

INVEST IN THE CULTURAL DEMOGRAPHIC SHIFT

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 **City of Hope**®

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Executive Summary

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With the passage of the Affordable Care Act, provider, payer and physician strategies have focused on “volume to value” - moving from fee-based payment to performance-based payment to improve quality and reduce costs. But what often are missed when discussing value-based strategies are the implications of the Cultural Demographic Shift™ (CDS). Culturally diverse segments of the U.S. population have reached critical mass resulting in huge implications in health care as shift populations (e.g., Hispanics, Asian-Pacific Islanders and African-Americans) influence discussions on how the industry should serve them, force organizations to engage them authentically, and compel the creation of CDS strategies that enable sustainable growth. In this article, the authors explore the need to integrate the CDS into value-based strategies and the opportunities created by putting the needs and differences of shift populations at the center of those strategies. The authors show how to lead through the CDS by thinking differently about their patients, staff and clinicians, external partners, community and private-public partnerships with other key stakeholders responsible for the delivery of care. The authors provide a CDS framework for a continuum of change creates marketplace distinction by defining strategic implications, embracing differences, preparing for disruption, creating distinction, fostering change management and enabling growth; and also solves for opportunity gaps in executive leadership mentality/competency, workforce representation, patient experience and delivery, and preventive care. A case study for creating a value-based growth strategy through investments in this framework is provided by City of Hope, a biomedical research and treatment enterprise focused on eliminating cancer and diabetes.

With the passage of the Affordable Care Act (ACA) most of the attention for provider, payer and physician strategies has been focused on moving from “volume to value.” This is a natural decision given all the incentives in the legislation, the long-term direction of the industry and the need for providing “value” to the population, as well as what is perceived to be an opportunity for cost reduction. However, equally as important to every health care organization’s strategy should be the Cultural Demographic Shift (CDS) that impacts most organizations today and even more in the future. The CDS positively impacts a nonprofit provider – that is not motivated by the economics, but more so the community – and equally a for-profit provider – whose goal is to maximize shareholder value. The common desire is to drive growth.

What has often been missed in this emphasis on “volume to value” has been the linkage to the significant changes happening to the population in the last 20 years and the expected changes in the next 20 years. Without connecting the culturally diverse segments of the population to the value-based strategy, many of these strategies will be doomed to failure. The population changes and the health care industry’s response to this cultural diversity is a significant paradigm shift and must be addressed in the core strategy of each industry participant whether provider, payer or physician.

Culturally diverse segments of the population have reached a critical mass in the United States resulting in a turning point in health care and throughout society. The implications of this shift in cultural demographics – as termed by author Glenn Llopis, the Cultural Demographic Shift™ – extends far beyond a mere change in composition of our collective population. Minority populations, traditionally known as nonwhites, such as Hispanics, Asian-Pacific Islanders and African-Americans are heavily influencing how people think about how to best serve these diverse or “shift populations” and welcome them into the health care industry.

The CDS is so influential that it is driving the need to serve larger, broader populations of customers in the marketplace and employees in the workplace in groundbreaking ways never before imagined. It is forcing organizations to engage more authentically, embrace diversity of thought and consider strategies that create the type of distinction that enables sustainable growth.

In this article, the authors explore the need to integrate the CDS into the organization’s value-based strategy, the gaps that must be filled and the core strategies that must be addressed. We also use an example of how the strategies connect: illustrated with Southern California-based City of Hope, a biomedical research and treatment enterprise focused on eliminating cancer and diabetes. City of Hope has begun the long journey of investing in its CDS avenues to further its value-based strategy. These components have focused on taking CDS from a “cost center” viewpoint to a “growth strategy,” which significantly changes the way the organization views the population paradigm shift.

The health care sector of the U.S. economy has faced significant changes in the last decade. Legislation stemming from the ACA has forced greater transparency and compliance upon the life sciences industry, promoted providers to focus on value instead of volume and encouraged providers, payers and physicians to find collaborative solutions to achieve this value. Advancements in medicine – genome testing and precision medicine to name a few – have enabled physicians to prevent diseases and diagnose them earlier. Innovations in technology and data have resulted in greater access to patient information and better data sharing through the proliferation of electronic health records. But arguably the greatest change the health care industry has faced is happening now as it transitions from volume-based to value-based health care. As leaders strive to develop sound strategies in transitioning their populations from volume-based to value-based health care, one of the most influential determinants for success is their ability to invest in the CDS. Leaving the CDS out of early strategic planning will prevent leaders from truly understanding, and therefore serving, their markets well.

In making this transition to a value-based model, we cannot ignore the critical role that population health plays in context to the CDS. Since the goal of value-based health care is to improve the health of a population and provide better consumer experience while managing costs efficiently, solving for inequities in the marketplace and workplace is central to attaining that goal. A focus on population health will support business models that invest in the CDS by putting the unique needs and differences of shift populations at the center of the strategy.

