There are two paths for the future of health equity. Here's how you can shape it.

By Darby Sullivan

The health care industry has made a critical decision. By and large, leaders have decided that health equity is central to their mission as health care organizations—or at least, it should be. The past two years ushered in unprecedented experimentation and investment in health equity as many organizations waded into these waters for the first time. That experience solidified for leaders just how daunting the path is ahead. Many don't feel ready. And most organizations still grapple with conflicting incentives that put health equity goals at odds with other strategic priorities.

Two potential paths for the future of health equity

This dynamic has positioned health care leaders at a crossroads. And the decisions that each organization makes will set the course for health equity. There are two possible futures:

Path	Reasons for	Reasons against
1. The industry **continues to designate health equity as solely a mission imperative,** staying the current course.	Amid an ongoing pandemic and a workforce crisis, leaders may not have the capacity to continue evolving their health equity efforts, especially in the face of limited data, complex root causes, and a lack of clarity on how to move forward.	When push comes to shove, health equity will remain a nice-to-have, not a need-to-have. Efforts will be largely pilot-based passion projects that rely on grant funding. They're more likely to be operated in siloes, rather than embedded across the organization systematically. Impact will be limited.
2. The industry **solidifies health equity as a transformative business imperative,** in addition to a mission mandate. This directly ties health equity performance to an organization's bottom line.	Clear incentives will cement health equity as a strategic priority, with negative financial consequences for organizations falling short enforced by the government, the market, or organization boards. Health care organizations will be required to meet health equity goals for their business as a whole to succeed, accelerating progress.	This will require significant time and resources to build an internal health equity infrastructure that weaves equity into every piece of the business. Leaders will have to navigate new and complex cross-industry partnerships to solidify incentives and penalties across the industry. And falling short of health equity goals may put the organization's financial health at risk.

Until recently, we would've been willing to bet that the mission imperative focus of Path 1 above was the most likely to come to bear. That's changed for a few reasons.

First, the **federal government has kept the industry's eyes on health equity**, even in the face of competing priorities. President Biden's administration has demonstrated consistent interest in advancing equity, ranging from declaring racism a public health threat to opening up new funding opportunities to redesigning CMS programs with equity at the core. Notably, the administration has also been able to work with bipartisan partners in Congress to advance these goals.

But arguably the most interesting development goes beyond action in the public sector. Plans and employers have started to coalesce around a new tactic: **holding provider organizations accountable for delivering equitable care by weaving equity into quality metrics**. Just as providers already receive payment bumps for meeting certain quality metrics and penalties for falling short, providers in these new contracts will now also be accountable for any gaps between demographic groups. It's no longer sufficient for performance to be good on average if there is variation under the surface. BCBS of Massachusetts has led the charge, but other entities quickly followed—including Morgan Health and CMS with its new ACO REACH model.

Integrating equity into quality is promising—but will it deliver?

This strategy is a brand-new approach for advancing health equity and is still in the early stages. It could unfold in different ways:

- **Optimistic outlook**: Assuming more organizations adopt the model, this approach could mark a turning point in how the industry defines quality, how much health equity data the industry has (and how standardized it is), and how organizations conceptualize the financial impact of health inequities on their business. Once there's an incentive to experiment, leaders can better understand how the industry is falling short and identify new ways of delivering care.
- **Pessimistic outlook**: But there's also a risk that this strategy could default to a "check the box" exercise. Looking to the introduction of HCAHPS scores as an example, there's a risk that organizations start to hyper-focus on specific metrics rather than design holistic strategies to impact the root causes of health inequities. And if entities don't coordinate, provider organizations may face conflicting data gathering requirements that quickly become overwhelming.

Either way, we know that this new strategy won’t be a silver bullet. It focuses narrowly on provider organizations, while all stakeholders in the industry play a role in mitigating (or perpetuating) inequities. And a comprehensive health equity strategy has to touch on all three pillars of an equitable health care organization—including the workforce and the community as well as patients.

Your role in advancing health equity starts here

Ultimately, health care leaders can make principled arguments for selecting either path as the right one for them. It boils down to one key indicator: Is your organization ready and able to commit real resources to support this work in the long term?

No matter your answer, every health care organization can still make a meaningful difference in advancing equity. We recommend three strategies that all organizations can and should adopt today. They may or may not map directly to equity metrics within new quality contracts—but they will start to address the underlying causes of inequity.

- **Expand your partnership strategy** beyond community-based organizations to include all industry players, including competitors. Cross-industry partnerships can create mutual accountability for progress, reduce duplicative efforts, and maximize impact.
- **Advocate for policies** that address the root causes of inequity—intergenerational poverty and structural racism. Industry leaders can’t solve these challenges alone, so ask local, state, and federal policymakers for what you need to make progress more possible, quicker.
- **Uplift economic outcomes** by adopting an "anchor" approach to hiring and supplying decisions, which includes diverting existing dollars to local economies whenever possible. This development builds a more favorable payer mix, reduces plan membership churn, and strengthens the workforce pipeline.

What each organization does beyond these three elements depends on where it sits in the industry. The most impactful organizations identify their strengths and weaknesses—and find partners who can fill their gaps.