

# E-Briefings

VOLUME 22 • NO. 1 • JANUARY 2025



The Governance Institute

## Healthcare Forecast 2025: 10 Trends for Board Members, Senior Leadership, and Physician Leaders

By Steven T. Valentine, President, *Valentine Health Advisers*, and Guy M. Masters, President, *Masters Healthcare Consulting*

### With the election of Donald Trump to the presidency of the United States

and the Republicans holding the majorities of Congress, change is inevitable. Hospitals, physicians, and health plans that offer Medicare Advantage were



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already facing headwinds forecast for 2025. For the past three years, health systems, hospitals, and physicians have struggled with issues including labor (travelers, registry, or temporary staff); salaries, wages (with some states and cities passing minimum wage requirements), and more expensive benefits; cybersecurity/ransomware

attacks; escalating drug costs (especially specialty drugs, now exceeding 40 percent of dispensary revenue); supplies; and recently, inflation and interest rate increases (causing debt and operating costs to be more expensive). Many of these elements will persist in shaping the financial, operational, and clinical outcomes, along with change from a new administration, for 2025.

#### 1. Workforce challenges and labor unrest will continue:

- We seem to be moving past the large number of labor strikes because minimum wage rates have gone up and labor shortages appear to have eased some.

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- Bringing Light and Heat to Healthcare Governance: Co-Creating Thriving Futures

- Burnout, retirements, remote/hybrid working, and wanting four-day work weeks now are factors impacting labor supply.
- We see continued shortages of physicians, nurses, and other clinical positions, as well as administrative personnel and even qualified/interested board members in 2025. There is nothing on the horizon to positively impact the workforce supply.

In the boardroom:

- Reinforce the mission to strengthen common purpose and loyalty to the organization.
- Adopt more automation, AI, machine learning, and robots to reduce labor needs.
- If possible, be flexible with employees through remote work, four-day work weeks, flexible benefits, etc.
- Continually address culture issues such as a focus on excellence, accountability, safety, diversity, well-being, recognition and rewards, career ladders, training support, and work-life balance, in addition to competitive benefits and compensation.

**2. Cybersecurity/ransomware threats will persist, worsen, and demand greater attention:**

- Medical groups, hospitals, and health systems of all sizes are increasingly plagued with security breaches that can paralyze operations and expose organizations to large ransom payments, and patients to criminal damage or loss of personal information.
- 2025 will bring more cyber attacks and greater ransom demands, which will occupy more of IT staff time, use more resources, and increase IT budgets.

In the boardroom:

- Anticipate continuous attacks and monitor the organization's efforts to avoid them.
- Assess the processes, systems, and plans you have in place for cybersecurity events to ensure their adequacy and effectiveness; make sure to address vulnerabilities promptly.
- Network with peers at other organizations (healthcare and outside industries) to learn how they are defending and protecting against cyber attacks.
- Proactively hold management accountable to train the workforce organization-wide to recognize, question, and report potential threats, phishing emails, suspicious contacts and requests for inappropriate information, and other data breaches (physical as well as virtual) of HIPAA, patient data, and other forms of theft.

Reinforce the mission to strengthen common purpose and loyalty to the organization.

### 3. Efforts to improve access and address social determinants of health (SDOH)

#### will inch forward:<sup>1</sup>

- Many health systems, hospitals, and medical groups will continue to build on the momentum already created around efforts to proactively increase diversity within their organizations.
- Organizations will continue to address equitable healthcare access and care disparities through hiring more minorities and locating outreach services in underserved communities.
- Funding for SDOH remains elusive and the benefits take time to prove themselves.

In the boardroom:

- As a board, periodically assess the status of SDOH as well as community access efforts that have been implemented and the impact these have had in the communities you serve.
- Ensure that the organization's community health needs assessment (CHNA) and implementation plan are current (updating is required every three years).
- Monitor changes in your community and assess access points and outreach efforts.

### 4. Artificial intelligence, ChatGPT, machine learning, predictive analytics, and precision medicine will disrupt healthcare slowly:

- Healthcare applications of AI, machine learning, genetic profiles, precision medicine, and predictive analytics are interrelated in their application to improve care delivery, outcomes, and consumerism. In the near future, these technologies will be disruptors (as well as enhancers and competitive differentiators) in care delivery.
- AI will result in more standardization of care and enhanced patient experience.
- AI will be used more frequently in mental health and substance abuse care settings, imaging, and non-clinical areas. AI budgets will go up at a more rapid pace than during prior years.
- Most likely, AI will experience slow adoption or increasing investments by providers in 2025.