Leading through the shift with a strategic mindset

Peter Drucker once said, “Management is doing things right. Leadership is doing the right things.” This quote reflects the status quo mindset of how some health care executives have operated for many years: doing things right, not doing the right things. Despite the rapid growth in shift populations that, come 2050, will collectively comprise 54 percent of the U.S. population according to Nielsen Research, health care leaders and executives have continued to interpret “multiculture” and “diversity and inclusion” as cost-center initiatives rather than as investments in long-term, revenue generating solutions albeit in chronic disease management, health inequities and workforce representation gaps, to name a few.

The type of leadership philosophy that will successfully usher organizations through the transformative shift to value-based medicine requires health care leaders to shed their old ways of thinking about their customers (patients), employees (staff and clinicians), external partners (private and nonprofit business) and community (citizens and public entities), and embrace the CDS as the right strategy for growth and profitability. In this manner, leaders will be “doing the right things,” not just “doing things right.”

“The influence of the Cultural Demographic Shift (CDS) is telling us that growth strategies are becoming less about the business defining the individual and more about the individual defining the business.”

- Glenn Llopis

Tapping into a “continuum of change” framework for serving the CDS

Embracing the continuum for change requires health care leaders to be more strategic about private-public partnerships with other key stakeholders that are responsible for the delivery of care and also have a sense of urgency to serve shift populations. As noted in Exhibit A, the ecosystem of health includes not only providers, payers and physicians – but also retail-health care/pharmacy (e.g., CVS Health, Walgreens, Wal-Mart, independents); community influencers, nonprofit organizations and higher-education; facilities and supplier management; and large employers (food and consumer brands). This ecosystem must become fully activated – whereby the sharing of resources, intellectual capital and the ideas fostered through diversity of thought will accelerate the health care industry as a whole to solve not only for value-based business models, but also for population health, cost-reductions and the most prominent opportunity gaps noted below.



Exhibit A

Welcoming change in order to evolve

A commitment to invest in the CDS requires a commitment to think differently. The ability to move along a continuum of change will help leadership teams operationalize the right strategies, not through compliance, but rather through their commitment to serve all unique populations in support of their organization's goals. The magnitude of the CDS requires all leaders to consider how we plan for future growth, allocate capital management and financial resources, define the most effective workgroups and organizational team, and the right external partners to strengthen our intellectual capital and know-how to serve this new critical mass of cultural segments that historically, we haven't been required to invest in or depend upon to drive growth.

Exhibit B shows a framework for this continuum of change that U.S. health care leaders can follow to create marketplace distinction through the CDS as they transition to a value-based business model.



Exhibit B

Stage 1:

Define Strategic Implications

Leaders – both administrative and physicians – must consider the strategic implications of cross-cultural intelligence, diversity of thought and the rapidly evolving insights from the changing face of America's new workforce, patients and strategic partners. Strategic implications set the stage for the remaining components of the framework and serve as a benchmark against which to measure and align along the way.

Prepare for Disruption

Leaders are unknowingly creating tension with employees, patients and partners because they lack the know-how to most authentically engage with them on terms they understand. Not all disruption is bad though. When leaders are in compliance mode while also committed to doing the right thing – change becomes a distraction because cost-center approach can promote the wrong solutions. When in commitment mode, they breed positive disruption because the organization is investing in the strategic implications the right way in order to evolve.

Embrace Differences

Leaders should adopt new ways of thinking that propel creativity, innovation and initiative. The CDS – and the unique intellectual capital that goes with it – is the new currency for business growth as it allows leaders to discover like-mindedness within differences. The only way health care delivery can evolve is by embracing differences and to put aside what they 'think' they know so they can be open-minded to what they need to learn about shift populations they strive to serve. For many leaders, this will be just as much an exercise in humility as it is in learning.



Stage 2:

Create Distinction

Leaders need to stop mimicking what others in the industry are doing to serve the shift and commit to understand what it means to help them grow in support of their own business model. They can activate thought leadership through the sharing and creation of best practices only after they truly understand the unique needs of shift populations as outlined in Stage 1.

Foster Change Management

At its core, the CDS is all about the influence change management has on a provider’s business model. It’s about learning how to leverage the CDS to maximize the full potential and performance of the enterprise. Without strategy, change is merely substitution not evolution.

Enable Growth

This is the zenith. Companies who have the right intelligence and best practices to “operationalize” and lead the CDS will win the war for diverse talent, help strengthen strategic partnerships and the trust and loyalty of shift populations. If they ignore the strategic implications that the shift can bring to drive growth, they run the risk of losing their competitive advantage.

The CDS framework naturally guides ecosystem participants to solve for the following, which are the most prominent opportunity gaps (as noted in Exhibit C).



