



2022 Health Systems' Climate Study

Jiban Khuntia, Xue Ning, and Rulon Stacey

One foot in the past, one in the future, healthcare is arriving at its door in history

The promise of consumer-centered care is finally within reach



Top line of CEO views in 2022:

Better care quality

88%

driving decisions with data

87%

championing use
of digital technologies

80%

seeing digital health model
as top disruptor

Better care experience

90%

meeting consumer needs by broadening
talent skills of existing workforce

87%

hiring broader mix of talent skills

79%

seeking more diversity and inclusiveness

77%

pursuing partnerships and alliances
to assure needs are met

FOREWORD



Business School Dean

The Business School at CU Denver is committed to providing the healthcare industry with thought leadership, insights on current trends, and opportunities for talent development. This report will give you a breadth of current trends and perspectives that will impact decision making in your organization.

The information in this report wouldn't be available without the willingness of industry leaders to participate in our climate survey. Thank you for taking the time to provide the essential data. Thanks as well to Professors Jiban Khuntia and Xue Ning, and Executive Director Rulon Stacey for their hard work in producing the report.

Looking ahead,
Scott Dawson, Ph.D.
 Dean, CU Denver Business School

Health Administration Program Director

I am pleased to submit for your review the 2nd annual Health System's Climate Study of the University of Colorado Denver's Health Administration Research Consortium (HARC), in conjunction with the Guidehouse Center for Health Insights. I believe that you will find this year's study to be even more compelling than last year's study.

I recently attended a meeting of industry leaders. In that meeting, a friend of mine who is the CEO of a major U.S. Health System, said "I often get asked what my top three concerns are in healthcare. My answer is always, workforce, workforce, and workforce." This year's study provides original research that will confirm my friend's response. Truly, 2022 is the year of developing the workforce and the 2022 Climate Study breaks down the details of the problem and opens the possibilities of potential solutions.

We further find out that in the minds of the leaders in healthcare it is time to move on past the pandemic and work toward the "new normal." The industry is left with breathtaking financial complexities, merger and acquisition concerns and opportunities that have never before existed, and a digital landscape that does not even remotely resemble what existed before COVID-19.

While HARC leadership could very well keep these data private and use them as a source for publication for some time, that is not our decision.

Rather, we are publishing these data to all for expanded research opportunities and encourage all academics, practitioners, reporters, and elected officials to peruse and use the data as you see fit. Our goal at the University of Colorado Denver Health Administration Programs is to provide meaningful benefit for the entire industry, and I'm confident the 2022 Health Systems' Climate Study is a move in that direction.

Special thanks to the HARC Director, Jiban Khuntia, Ph.D., for his work in putting this research together, along with Xue Ning, Ph.D., and the support of the Guidehouse Center for Health Insights.

Enjoy.

Sincerely,
Rulon F. Stacey, Ph.D., FACHE
 Director, Graduate Programs in
 Health Administration



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The Year of Reckoning

Although COVID continues to disrupt life medically, socially, and economically, there is plausible hope of stabilization. It is a time to be cautiously optimistic. For healthcare, it is also a time for reckoning. A time to transform vulnerabilities into opportunities. It starts and ends with the consumer: Reaching them where they are and engaging them with quality supports to improving their well-being.

The years 2020 and 2021 have been like no other. The COVID pandemic has exacted a staggering cost in lives and livelihoods. As of March 2, 2022, more than 5.9 million people have died.¹ One half of the world went into lockdown, causing the deepest global recession since World War II.² Across sectors, businesses went into triage mode, meeting the moment with resilience and innovation. Global deaths are finally beginning to decline, but new variant concerns continue. There is reason for optimism, but the fight goes on.

In the United States, health systems have been especially hard hit. Despite mobilizing the best of their capacities and emergency plans, system-centric orientation left most unprepared to meet consumer needs for virtual care, supplies, and skilled staffing. Status quo couldn't meet the moment. **Fiscal solvency remains the #1 concern** (see Figure 1.2). To avoid repeating past mistakes, consumer-centric care is a do-or-die imperative. Not just for patients—for health systems.

The 2022 Health Administration Research Consortium's (HARC) survey identifies telemedicine as top priority. But how to pay for it? Many systems are struggling to regain full swing, several are merging to avoid operational discontinuities or bankruptcy. Fiscal burdens and uncertainty about continued federal supports make budgeting a zero-sum game at best. A key strategy to improve care while cutting costs is harnessing the power in external partnerships to value engineer key competencies.