In the boardroom:

- AI, ChatGPT, and predictive analytics and their evolving applications should be watched, with careful attention given to how, where, when, and what uses should be explored, tested, and embraced in your unique circumstances. The board should continue to ask: how can AI be useful at our hospital?
- Monitor AI uses in the areas of imaging, revenue cycle management, other non-clinical areas and consumer engagement.

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1 Social determinants of health are also now being referred to as "vital conditions"; see e.g., <https://health.gov/our-work/national-health-initiatives/equitable-long-term-recovery-and-resilience/framework>.

- Monitor reports about developments as they evolve and incorporate this information in your strategic planning efforts.
- Consider if AI can be applied to the organization's consumer experience efforts.

#### **5. Mergers, acquisitions, partnerships, and collaboratives will increase:**

- The Trump administration is expected to have a more “hands-off” approach to mergers and acquisitions in the next few years. Many health systems, hospitals, and medical groups that struggle in the current environment (especially in rural areas) will be faced with finding an appropriate partner. Alliances, mergers, acquisitions, collaboratives, or other partnership arrangements may be necessary to consider as options if they struggle financially, can't borrow money for capital projects, can't invest in strategic initiatives, face tough competition, or if the market is moving in a different direction.
- Efforts to acquire major physician groups, urgent care centers, ambulatory surgery centers, imaging, and post-acute companies will continue at a robust pace in 2025.
- Organizations like Amazon, CVS Health, and Walgreens Boots Alliance, while changing strategic direction, will selectively retrench some in 2025 because of overreaching in 2023 and 2024.
- Venture capital and private equity will continue to invest in healthcare.
- With birth rates in decline and ER volumes increasing, boards have a challenge to respond to a changing/conflicting healthcare environment and may force partnership or affiliation opportunities.

In the boardroom:

- Monitor market trends, competitor activities, demographic shifts, Trump administration policies, and economic factors that could impact your organization, as well as others around you. Identify, assess, and consider scenarios and options that include partnerships with other providers, including shared services, collaboratives, alliances, joint ventures, mergers, and other creative relationships.
- Monitor your organization's performance, identify the underlying causes, and then evaluate opportunities through affiliation that will address those issues.
- Assess pros, cons, benefits, and potential unintended consequences of an affiliation as part of the due diligence process performed by the management team.

#### **6. Site of care shifts will continue to impact providers in 2025 and beyond:**

- After a few years of lower inpatient utilization, there appears to be a bounce back, attributed to delayed care, an aging population, and increasing incidence of chronic disease and regulatory and payer shifts.

- The past several years of shifts from inpatient to outpatient/ambulatory/home settings will continue, driven by technological advances, pharmaceuticals, virtual/telehealth care, home care, and other disruptive modalities (digital tools and AI).
- There is potential growth of mental health services using new facilities and virtual tools.
- Value-based care models will still push energy into care models that reduce the use of healthcare resources.

In the boardroom:

- Will glucagon-like peptide-1 (GLP-1) reduce the use of hospitals due to reduced admissions because there will be fewer surgeries and procedures? Watch how this impact unfolds in 2025.
- Monitor changes in volume, revenue, and payer mix across key service lines with high contribution margins.
- Monitor outpatient activity in your market, changes in delivery models, and hold management accountable for your organization's ambulatory/home and virtual care expansion.

#### **7. Payer mix will continue to deteriorate:**

- As the population ages, the Medicare payer mix will increase as a percentage of patients. Medicare Advantage now accounts for approximately 60 percent of the Medicare markets throughout the country. The Trump administration is supportive of Medicare Advantage. The big issue in 2025 will be the delays in obtaining authorizations for treatment or referrals.
- As people continue to work non-full time remotely (evidenced by the number of job openings), people will use Medicaid programs or health insurance exchanges instead of employer health insurance. Some of this unemployed workforce may not have insurance and choose to self-insure (take a chance of not getting sick). For those that use the health insurance exchanges, expect the Biden enhanced subsidies to go away under the Trump administration. This may cause more people to go without health insurance.
- Expect that HMO and PPO health plans will gain (vs. lose, as in 2023/2024) members due to an improved employment situation, unless there is a recession or higher inflation.
- CMS is proposing to impose payment reductions for physicians in 2025, which may result in providers choosing to stop serving fee-for-service Medicare patients.
- As pharmacy benefit managers come under increased scrutiny, they may push lower drug prices. Medicare will directly negotiate drug prices down using their huge population as leverage and capitation will continue to grow and put pressure on pricing and resource consumption.

