governing board who helps to set strategic direction, oversees quality and ensures resources are adequately allocated to ensure high quality care, is when meaningful, sustainable change can happen.

Diversity should not be construed to mean only ethnicity, race, or gender. If your community is relatively homogenous in terms of its ethnic or racial makeup, that does not excuse sidestepping this issue. Diversity can be demonstrated in board members who vary by age, sexual orientation, faith, socioeconomic status, veteran status or lived experience of being unhoused and food insecure, to name just a few examples.

Why is such change needed?

Consider these undeniably inequitable healthcare statistics from the Joint Commission:

- The maternal mortality rate for Black women is four times higher than that for non-Hispanic white women.
- Hispanic women are 20% more likely to die from cervical cancer than non-Hispanic white women.
- Asian Americans are eight times more likely to die from hepatitis B than non-Hispanic white Americans.
- Diabetes rates are more than 30% higher among Native Americans and Latinos than among white Americans.

Neither the existence nor recognition of health inequities is new. In 2003, the Institute of Medicine released a report, "Unequal Treatment: Confronting Racial Bias and Ethnic Disparities in Health Care." Long before that, in 1985, a report, "Black & Minority Health," developed by a task force created by the then-Secretary of Health and Human Services Margaret M. Heckler, documented the health disparities of Black people and other minorities.

Now in 2024, nearly 40 years after that task force report, a report released in June by the National Academies of Sciences, Engineering, and Medicine, tells how racial and ethnic inequities in health care persist in all states in this country in a system that "delivers different outcomes for different populations, resulting in persistent and profound health care inequities."

The report goes on to say that health care inequities lead to "excessive care expenditures and lost labor market productivity." The report also admonishes, "Health care systems operate within communities and should be accountable to them and accountable for their health."

The adage, "The board is the voice of the community" may be overused, but that shouldn't minimize its importance. As a trustee, you are the voice of your community and you must sufficiently represent all the voices in your community.

Asking Good Questions: A Board Member's Superpower

Our hospitals and health systems need board members who are seeking data about their patient and community populations, data that should be stratified for the underserved within these populations. Then, if the data shows disparities in health outcomes based on gender, age, ethnicity, race (or whatever the defining demographic characteristic might be), board members should be asking questions, such as: Are the reasons for these disparities due to medical issues or inequities in care delivery from our institution?

Can a white male board member ask questions about whether the maternal mortality rate for his hospital's Black population is high compared with its other maternal populations? Absolutely. Can he understand the lived experience of a Black woman working a minimum wage job in a neighborhood with poor access to nutritional food and limited transportation opportunities? It would be unusual. And, regardless of whether the white man in question understands the issues, he certainly would not understand them as well as a Black woman on the board might.

Trustees who share life experiences, culture and even the

language of an underserved population are more likely to know which questions to ask — this is the true "work" of the trustee.

Trustees are not managers or operators of health care institutions. The core tool they have to gauge the performance of your hospital or health system is the mighty question. Knowing the questions to ask is key to good governance.

A Bit of Good News

There are a few reasons to be hopeful. A few diversity indicators in the survey rose, if ever so slightly.

- The number of boards reporting at least one non-Caucasian member increased from 54% of those surveyed in 2014 to 68% of those surveyed in 2022.
- Gender diversity has gradually increased. In 2005, 23% of board members were female. By 2022, that figure rose to 36%.
- Ninety-one percent of respondents reported interest in identifying and engaging board candidates who represent diverse characteristics.

I have to admit, though, I'm far from pleased with even these indicators. And the direction that DEI efforts have been going in this country, as I noted above, is cause for concern.

This is why I'm making the case again for diversity on health care governing boards.

As I described in my earlier commentary in the 2022 Survey, diversifying a once-homogenous board is hard work. Often, years of hard work. We have seen the results of health inequities and it is the role of the board to steer their organizations toward providing the highest quality of care possible — for all of the populations within the community.

The country is growing more diverse. Leaders should serve as role models for change. And, there is a great need for change. Consider this comment from a 2020 article on the nation's growing diversity by William H. Frey, senior fellow with Brookings Metro, a publication of the nonprofit Brookings Institution:

"One fact is already clear: As the nation becomes even more racially diverse from the "bottom up" of the age structure, more attention needs to be given to the needs and opportunities for America's highly diverse younger generations. The demography alone dictates that this will be necessary to ensure success for these youth and the nation as a whole."

Part of the needs of this growing younger and diverse generation will be, of course, health care. Meeting the needs of these new generations will require changes to the way health care is delivered.

Ensuring the equitable delivery of care to these people means adequately understanding and voicing their needs, questioning whether these needs are being met and gauging the outcomes of that care.

Act Now or Be Forced to: You Choose

I believe that most health care leaders would not support additional regulation on the industry. And yet, regulations requiring diversity in governing boards may be in our future if our board and organizational leadership teams don't intentionally make change happen.

Some types of health care boards already have stringent composition requirements. Fifty percent of board members of Federally Qualified Health Centers, for example, are required to be users of these clinics.

Finding allies to prevent such legislation may not be easy. There has been a groundswell of criticism of the health care industry in general in recent times. The nonprofit arm gets swept up in this negativity (some of which is justified, to be sure). But, we need to take on this issue. If not, legislators, regulators and accreditation agencies will impose greater regulations or standards on the industry, and these rules will not consider the uniqueness of the individual communities that our hospitals serve. Health care leaders, not legislators, are much better positioned to know what diversity of board leadership is best for their communities.

Let's hope that in the 2025 AHA Governance Survey, the numbers will show healthy improvement in board diversity — this will not only keep the regulators at bay, but more importantly, enrich the dialogue at the board table so that unmet needs are identified, and health inequities are eliminated.

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