We are reminded again that clinical and nonclinical staff—healthcare's very embodiment of purpose—are only human. Fears, frustrations, and exhaustion sharply increased already high levels of burnout and dissatisfaction. Nearly half a million healthcare workers have left their jobs in the past 12 months³; some are leaving for higher paying jobs, others are leaving healthcare altogether. Attracting and retaining the right talent, improving skills, and minimizing turnover are top priority. But budget limitations, technology's steep and ever-changing learning curve, and lack of affordable childcare for quarantines are ever-present obstacles.

Health system CEOs are uniting around diversity, equity, and inclusion as a values-based way to improve value-based care. Workforce diversity—and empathic respect for the diverse values held by patients of differing socio-economic and cultural backgrounds—create space in which to connect, agree on care plans, and co-create outcomes.

Meeting healthcare's moment of truth calls for CEOs to manage public health's shape-shifting crisis while future-proofing their strategies and organizational capabilities. Easier said than done. Rome wasn't built in a day. Re-engineering the entire ecosystem to enable value-based care is a long-term endeavor. And while this report is merely a snapshot of healthcare leaders' goals and plans for 2022, what gets measured tends to get done.

1. Johns Hopkins University, Corona Virus Resource Center, Global Deaths, March 2, 2022, coronavirus.jhu.edu/
 2. Sandford, Alasdair, *euronews*, June 2021; M. Ayhan Kose & Naotaka Sugawari, *worldbank.org*, June 2020
 3. Bureau of Labor Statistics, U.S. Department of Labor, News Release, Jan. 2022



Future-proofing healthcare: Consumers first

You can't get ahead without your consumer behind you.

Insights from healthcare's "Great Reckoning" are COVID's silver lining. In every generational challenge, there is generational opportunity. CEOs are engineering a pivot toward value-based care to improve quality, effectiveness, and consumer loyalty, while lowering costs. **Shifting the mindset from systems to consumers is a win-win-win for patients, providers and payors alike.** But threading the needle of a balanced budget with consumer value creation takes vision, innovation, and grit—there are no profit pools to pull from.

Health system CEOs are rewriting the playbook from the consumer's perspective. We see three overarching strategies:

- 1. Empower consumers through digital health**
- 2. Integrate to provide value-based care around health rather than illness**
- 3. Serve diverse consumer needs efficiently with a diverse and upskilled workforce**

Empowering digital health is a multi-pronged effort. Defensive technologies are needed to thwart increasingly frequent cyber attacks, which tend to prey on legacy systems. Offensively, telemedicine is critical in getting closer to consumers. While most tried it for the first time during lockdowns, consumers found the distributed delivery model well suited to their needs. **Part of telehealth's disruptive brilliance is the invitation it extends consumers to be co-creators of their own health outcomes.** Optimizing digital health means tele- and remote technologies to improve access and affordability, mobile technologies for engagement, and data mining and analysis to improve care.

90% Cybersecurity-relevant technologies are essential

82% Keeping up with tele- remote health technology most pressing issue



EXECUTIVE SUMMARY (continued)

Partnership integrations are an effective way to improve health outcomes, especially when resources are limited. **By giving health systems agency over their ecosystem, strategic alliances afford control over the future.**

90% Building diverse yet aligned partnerships

83% Academic collaboration for workforce training

77% Partnering with supply chain and logistic organizations

While COVID services must remain a focus, the future of healthcare points to whole-person health. Although two years of isolation, economic uncertainty and health fears have pushed mental and behavioral health to top priority, it was a crisis in the U.S. long before COVID.

71% Mental and behavioral health is important
(#2 behind tele- and remote health at 72%)

Diversity—through training and in the workforce—is the third leg of the value-based care stool. **Before consumers are patients, they are people.** Empowering consumers to manage their own health—as well understanding and respecting what makes them different—improves the care experience and outcomes for patients and systems alike.

93% Training managers for diversity

80% Focusing on attracting talent for diversity and inclusiveness

To address severe labor shortages, health systems are focused on expanding and building existing workforce capabilities. **The untapped potential of employees, unleashed by COVID, has been hiding in plain sight.** Enabling system-wide agility by fortifying and broadening their skill sets creates a ready and able workforce. It also leads to greater job satisfaction, sense of purpose, and loyalty.