In the boardroom:

- More physicians may choose to stop serving Medicare patients if payment reductions occur.
- Monitor that annual revenue growth outpaces expense growth.
- Tracking payer mix trend lines and changes by revenue type is essential in forecasting future financial impacts. Continue to monitor the total cost of care, as well as per unit revenues and expenses for key service lines.
- Seek to strengthen financial resilience.

#### **8. Hospital operation issues will persist:**

- As previously mentioned, increased labor costs, specialty drugs, and utilities will exceed increased payments.
- The Center for Healthcare Quality and Payment Reform estimates that there are approximately 700 rural hospitals at risk of closure, with half of these hospitals at immediate risk of closure.<sup>2</sup>
- IT costs, cybersecurity investment, along with facility upgrades and replacements will pressure organizations.
- For the non-profit operators, fundraising/brand/image will become even more important to the financial health of the organization.
- As usual, revenue cycle management will be a focus of all organizations.
- Growth in non-acute care facilities will drive diversification (e.g., home health, ambulatory, post-acute care), which will require investment and strain margins.
- Academic medical centers will experience lower funding with Medicaid, NIH grants, and medical education support.

In the boardroom:

- Hold management accountable for operational discipline and rigor.
- Ask management for quarterly updates on quality scores, patient experience, and reputation.
- Focus on becoming a high-performance organization.
- Deliberately improve accountability for performance at every level of the organization.

#### **9. Price transparency is failing (so far):**

- Price transparency will continue to be an issue with consumers, regulators, and the public. It is still difficult to easily and consistently obtain accurate pricing information. The Trump administration is a believer in price transparency and will push to make the information more usable and ask for compliance by the industry (as of November 2024, only 21.1 percent of hospitals are in full compliance<sup>3</sup>).

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- 2 Center for Healthcare Quality & Payment Reform, "[Rural Hospitals at Risk of Closing](#)," November 2024.
  - 3 Susanna Vogel, "[Hospital Price Transparency Continues to Drop: Report](#)," Healthcare Dive, November 22, 2024.

- With the Trump administration, expect more federal focus on enforcing rules and regulations for healthcare organizations to provide more accurate and useful pricing information to consumers and patients.

In the boardroom:

- Monitor the level of transparency that exists, and elements such as ease of access, intuitive navigation experience, and what the customer sees (and doesn't see).
- Regularly examine what your competitors post, and how various sites compare (price and quality).
- Check out and compare pricing levels in your market for outpatient procedures, especially ambulatory surgery centers, imaging, and other diagnostic services.

#### 10. Consumerism is back:

- Consumerism will grow with the increased use of tools like digital diagnostics and treatments, at home care, use of AI to navigate the healthcare system, price transparency improvement, and greater use of AI to evaluate treatments and use of telehealth.
- Consumers are slowly becoming better consumers of healthcare and managing their health needs and treatments.
- Consumer experience is becoming more important, and patients are expecting more personalized care and an engaged experience.
- Consumerism will also push price transparency along.

In the boardroom:

- Stay on top of data related to patient satisfaction and experience, top-of-mind brand awareness, quality scores, patient comments and feedback posted on your Web site, and on other online tracking sites.
- Also track other culture-related indicators, including employee satisfaction and engagement, physician satisfaction and engagement, "best place to work" measures, exit interview summaries, and other sources of stakeholder feedback and observations.
- Monitor the integration of AI into the patient experience (consumerism).

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## Critical Success Factors

Parting thoughts regarding critical success factors and other indicators for boards to watch:

- Ensure that you have a robust strategic plan, and that it's being implemented effectively (recommend that the plan be reviewed quarterly at board meetings).
- Approximately 50 percent of board discussion time should be strategic in nature.

- Monitor key financial indicators including days cash on hand, bond covenants being met, margin indicators, and other regularly reported information provided to the board—watch for red flags and warning signs, and address these early and often.
- Strengthen the physician enterprise—ensure engaged, highly productive, accessible members with aligned clinical and financial incentives.
- Foster a culture of excellence, ownership, resilience, and accountability at every level of the organization.
- Consistently focus on the mission.

