

Trustee Insights

BOARD DIVERSITY



How Children's Minnesota Makes DEI Efforts a Priority

Leadership and board support are key to elevating strategic importance of diversity

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Health care organizations across the nation are investing time, attention and dollars in diversity, equity and inclusion efforts. Some hospitals and health systems are deep into their DEI journey while others are just beginning to understand the DEI challenges of the organization and the communities they serve. Wherever they fall on this spectrum, health care organizations are seeking to define

the role of their governing body in this important work.

As DEI strategies are developed, and ultimately woven into everyday policy and procedure, boards should play a significant role in lending support, driving accountability and inspiring culture. Board members have a fiduciary obligation to oversee strategy and quality, areas in which DEI has an increasingly recognized prominence. Additionally, boards should be seeking to align their own composition and culture

with their organizational DEI goals. Finally, trustees play an important role as vocal leaders, internally and externally, to move diversity, equity and inclusion forward.

Children's Minnesota, a free-standing pediatric health system located in Minneapolis, began its DEI journey in 2018. While this work is ongoing, the organization has made significant progress across multiple domains in the last three years. The Children's Minnesota management team led the DEI strategy and goal development with strong endorsement from board members.

As boards define their role in diversity, equity and inclusion, the Children's Minnesota journey offers key insights. This work is demonstrated across four functions: (1) strategic oversight, (2) quality oversight, (3) board composition and culture, and (4) championship and advocacy.

Strategic Oversight

While some hospitals and health systems have developed a stand-alone diversity, equity and inclusion strategy, others view all of the organization's strategic elements through a DEI lens and weave DEI outcomes throughout their strategic goals. Regardless of philosophy, the board, with its fiduciary role of strategic oversight, must have a clear understanding of the organization's current state, the desired future state and

how progress will be measured. Ongoing dialogue between the management team and the board is required to build awareness, refine the plan and create alignment. The board should adopt key metrics to monitor DEI progress and hold the management team accountable for achieving outcomes. The board also must ensure DEI investments are prioritized and protected, especially in times of economic challenge or strained operations.

Hospitals and health systems, particularly those that are not-for-profit, are community assets and have an obligation to address the needs of their communities. While inequity in health care is a national issue, Minnesota has some of the worst disparities in health outcomes in the United States. For Children's Minnesota, its 2016–2017 community health needs assessment provided a wake-up call: Systemic racism and health disparities were named as two of the top five issues affecting the health of children in the community. Research shows that a more diverse health care workforce that better reflects the populations being served improves health equity. When Marc Gorelick, M.D., (one of this article's co-authors) became CEO of Children's Minnesota in December of 2017, he recognized that DEI needed to be a strategic priority for the health system.

A first step was signing on to the CEO Action for Diversity and Inclusion pledge. At the time, Children's Minnesota was one of about 150 companies in the United States to do so, and one of very few hospitals. The CEO action pledge now counts nearly 6,000 companies across all sectors, including many

health systems.

One of the pledges made by signatories is to have a strategy around diversity, equity and inclusion that is shared with the board. Children's Minnesota also created the position of chief equity and inclusion officer. This individual reports directly to the CEO and leads a team tasked with working collaboratively with other departments such as human resources, quality, supply chain, and advocacy to inform and drive DEI efforts. As a member of the executive leadership team, the CEO also ensures that DEI issues are considered as part of all key strategic and operational decisions. For example, each major initiative within the current operating plan includes a performance metric related to DEI.

The board holds the management team accountable through expectations of regular reporting on DEI progress and through compensation incentives. The board-approved balanced scorecard on which executive and management incentive plans are based includes DEI elements, with 25% of the incentive tied to workforce diversity — hiring and retention — and reducing health disparities. In addition, the board holds itself accountable by including questions around DEI in its annual board effectiveness survey.

