



A SERVICE OF

**nrc**  
HEALTH

MARCH 2023

# Pediatric Focus

## The Board's Role in DE&I: A Pediatric Perspective

By **Laura Orr**, CEO, *Forward Governance Consulting*

**Pediatric hospitals have a mission to provide care and support for the most vulnerable of patients.** Often from humble beginnings, these institutions have now grown into world-class health systems delivering highly specialized and lifesaving care. While advancements in prevention, treatment, and technology have been vast, the core missions of pediatric institutions have remained steadfast: to care for *all* kids in need. Given this strong and unwavering shared mission, it is not surprising that pediatric institutions have often been pioneers in diversity, equity, and inclusion (DE&I) work in the healthcare industry.

While hospitals and health systems vary in where they are in the DE&I journey, the commitment to improvement is resounding. Governing bodies have an essential role to play in this work. Directors have fiduciary obligations to oversee quality and strategy. Within that context, they must also ensure board composition and culture support the organization's DE&I goals. Moreover, directors can have a great impact within the organization and in the community as champions and advocates.

Children's Minnesota, a pediatric health system located in Minneapolis, Minnesota, and Children's Wisconsin, a pediatric health system located in Milwaukee, Wisconsin, each demonstrate the power of board involvement in accelerating DE&I outcomes.

### Strategic Oversight

Hospitals and health systems are investing in the development of DE&I strategies, support infrastructures, and DE&I-specific performance metrics. Many have created a standalone DE&I strategy. Others consider DE&I a lens through which to view and achieve each component of the overall organizational strategy. Regardless of the institution's approach, directors should have a clear understanding of the current state, the desired future state, and how progress will be measured. Ongoing dialogue between the management team and the board is needed to build awareness, continually refine the plan, and align messaging and priorities. The board should

adopt metrics to monitor DE&I progress and hold the management team accountable to outcomes by incorporating these measures into annual balanced scorecards and incentive compensation plans. Finally, with DE&I as a strategic imperative, the board must prioritize and protect those investments irrespective of changing economic conditions and other operational challenges.

### → Key Board Takeaways

Healthcare boards have a critical role to play in improving diversity, equity, and inclusion across the industry. Going forward, it is imperative for pediatric hospital and health system boards to:

- View all decision making and core fiduciary duties through a lens of diversity, equity, and inclusion.
- Provide strategic oversight for DE&I priorities and monitor key performance measures.
- Ensure health equity is a focus area within the organization's quality and safety program.
- Continually evaluate and enhance the composition and culture of the board to align with DE&I goals.
- Serve as internal champions and external advocates for the organization's DE&I efforts.

Children's Minnesota began its DE&I journey in 2017. Marc Gorelick, M.D., CEO, described their 2016–2017 community health needs assessment as 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. As a first step to solidifying DE&I as a strategic priority, the organization signed on to the CEO Action for Diversity and Inclusion pledge.<sup>1</sup> At the time, Children's Minnesota was one of only 150 companies across the country to do so, and one of very few hospitals. As part of the pledge, the organization developed a board-supported DE&I strategy earlier than most. The senior leadership team ensures DE&I issues are considered as part of all key strategic and operational decisions and the board holds the management team accountable to do so. Gorelick explained, “The board expects and receives regular reporting on our

1 See [www.ceoaction.com/pledge](http://www.ceoaction.com/pledge).

DE&I progress. Beyond that, executive and management incentive plans are based on a balanced scorecard with 33 percent tied to DE&I-related initiatives, including workforce diversity and reducing health disparities.”

The Children’s Wisconsin leadership team and board of directors recently completed a new five-year strategic plan using a DE&I lens to identify goals and investments. The new strategy includes many initiatives aimed to advance health equity and positively impact the broader community. For example, as part of its ambulatory strategy, the organization recently opened a new clinic in an underserved community to provide easier access and ease transportation burdens and time away from school and work for patients and families from the neighborhood. The board recognizes that issues such as food insecurity, housing instability, and lack of transportation are proximate causes of poor health outcomes for the kids and families they serve. “Health-related social needs are frequently identified as root causes of disparities in health outcomes,” said Peggy Troy, CEO of Children’s Wisconsin. “Because of that, we are expanding our efforts to screen for social determinants of health, making additional investments in care navigation and health management support, and leveraging partnerships with community organizations to provide health resources.” Like Children’s Minnesota, the Children’s Wisconsin board holds the leadership team accountable to advance DE&I efforts with incentive measures that include expectations to decrease employee engagement disparity between multiple demographic categories and increase total workforce diversity.

“The board expects and receives regular reporting on our DE&I progress. Beyond that, executive and management incentive plans are based on a balanced scorecard with 33 percent tied to DE&I-related initiatives, including workforce diversity and reducing health disparities.”

—*Marc Gorelick, M.D., CEO of Children’s Minnesota*

## Quality Oversight

Hospital and health system boards are charged with overseeing the quality-of-care delivery including health equity, which was identified as one of six key quality healthcare aims by the Institute of Medicine in 2001. The COVID-19 pandemic highlighted health inequities across the country in new and alarming ways. Boards

have an obligation to understand disparities in health outcomes and to support improvement within the organizations they serve. While this area of data collection and reporting may be new to many, boards should expect leadership teams to invest in this analysis and report on existing disparities, interventions, and improvement measures.

Hospital and health system boards are skilled in making decisions with quality and safety at the forefront. Moving forward, boards must ensure that their quality and safety lens incorporates health equity. This will likely require new dialogue and learning until it becomes a reflexive consideration in the boardroom as policies are developed and investments are allocated.