As we have advised in prior years, set clear goals and high expectations, and hold people accountable for performance. Do not be complacent; what worked this year may not be sufficient for the next. Don't be afraid to fail.

## Key Board Takeaways

- Take steps to avoid cybersecurity and data breaches. Reduce risk by raising the bar and compliance for vigilance at every level in your organization. This includes even simple steps such as employees not using weak and easily hackable passwords, better recognizing phishing traps, screen timeouts, and others.
- Monitor the shift of healthcare to non-hospital sites of care and adjust your delivery system accordingly.
- Double down on fundraising.
- Engage in robust strategic and financial scenario modeling to look beyond simple three-to-five-year horizons. Envision future IT, physical facilities, technologies, alliances, acquisitions, major disruptions, and related potential needs and opportunities.
- Monitor the changes put forward by the Trump administration and adjust your strategic plan as appropriate.

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# Friend or Foe? Private Equity as a Strategic Partner to Hospitals and Health Systems

By Hector Torres, Managing Director, Aaron Newman, Director, and Luke Hartline, Associate, Healthcare Investment Banking, *DC Advisory*

## Private equity (PE) plays a significant role in the financing of healthcare in the U.S.

In 2022 alone, approximately 863 healthcare-related transactions were completed by PE firms, after reaching a historical peak of 1,013 healthcare transactions in 2021.<sup>1</sup> PE firms have long been consolidators of the hospital, nursing home, and home health sectors, but recently, this investment activity has even extended to physician practice management sub-specialties, such as urology, orthopedics, cardiology, and beyond. PE investment activity, while scrutinized from a regulatory standpoint, has remained consistent within the hospital and health system sector, with approximately 460 acute care facilities presently under PE ownership.<sup>2</sup> A handful of PE firms dominate the list of private equity-owned hospitals: Apollo Global Management (LifePoint Health, ScionHealth), Equity Group Investments (Ardent Health Services), One Equity Partners (Ernest Health), GoldenTree Asset Management and Davidson Kempner (Quorum Health), Surgery Partners (Bain Capital), and Webster Equity Partners (Oceans Healthcare).<sup>3</sup>

PE is a broad term that represents private investment activity taking the form of either investments made directly in a target company or secondary transactions made by acquiring shares from existing investors. Both primary and secondary PE investments are made through a fund of committed capital that is structured as a limited partnership. PE funds involve a general partner, which raises and administers the fund, selects investment opportunities, and distributes return proceeds back to investors when investments are sold. The investors in the private equity fund are the limited partners. The standard PE fund organizational structure is outlined on the next page.

Multiple factors are driving PE's growing attraction to the healthcare sector. One was certainly the historically low-interest rate environment witnessed in the last few years.<sup>4</sup> A second factor has been the increasing commercialization of healthcare, which has made it more acceptable for private investors to treat healthcare—traditionally a non-profit sector—similarly to other sectors of the domestic economy.