Quality Oversight

Hospital and health system boards are charged with oversight of the quality and safety of care provided by the organization. The Institute of Medicine first identified health equity as one of six key quality health care aims in 2001. Thus, monitoring the quality of care must

include monitoring care disparities. While health inequities are not new, the COVID-19 pandemic highlighted stark and concerning health disparities. Boards have an obligation to understand disparities in health outcomes within their own organization and to support improvement initiatives. Using data to uncover disparities, to communicate the case for change and to measure improvement is essential to an organization's ability to improve health equity.

The Children's Minnesota leadership team believes health inequity is a preventable cause of harm, and that improving health inequity requires data and intentionality. The team has developed a pediatric health equity dashboard to identify and respond to disparities in processes and patient outcomes. Baseline data demonstrated stark disparities between white patients and Black patients. For example, Black patients were significantly less likely to achieve well-controlled asthma or to complete routine vaccines by age 2, and were more likely to have had a no-show ambulatory appointment. The dashboard has proved to be an important tool to improve transparency and drive accountability. It is monitored by the quality committee and the board of trustees as part of their regular quality reporting cycle. These measures provide transparency into existing inequities and often lead to uncomfortable but necessary dialogue. Using data and transparency to drive discussions with the board regarding health equity mitigates defensiveness and facilitates alignment and a focus on improvement.

Board Composition and Culture

As health care boards evaluate their role in diversity, equity and inclusion, it is imperative to consider board composition and culture. Executive leaders and trustees should critically examine their own board composition to ensure diversity in experience, thought and background. By implementing a multiyear cultivation plan, a board can strategically diversify its makeup, including race, ethnicity, gender, professional experience, and key skills and attributes. Increasing diversity within a governing body requires intentionality and full board involvement.

A board also is responsible for the culture it operates within. Creating or strengthening an inclusive board culture is essential to maximizing board effectiveness and engaging trustees in and out of the boardroom. Trustees, regardless of tenure or background, should feel their voice is valued and be comfortable sharing their perspective. Board leadership plays a key role in ensuring an inclusive board culture and must be willing to address any barriers created by interpersonal dynamics.

Under the guidance of its governance committee, Children's Minnesota has adopted an intentional approach to board recruitment, based on a regularly updated grid of desired competencies, work experience and personal characteristics. As a result, the composition of its governing and foundation boards has become more diverse in terms of race, ethnicity, gender, sexual orientation and areas of professional expertise. As shown in the board self-assessment survey results, this

change has been warmly welcomed by the members.

As part of Children's Minnesota's focus on inclusivity, the organization partnered with an outside firm to provide intercultural competence assessments and development for its senior leadership team. This process is now being rolled out to the entire board of trustees. The goal is to help board members understand their individual, and the board's collective, orientation around intercultural engagement, a key element in creating an inclusive environment on the board and throughout the organization.

Championship and Advocacy

Board members serve as internal champions and external advocates. Employees and providers across the organization should know the board is supportive of its diversity, equity and inclusion efforts. Board members can lend their voices in employee communications, participate as guests at DEI committee or resource group meetings and share stories or best practices from the journeys of their own professional organizations. This type of support and interest from the board will permeate the organizational culture and provide fuel for progress. Just as trustees advocate on behalf of the organization's mission and vision, they also can create community awareness of DEI efforts and outcomes. Sharing this work externally builds credibility and trust with patients, families and corporate partners alike.

At Children's Minnesota, board members are active and visible participants in the DEI work. The

CEIO attends board meetings and provides regular updates on DEI efforts. Board members are encouraged to attend DEI-related events, including cultural celebrations, seminars and conferences. The management team shares accomplishments with trustees in a format they can share with their networks in the community.

Improving diversity, equity and inclusion in health care will require leadership, systemic change and investment. Like the experience of Children's Minnesota, there will be great successes and many lessons learned along the way. Boards have an essential role in this work and can help accelerate positive outcomes. Trustees should adopt a diversity, equity and inclusion lens through which they carry out fiduciary obligations, continually develop the board and advocate on behalf of the organization.

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