90% Building employee patient care skills

90% Reskilling and upskilling employees

Future proofing calls for advanced technology to get back to basics: Reaffirming healthcare's moral covenant with consumers to act in their best interest. Consumers in turn pay it forward with trust, participation in their health, and more engagement in care services—which build resilience in revenue streams. Everyone wins.



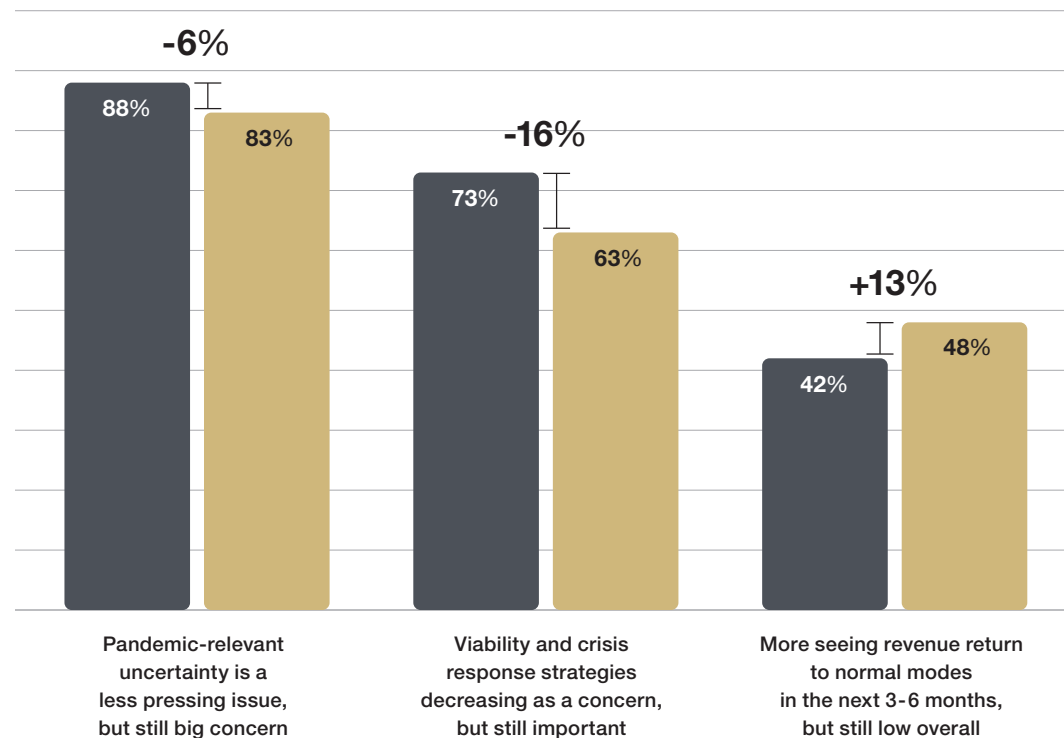
Technology is removing the barriers to patient-centered care. Understanding their needs, and its return on investment, means everything to the bottom line.



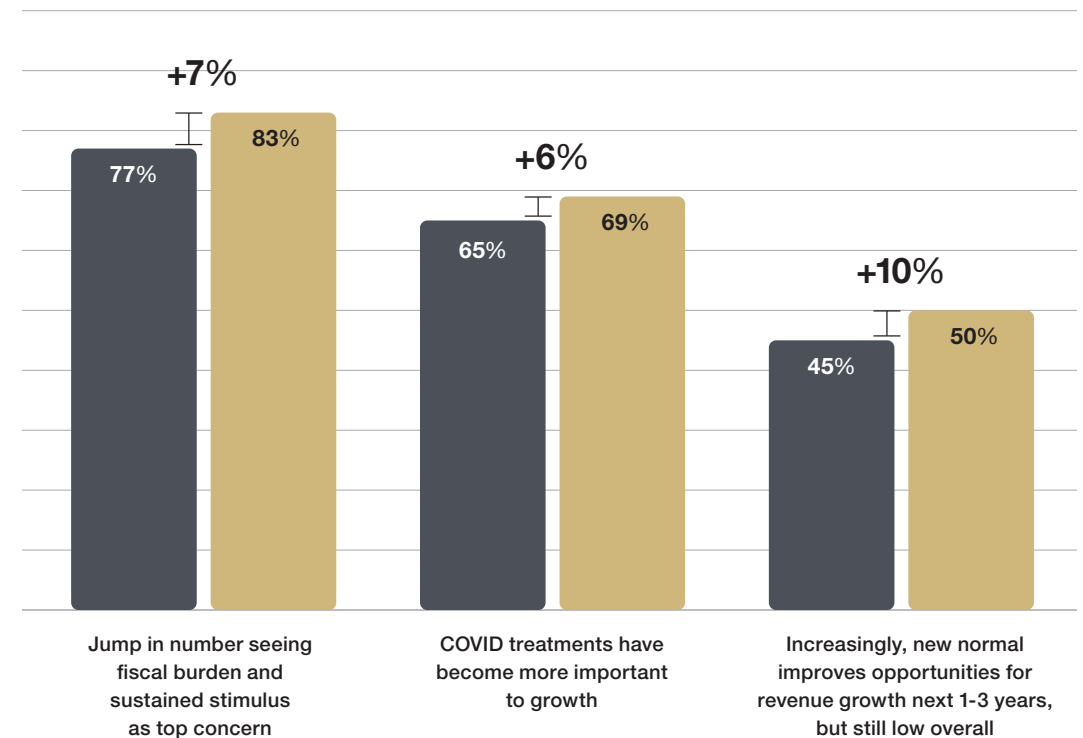
EXECUTIVE SUMMARY (continued)