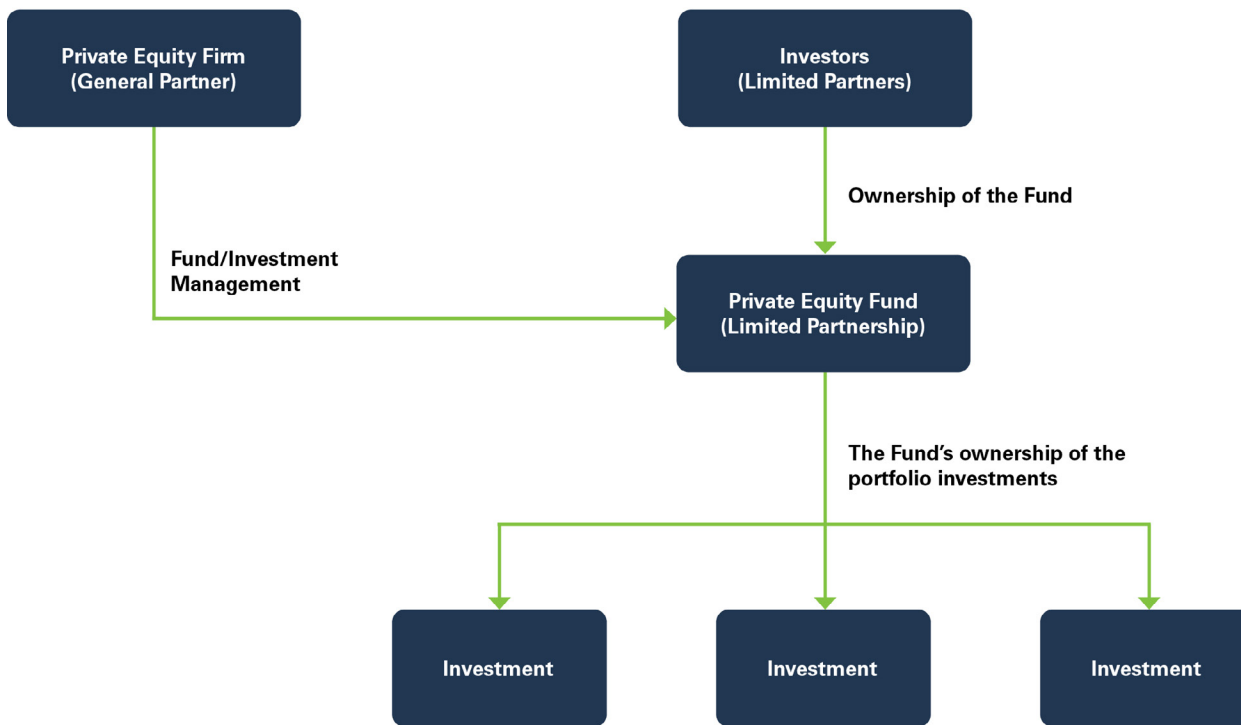
While PE has already invested nearly \$1 trillion into the U.S. healthcare market since 2006, the most recent evolution of the PE playbook includes non-traditional partnerships

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- 1 PitchBook Data, Inc., 2022.
- 2 Private Equity Stakeholder Project, [Private Equity Hospital Tracker](#).
- 3 *Ibid.*
- 4 David Blumenthal, "Private Equity's Role in Healthcare," The Commonwealth Fund, November 17, 2023.

with hospitals and health systems,<sup>5</sup> due to sector-specific challenges faced by acute care operators. For example, PE can uniquely serve the role of “rescue capital” for organizations in need of funds to stabilize day-to-day operations and invest in the technology platforms and care quality improvement initiatives necessary to remain viable. PE can also be a solution to enable the attainment of operating cost reduction, while simultaneously increasing both access and quality of care. PE can provide acute care operators access to financial and operational acumen, which leads to more efficient healthcare delivery.<sup>6</sup> Additionally, access to the financial, technological, and operational expertise necessary to enable a thriving value-based care strategy also represents a key area of potential collaboration with PE.

## PE General Partner/Limited Partner Fund Structure



For organizations not seeking an outright sale to PE, clinical service line joint ventures represent an alternative opportunity. These models include PE partnerships within specific clinical service lines in which acute care operators can partner with PE to fully leverage the institutional knowledge, financial resources, and related capabilities of a PE-backed portfolio company, while still maintaining significant service line governance, ownership, and control. These joint venture models can empower hospitals and health systems by enabling them to reap the benefits of partnership with PE-backed organizations that solely focus on a particular service line, thus resulting in increased access to higher quality,

5 *Ibid.*

6 Lukas Recio and Matthew Marconcini, “The Rise of Hospital and Health System JVs with Private Equity,” VMG Health, October 19, 2023.

lower cost care for the patients they serve throughout the community. This model can provide the hospital and health system with a “best of both worlds” scenario in which their patients benefit from enhanced access to care across a particular clinical service line that may or may not be a core area of organizational growth and/or expertise for the acute care operator. These strategic service line joint ventures may also serve to increase access to care in rural communities not presently served by the acute care hospital or health system, thereby also growing the total addressable patient population for the acute care operator longer term.