Exhibit C

1. Enterprise Leadership Mentality/Competency Gap:

Expand our approach to diversity and inclusion as a strategy to strengthen our business models and drive growth. Recognize how the unique differences of today’s shift populations will redefine how health care is delivered tomorrow. Anticipate readiness requirements to best serve the CDS to create competitive advantage through strategic private-public partnerships. Lead through the constructive disruption of the CDS by broadening our perspectives to view it as a solution to change the landscape of health care delivery, population health, cost cutting and value-based business models.

2. Workforce Representation Gap:

Solidify employer brands and employee value propositions and develop the next generation of leaders. Build workplace cultures where diversity of thought creates high-performance environments that attract top talent supported by mentorships and sponsorships. Become more intimate about how to introduce health care career opportunities during the early stages of the pipeline development process to both prospective candidates and their families. Embrace cultural differences as a strategy to more authentically engage with employees and patients and strengthen our recruitment outreach.

3. Patient Experience and Delivery Gap:

Embrace cultural fluency, greater patient intimacy and more. Close the widening gap between diverse patient populations who now have health insurance and their access to health care and physicians culturally equipped to help them. Practice Diversity and Inclusion that is committed to aligning with time-sensitive business goals by integrating best practices around ways to reduce readmittance and overall delivery costs. Create in-language patient/family advisory groups to improve the overall patient-family experience and satisfaction of shift populations through education, translation, and easy navigation of resources and services to foster high-trust relationships.

4. Preventive Care Gap:

We must educate and create two-way accountability protocols to ensure self-advocacy for one's own care. Address health disparities and inequities amongst diverse patient populations and family caregivers. Become more strategic in the workplace and throughout the community in how to more effectively educate shift populations about the chronic diseases that are increasingly affecting them. Welcome shift populations into the health care industry by recognizing the vulnerabilities surrounding their immediate health care needs and overall cost of care.

How City of Hope Invests - and Reinvests - in the CDS

At City of Hope, a world-renowned cancer treatment institution - investing in the CDS represents a commitment to its value-based business model. One of the first steps City of Hope took to operationalize the CDS into its organizational culture was to evaluate its readiness across several of its core functional areas of operation. This was a critical step because it helped City of Hope organically define its strategy and the inherent risks moving forward. This process was a commitment to authentically learn about the shift populations that represent 66 percent of the service area and City of Hope's needs as it pertained to patient services, workforce development, external partners, brand strategy and much more. The following are a few outcomes.



Patient Services



Workforce Development



External Partnerships



Brand Strategy



Patient Services

As health care evolves into a patient-centric model, issues like patient satisfaction are increasingly important because shift populations often do not feel welcomed by the health care industry. This is particularly true of Hispanics, who represent 46 percent of City of Hope's service area.

City of Hope's Spanish-speaking patient family advisory group called "El Concilio" is an example of how City of Hope leveraged the CDS to develop strategies aimed to improve the patient experience and overall quality of care as it transitions to a value-based medicine model. With the goal of better serving the needs of the Hispanic community, they were able to improve the overall patient-family experience and satisfaction for Spanish-speaking patients by fostering an environment where building trust leads to a positive patient experience that extends to a patient's family and caregivers and permeates through the community.

It also has a positive impact on their ability to improve health outcomes and reduce costs because it breaks down common barriers that previously prevented their patients from playing a proactive role in managing their healthcare. By patients seeking medical care sooner and more often, organizations such as City of Hope have the promise of being able to detect and treat diseases and conditions that are disproportionately higher among Hispanics than other populations much earlier – hence reducing costs.



Workforce Development

Strategic implications of the CDS on the workforce are forcing leaders to consider the growing shortage in personnel as a function of the shift populations their organizations strive to serve. In a value-based model, where organizations are rewarded for providing greater value, a best case scenario is when the workforce closely mirrors the marketplace it is trying to serve because it increases the chances that patients will feel safe, welcome and understood - that they will be better cared for.

At City of Hope, the challenge is a disproportionately low number of Hispanic physicians, nurses and pharmacists in the United States (altogether less than 8 percent) compared to the greater Hispanic population. To make up for this huge workforce gap, City of Hope is investing in the future so that eventually, Hispanic representation in the workplace is much more in alignment with that of the marketplace. City of Hope does this in several ways.

For instance, its **T.E.A.C.H.** (Train, Educate and Accelerate Careers in Healthcare) partnership provides students with the opportunity to gain college credit while still in high school by taking college-level classes at no cost. In addition, City of Hope's diversity health care career expo brings together over 30 health care participating organizations with the goal of recruiting diverse talent who live in Southern California. It also offers internships for students to help ensure that it has all the staffing needed to serve its diverse communities.