Fastest changing views 2022 vs. 2021: Less worry about COVID threat, more worry about growth

Pandemic concerns down, future hopes up



Pragmatic expectations, bracing for rough year



2021 2022

Reflects relative percentage change in responses vs. 2021 from the 101 CEOs completing both the 2021 and 2022 surveys.

SECTION 1

Strategies and Concerns for the Future



Answering the call for distributed care and whole person health

Largely limited pre-pandemic, virtual modalities are now fully embedded in the expectation set of patients and health system CEOs alike. Health system CEOs (72%) view telehealth and virtual care as the top growth priority in 2022.

Mental and behavioral health, a growing concern before COVID, is now a full-blown crisis. CEOs (71%) view it as a top priority. Trauma will continue well beyond the pandemic. Being prepared requires a deep understanding of its drivers and professionals at the ready. This is one area telehealth is proving to be a difference maker.

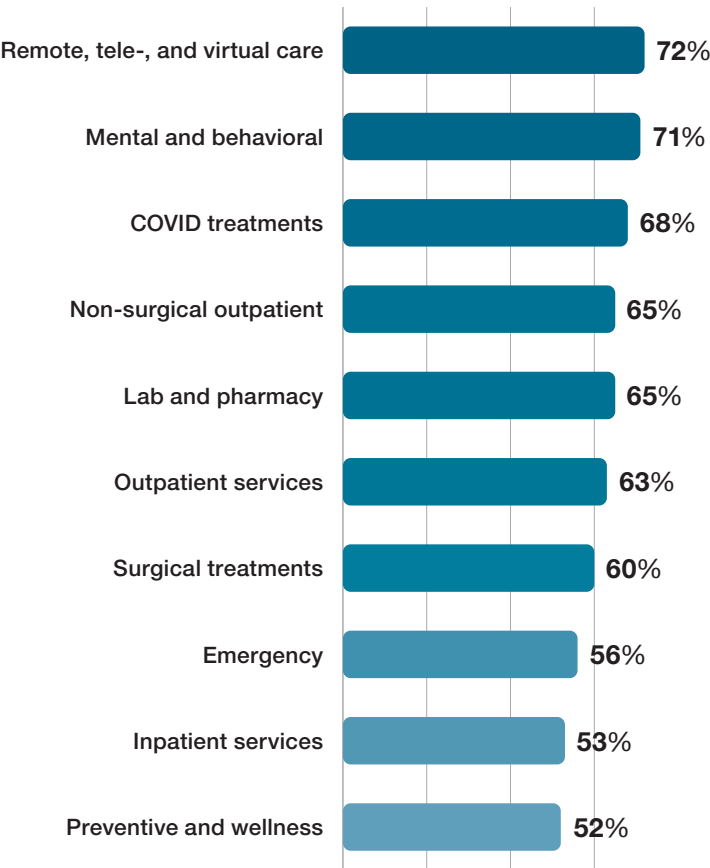
Going into year three of COVID, 68% of CEOs view effective treatment as critical to growth. The challenge is making sure new variants do not continue to disrupt regular, revenue-critical services such as outpatient, surgical/non-surgical, inpatient services, and well care. Integrating treatment services capable of contracting and expanding with demand is key.