## Key Board Takeaways

The following elements can help boards consider the viability of a PE partnership:

- **Barring a massive shift in regulatory policy, PE investment activity in healthcare is here to stay.** PE will likely remain an important constituent in the broader healthcare ecosystem. With industry drivers such as heightened levels of fragmentation, increasing life expectancy of patients, and the resulting increased demand for patient care, PE will continue to deploy an investment thesis across a wide variety of healthcare industry sectors.
- **PE partnerships can be flexible and significantly increase organizational optionality.** Hospitals and health systems typically face stronger operational challenges than most other constituents within the healthcare ecosystem. Fully understand where you are as an organization today and “stress test” if long-term independence is viable. If independence is not viable, PE may be the right strategic partner, but if independence is not a challenging element, clinical service line joint ventures may still represent a viable pathway for long-term success across lower-acuity service lines.
- **Consider PE as a potential catalyst of your broader organizational strategy.** While not a one-size-fits-all solution, PE may be a cost-effective approach to provide long-term success through enhanced clinical services, increased access to capital, implementation of technology infrastructure, and even access to higher margin value-based care programs. Whether it is a full or partial sale to PE, or whether a clinical service line joint venture with a PE-backed portfolio company, view PE as a friend and not a foe in relation to the development of a durable clinical and operating model.

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# Bringing Light and Heat to Healthcare Governance: Co-Creating Thriving Futures

By Kinkini Banerjee, Founder and Principal, *Sage Transformations*, and Director of the Board, *BabyFriendly USA*

## Meeting the Moment

Healthcare governance holds immense responsibility and influence in one of the world's most complex sectors. Boards and healthcare leaders navigate myriad internal and external forces to strengthen systems of care, paying attention to social, economic, political, geographic, and environmental forces that shape opportunities for health, safety, and well-being in the United States. This prestigious obligation demands weaving foresight, insight, and oversight, amidst a continually shifting landscape, to create robust, integrated healthcare ecosystems that heal, protect, and preserve health across the life course.

Boards play key roles, not only as stewards of the present, but as architects of the future. This involves championing and resourcing long-term strategic investments for radical transformations and moving beyond merely improving outcomes within our current flawed systems. Effective boards recognize the vital importance of relationships in changing systems and help build organizational muscle to foster interconnectedness and radical reciprocity.

## No Quality without Equity

The U.S. healthcare system remains one of the least user-centric, despite the highest spending globally. Ranked last among peer nations, its outcomes reflect intentional design rather than dysfunction.<sup>1</sup> Medicine and healthcare have been organized and incentivized to deliver highly unequal and inequitable care. Our two-tiered payment system paradoxically reimburses the least for patients with comorbidities, who have the most socially complex needs and structural vulnerabilities.<sup>2</sup> Across the U.S., employees at small businesses generally face higher health insurance deductibles and premium costs than employees at large firms within the same city or state.<sup>3</sup> Nearly one in four U.S. adults have health coverage all year but are underinsured, facing high out-of-pocket costs and deductibles that force many to skip needed care or take on medical debt.<sup>4</sup> Chronic disinvestment in our nation's public health infrastructure undermines comprehensive and coordinated health promotion and disease prevention efforts. These unjust and preventable system

- 1 David Blumenthal, et al., *Mirror, Mirror 2024: A Portrait of the Failing U.S. Health System: Comparing Performance in 10 Nations*, The Commonwealth Fund, September 19, 2024.
- 2 Kimberly Singletary and Marshall Chin, "What Should Antiracist Payment Reform Look Like?," *AMA Journal of Ethics*, January 2023.
- 3 Kristen Kolb, et al., *Trends in Employer Health Insurance Costs, 2014–2023: Coverage Is More Expensive for Workers in Small Businesses*, The Commonwealth Fund, December 10, 2024.
- 4 Sara R. Collins and Avni Gupta, *The State of Health Insurance Coverage in the U.S.: Findings from the Commonwealth Fund 2024 Biennial Health Insurance Survey*, The Commonwealth Fund, November 21, 2024.

forces jeopardize institutional missions, deny our community members fair and just opportunities for health and well-being, and hinder efforts to develop thriving healthcare workforces. We have been diagnosing for a very long time and already know many solutions to design a healthcare system that cares for every one of us.

## Call to Action

Our healthcare story is still unfolding. Despite the grim reality, efforts across the U.S. are addressing root causes and reimagining structures, cultures, and practices where people have the agency and resources for accessible, affordable, culturally congruent, and respectful care.<sup>5</sup> Multi-sector partnerships, grounded in community-defined priorities, have been addressing upstream and downstream elements.<sup>6</sup> Shared vision, radical collaborations, and commitments to co-design are shaping organizational mindsets, underlying assumptions and beliefs, and flows of power, influence, and resources.<sup>7</sup>

As we kick off 2025, boards and executive leaders have a critical charge: to reflect, rethink, and act at patient, organizational, community, and societal levels. This moment of polarization and flux demands unwavering commitments to eliminate harm and ensure the safety and well-being of our patients and staff. Boards must actively embody the just world we envision, bringing together diverse stakeholders to co-create solutions that reflect our shared commitment for affordable and safe, timely, effective, efficient, equitable, patient-centered (STEEEP) care. Our story remains unwritten, and future generations depend on us to lead with courage and vision.