External Partnerships

As organizations transition to value-based health care, forming external partnerships creates tangible benefits for all stakeholders. But when leaders do not let the CDS inform their efforts, organizations run the risk of spending time, money and resources that do not best serve their patient population through these partnerships. When tapping into the CDS to engage with external partners in new ways, organizations gain a deeper understanding of what they are collaboratively trying to solve for in light of new perspectives.

City of Hope's partnership with the San Gabriel Valley SEPA (Science Education Partnership Award) is a tangible example of how multiple stakeholders, including health care organizations, public and private organizations, and the community, mutually benefit from working together. Through this collaborative partnership, elementary school-aged students, many of whom have never interacted with a scientist before, engage with scientists in the classroom, as well visit City of Hope to learn about science and experience it first-hand.

The SEPA program helps City of Hope partner with the community and train its future scientists and doctors while giving back to the city of Duarte for the benefit of the youth.



Brand Strategy

The CDS is proving that as shift populations in the U.S. increase, so does their buying power. As the industry transitions to a value-based model, and the power to make health care decisions is increasingly shifting away from physicians, the patient is at the center as patient and consumer.

At City of Hope, the ability to connect with the growing Hispanic, Chinese and other diverse communities through the media and other channels in a way that resonates with them is one of the most powerful tools it has as a health care institution. For example, one of the channels that City of Hope has used is through the placement of Spanish-language ads that address the issues specific to Hispanic culture.

In May of this year, it launched the first-of-its-kind Spanish-language integrated communications campaign to meet the needs of the Hispanic community in Southern California. One of the goals of this campaign was to educate Hispanics on the benefits of early detection and treatment of cancer, estimated as the leading cause of death among U.S. Hispanics.

Another is HealthyHispanicLiving.com (HHL), which was launched with the goal of developing a culturally-relevant content and communications platform to advance clinical care, research, prevention, education, mental health, financial well-being, nutrition, fitness and outreach to the Latino community, including those wishing to pursue an education and career in the health care industry (clinical and nonclinical roles). Featuring content from reputable sources, and a regular stream of original content, the aim of HHL is to provide real-life solutions and tips to educate, guide and inspire Hispanics and their families to become self-advocates for preventive care and lead healthier lives. Most recently, an expanded career center offers mentor advice, other resources and a training center for those in the community interested in the health care industry as a career.

Invest in and Integrate the CDS into the Value-based Strategy: Let the CDS Work for You

Transitioning from a “volume-based” to a “value-based” business model is not easy. It’s even harder when leaders retain a cost-center mindset (expense) rather than a profit-center (growth) mindset. That’s why many health care organizations that have attempted to do so have failed. Leaders of these organizations have not truly committed to investing in the CDS as the missing link to drive their strategy. They have not truly committed to moving through the continuum of change that ultimately leads to their ability to enable organizational growth. And with each “false start” comes an increased cost. Each time leaders decide to change without considering the strategic implications and investment requirements in the CDS, they start at a point that is further below the starting line because they are incurring additional sunk costs of having to undo the growing misperceptions and misconceptions about their shift populations.

When leaders genuinely commit to the CDS, it works for them. It enables them to do the heavy lifting required to pass through the continuum of change because they are operationalizing the CDS into their organization. The new intelligence they acquire becomes part of the DNA of their organization – how they think, what they say and what they do. And as they’re operationalizing the CDS into their organization, they must continue to consider the strategic implications, the differences they need to embrace, the disruption this change of mindset causes, the distinction they need to create and the type of change management they will foster that enables organizational growth.

Health care leaders have a choice: it can continue along with the status quo, placing “multiculture” and “diversity and inclusion” programs in silos, marking them off the “Compliant” column in their organizational goals. Or, they can adopt an entirely new mindset and let the CDS work for them by moving them to the center of their business model, from which everything – including future growth and prosperity – cascades.

Leaders reading this article will hopefully “do the right thing” and serve their unique shift populations through value-based business models by investing in the CDS today. Because the CDS extends far beyond a mere change in the composition of the U.S. population: Culturally diverse segments have reached critical mass. This is creating a health care delivery phenomenon that is driving the need to serve broader patient demographics in the marketplace and employees

in the workplace in ways never before imagined. It is requiring health care provider leadership to think about the strategic implications associated with the CDS as a profit-center to drive growth and create distinction – as we move from volume-based to value-based business models to improve patient experience and overall quality of care.

Preparing U.S. health care leadership for the CDS is a logical and essential evolution from the recent health care delivery discussions around value over volume. Without approaching the CDS as a strategy for growth to help providers evolve their value-driven care, it becomes more difficult to deliver real, sustainable value to shift populations that are trying to trust in and engage with the health care system. As we move from volume-based to value-based business models, diversity and inclusion must evolve beyond traditional cost-center models into a more integrated strategy that solves for the many burning issues facing health care – starting with population health, cost reductions, patient as consumer, new delivery models, workforce representation, patient experience, delivery of care and preventive care.

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