Children's Wisconsin's commitment to healthy equity is reflected in its annual quality plan, overseen by the quality committee and the board of directors. The plan includes stratifying key quality measures by diversity dimensions to determine gaps in outcomes and implementing strategies to close the gaps. Upon recent evaluation of NICU data, the organization discovered a discrepancy in outcomes related to breastfeeding at discharge for mothers of color compared to Caucasian mothers. "We know breast milk is the best diet for infants, and this data made us take a hard look at how we were providing support to all our families," stated Troy. The organization has hired a peer counselor to help mothers of color in the NICU navigate the challenges of breastfeeding. Troy shared, "This initiative has been successful at other hospitals, and we are excited to see it work here as well."

"Health-related social needs are frequently identified as root causes of disparities in health outcomes. Because of that, we are expanding our efforts to screen for social determinants of health, making additional investments in care navigation and health management support, and leveraging partnerships with community organizations to provide health resources."

—Peggy Troy, CEO of Children's Wisconsin

Similarly, the team at Children's Minnesota is also using data and working with the board to understand and improve health inequities. Upon developing a pediatric health equity dashboard, baseline data demonstrated stark disparities between White

and Black patients. Gorelick noted, “Black patients were significantly less likely to achieve well-controlled asthma or to complete routine vaccines by age 2, and they were also more likely to have a no-show ambulatory appointment.” The dashboard is a key tool to increase transparency and accountability in the organization. Monitored by the quality committee and the board, Gorelick shares, “these data often lead to uncomfortable but necessary dialogue.”

## **Board Composition and Culture**

As healthcare governing bodies assess their role in advancing DE&I, they must reflect on their own board composition and culture. Implementing a multi-year cultivation plan allows a board to strategically diversify its makeup, including race, ethnicity, gender, professional experience, and key skills and attributes. Increasing the diversity of a governing body to reflect its many constituencies requires intentionality and full board involvement.

An inclusive board culture is necessary to maximize board effectiveness and to fully engage directors. All board members, regardless of tenure or background, must feel their voice is valued and be comfortable sharing their unique perspective. Board leadership plays a critical role in ensuring an inclusive board culture and must be willing to address any existing barriers. Questions regarding the board’s DE&I efforts and culture should be included in annual board effectiveness surveys as one measure of accountability.

The boards of Children’s Wisconsin and Children’s Minnesota have both taken an intentional approach to increasing diversity among their directors. While the Children’s Wisconsin board meets the 30 percent diversity target, including gender, racial, and ethnic diversity, used by many other non-profit organizations, Troy says, “we are continually striving to improve in this space to ensure our board represents the community we serve.”

In addition to increasing the diverse makeup of its board, Children’s Minnesota has partnered with an outside firm to provide intercultural competence assessments, coaching, and development for its senior leadership team and the board. Gorelick explained the goal “is to help board members understand their individual, and the board’s collective, orientation around intercultural engagement, which we believe is an important element of an inclusive culture.”

## → Discussion Questions for the Board

### *Strategic Oversight*

- Does the organization have a DE&I strategy in place or in development?
- Is the DE&I strategy aligned with the overall organizational strategy?
- What investments are being made to implement the DE&I strategy?
- What performance measures will be used to monitor progress of the DE&I priorities?

### *Quality Oversight*

- Are the quality committee and the board reviewing health equity data regularly?
- What investments are being made to impact health inequities?
- How can the board foster more dialogue around health equity in policy making, strategy development, and investment decisions?

### *Board Composition and Culture*

- What is the current composition of the board across multiple dimensions of diversity (race, ethnicity, gender, sexual orientation, professional experience, skillsets, etc.)?
- Does the organization have a multi-year cultivation plan, and does it aim to increase diversity?
- How will board-level diversity and inclusion efforts be measured?

### *Championship and Advocacy*

- How can directors best demonstrate support for staff?
- How can directors best share the organization's DE&I journey in the community?

## **Championship and Advocacy**

Board members serve as both internal champions and external advocates for the organizations they govern. Internally, board support for DE&I efforts should be evident to employees and providers throughout the hospital or health system. Directors can share their voices through existing employee communication channels, participate as guests in DE&I committee or resource group meetings, and share best practices from their own professional experiences. Visible support from the board will help foster DE&I within the organizational culture and help build momentum for achieving results.

Just as board members advocate on behalf of the organization’s mission and vision, they should also work externally to create community awareness of its DE&I efforts and outcomes. Sharing this work externally builds credibility and trust with patients, families, and corporate partners.

At Children’s Minnesota, board members are active and visible participants in their DE&I efforts. Demonstrating strong internal support, directors attend DE&I-related events including cultural celebrations, community events, seminars, and conferences. Outside of the boardroom, directors intentionally engage their networks in sharing the many DE&I accomplishments of the organization.

With its commitment to improving health equity, the Children’s Wisconsin’s governing board and its foundation board, have challenged the organization to turn upstream to address the root causes of key health issues. The boards are involved in fundraising and broadening partnerships with government officials, business leaders, and community organizations across the state. One such example is a program aimed to reduce a high incidence of lead toxicity in Milwaukee kids. The health system is leveraging its resources and expertise to join forces with health departments and community partners to increase lead screening and testing, provide earlier treatment, and drive overall prevention. Their advocacy also extends to discussions with the City of Milwaukee about lead lateral pipe replacements and community coalition building.

Leadership and investment are essential to improving diversity, equity, and inclusion in healthcare. Boards have a critical role in this work and can be catalysts for meaningful change. Much like quality and safety, governing bodies must incorporate diversity, equity, and inclusion considerations as they carry out fiduciary responsibilities, continually evolve board representation and culture, and advocate on behalf of the organization.

*The Governance Institute thanks Laura Orr, CEO, Forward Governance Consulting, for contributing this article. She can be reached at [laura@forwardgovernance.com](mailto:laura@forwardgovernance.com).*