## Bringing Heat to Governance

Efforts to improve healthcare often emphasize operational elements. Boards and leadership too frequently adopt a scarcity mindset when it comes to investing in the relational aspects of systems change. Visionary boards consistently embody organizational values, integrating business priorities with dedicated opportunities for strategic learning, shared meaning making, and collaborative endeavors with community members and key partners—internally and across the broader ecosystem. This requires earning and giving trust, practicing complexity, engaging in principled struggle, bridging relationships, and cultivating solidarity with disparate beliefs and groups, recognizing that our whole is much more than the sum of our parts.

Visionary boards recognize leadership as active processes and practices of being and doing that we cultivate and embody every day. The remainder of this article highlights two catalyzing frameworks to enhance resilience and support leaderful ecosystems with

**“Remember to  
imagine and  
craft the worlds  
you cannot live  
without, just as  
you dismantle the  
ones you cannot  
live within.”  
—Ruha Benjamin**

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- 5 Katherine Gottlieb, “The Nuka System of Care: Improving Health Through Ownership and Relationships,” *International Journal of Circumpolar Health*, August 5, 2013.
  - 6 For example, see [Greensboro Health Disparities Collaborative \(GHDC\)](#).
  - 7 Anne Morris Reid, et al., *Improving Maternal and Infant Health Through Multisector, Community-Driven Partnerships*, The Commonwealth Fund, December 2024.

foundational capacities to advance systems change (light) and commit core accountability (heat) to mission and community.<sup>8</sup>

## Belonging without Othering

In times of uncertainty, cultivating belonging is vital. Drawing from Dr. John Powell's decades of research, this framework from the Othering and Belonging Institute (OBI) at UC Berkeley, emphasizes actionable principles to practice bridging and belonging:<sup>9</sup>

- **Belonging** is about the power to contribute and co-create the structures that shape our community and having a voice and the opportunity to use it to make demands upon society and political institutions. It is the antidote to "othering," by which we refuse to see, or fail to see, someone else's full humanity, as well as our mutuality with them. This marginalization is due to false beliefs about a hierarchy of human value where we deem and justify people and places for sacrifice.
- **Belonging without othering** offers a set of intentional principles and practices to alleviate the fragmentation, enhance critical awareness of structural inequities, and build inclusive systems that reflect our shared humanity. This invites commitment and engagement at every level of the organization.
- **Bridging** fosters connections across divides—racial, cultural, ideological—emphasizing our shared fabric and constructing a more inclusive "we." Effective leaders practice bridging to align teams, create inclusive narratives, and advance targeted strategies. By embracing these practices, boards can transform systems to better reflect the communities they serve.

Boards play key roles, not only as stewards of the present, but as architects of the future.

## Five Elements of a Thriving Justice Ecosystem

Transformative change requires significant shifts in what we do, how we do it, and who we are while we are doing it. This visionary framework from Change Elemental underscores the importance of moving beyond isolated actions or narrow strategies to embrace deeply interdependent practices for a more equitable, interconnected, and resilient world.<sup>10</sup> The real power of this framework lies in the interplay of the elements:

1. **Advancing deep equity:** Beyond diversity, this element dismantles structural barriers and guides deeper engagement into the positive impacts of our identities to foster dignity, love, and justice to transform systems; it cultivates shared understanding that equity is not a zero-sum game that benefits one group at the expense of other. Practices reaffirm a commitment to often-overlooked issues and build intentional collaborative processes for transforming people, institutions, and systems.

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- 8 Rishi Manchanda, et al., *Bringing Light & Heat: An Equity Guide for Healthcare Transformation and Accountability*, July 2021.
  - 9 OBI offers free virtual learning opportunities, a vast repository of resources, and recently published two books, *Belonging without Othering: How We Save Ourselves and the World* and *The Power of Bridging: How to Build a World Where We All Belong*. To learn more and join the global movement, visit <https://belonging.berkeley.edu/bridging-belonging>.
  - 10 To learn more about Change Elemental's framework, see <https://changeelemental.org>.

- 2. Embedding multiple ways of knowing:** Incorporating diverse epistemologies—such as lived experience, art, and ancestral wisdom—alongside rational analysis enriches healthcare. Practices include reinforcing and amplifying *cultural translation*, so we normalize that institutional knowledge and community knowledge hold the same value; considering language justice, which goes beyond translation services, and values opportunities for people of all cultural backgrounds to have agency and meaningfully participate; utilizing the power of art to deepen ethical inquiry into clinical practices, to document our histories, tell truths, and ground us in our shared humanity; and expanding our heuristics and mental shortcuts for decision making that dissociate us from community and local contexts. By valuing all forms of knowledge, healthcare leaders transform false narratives into new narratives that redefine what’s possible and inspire bold, systemic change.
- 3. Cultivating leaderful ecosystems:** Leadership has a highly interconnected, mutually supportive ecosystem orientation. Leaderful ecosystems develop capacities for movement organizing and in aligning values and actions across groups of people or communities on complex, multi-issue efforts. It involves engaging our broader system and networks of leaders for the long haul. Practices emphasize solidarity and collective care. Effective leaders nurture collaborative environments and prioritize trust-building and shared goals for meaningful change to thrive.
- 4. Influencing complex systems change:** A systems approach requires stepping back to see the whole system as well as the interrelated parts. It involves understanding and mapping out the interconnected web of historic conditions and current emerging patterns that connect the structures, cultures, institutions, and individuals influencing the system. Transformation involves evolving practices that embrace experimentation and emergence, and rethink systems boundaries to address intersecting factors and achieve the scale and depth of transformative change needed.
- 5. Centering inner work:** Inner work affirms dignity and prioritizes individual and collective health, vitality, clarity, and wholeness. Embedding rituals, prioritizing balance and rest, and repairing relationships are essential for sustaining systemic transformation. This foundational element pays attention to regenerative practices and strengthens the connection between personal growth and organizational progress, by increasing synergy, alignment, and collective strategic action.

This framework challenges leaders to align personal and systemic transformation for a just and thriving future. It combines the board’s responsibility for setting strategic direction towards a future vision with the quality, equity, community building and systems change work boards must weave into a focused leadership construct.

# Five Elements of a Thriving Justice Ecosystem



[www.ChangeElemental.org](http://www.ChangeElemental.org)

## Conclusion

How can we hold complexity and change and ensure mission impact remains a constant focus across boards, executive teams, and all organizational levels? Our nation possesses the resources, expertise, and people to create cultures of health where every person has fair opportunities to attain their full health potential, and every community has and provides the vital conditions and culturally affirming supports for well-being and thriving.



Boards have the unique opportunity to reexamine systems, invest in foundational infrastructures, and cultivate just and leaderful healthcare ecosystems.

By embracing frameworks that challenge systems and value people and planet, boards can adopt community-centered approaches, supporting staff and community members to be equal partners in designing impactful solutions. This approach requires humility, creativity, and unwavering dedication to justice. As stewards of our institutions, networks, and the broader field, we honor and build on the achievement of those who came before us and create for future generations, striving to be both good descendants and good ancestors. What story will your healthcare ecosystem tell?

## Key Board Takeaways

- **Advance deep equity:** Cultivate belonging, prioritize deep and authentic partnerships, and center dignity and justice in transforming systems.
- **Embed relational leadership:** Develop leaderful ecosystems to align values, build solidarity across issues and sectors, and influence change.
- **Embrace multiple ways of knowing:** Value multiple perspectives by drawing on cultural, artistic, rational, and other forms of wisdom to define both problems and solutions.
- **Prioritize complex system change:** Move beyond incremental changes and promote holistic, scalable solutions for long-term impact.
- **Balance inner and outer work:** Support wholeness and collective healing practices among leaders and teams to embody and reflect the transformation we want to see.

*TGI thanks Kinkini Banerjee, Founder and Principal of Sage Transformations, Past President of the Board of Trustees, Alameda Health System, and Director of the Board, BabyFriendly USA, for contributing this article. She can be reached at [kinkini.banerjee@gmail.com](mailto:kinkini.banerjee@gmail.com).*