FIGURE 1.1

Putting patients at the center

Most important for overall growth this year: Telemedicine, mental/behavioral health, and COVID treatments



Health system CEOs response to the question:

What health services will be most important for overall growth prospects over the next 12 months?





As the pandemic continues to devastate health systems, fiscal solvency remains the top concern amongst CEOs (82%). Uncertainty about COVID (77%) and whether federal and state governments will continue providing subsidies and supports (68%) make it harder to prepare and plan. Without a steady state in which to assess growth strategies, strategic planning is more difficult than ever.

Equally pressing is keeping up with technology (82%). Legacy systems don't play well with “everywhere care”. Integrating telehealth will remain a work in process for most health systems in 2022. Assessing technology’s value—financially and/or clinically—is likely a longer term proposition.

Personnel shortages remain a critical concern for 2022 in both nonclinical labor (80%) and clinical labor (72%). Related is the need to solve for issues of burnout and worker safety (58%), attraction and retention of staff (75%), and reskilling & upskilling (56%).

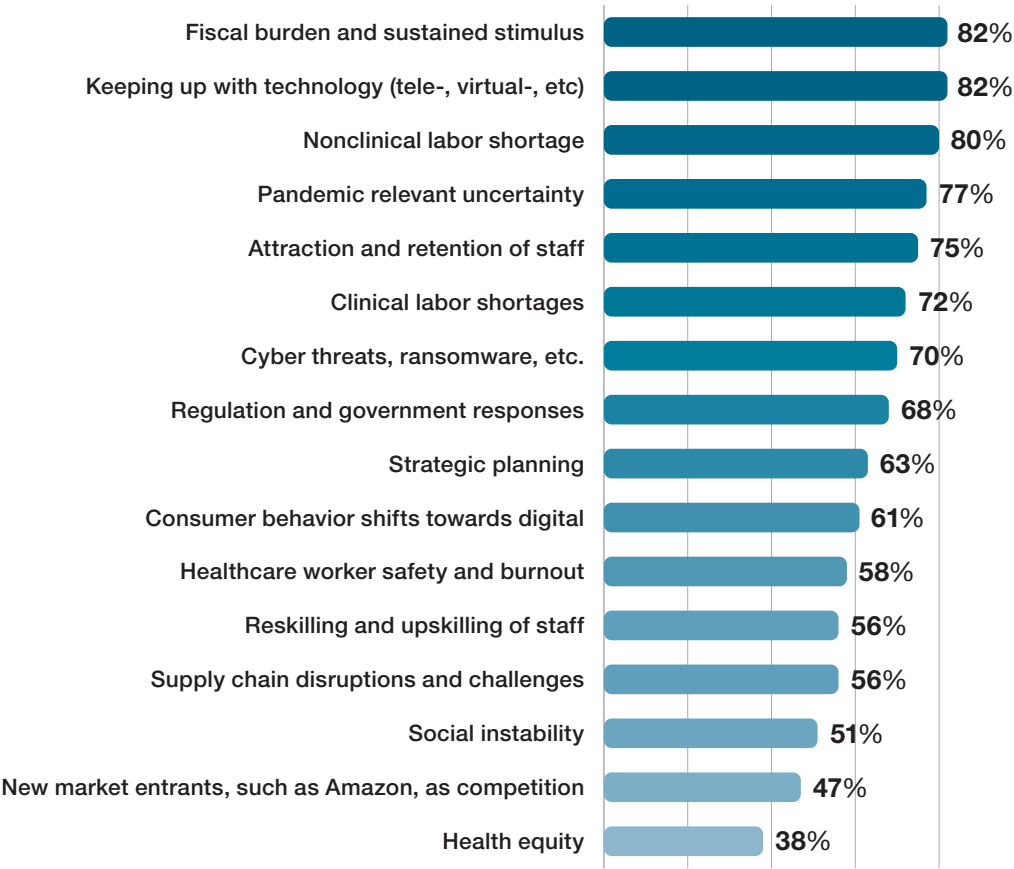
Reducing vulnerabilities to cyber threats is a pressing issue (70%) as is consumer behavior shifts toward digital in 2022 (61%). Lower rank order on these answer choices reflects their relative importance to system-threatening challenges of revenue, costs and labor shortages.

An open question is how to integrate remote sensing and wearables, health and wellness behavior modification, and bioinformatics tools. Supply chain issues, social instability, new market entrants, and health equity issues are concerning but appear not to be of immediate importance for the sampled health systems.

FIGURE 1.2

The challenges of patient-centered care

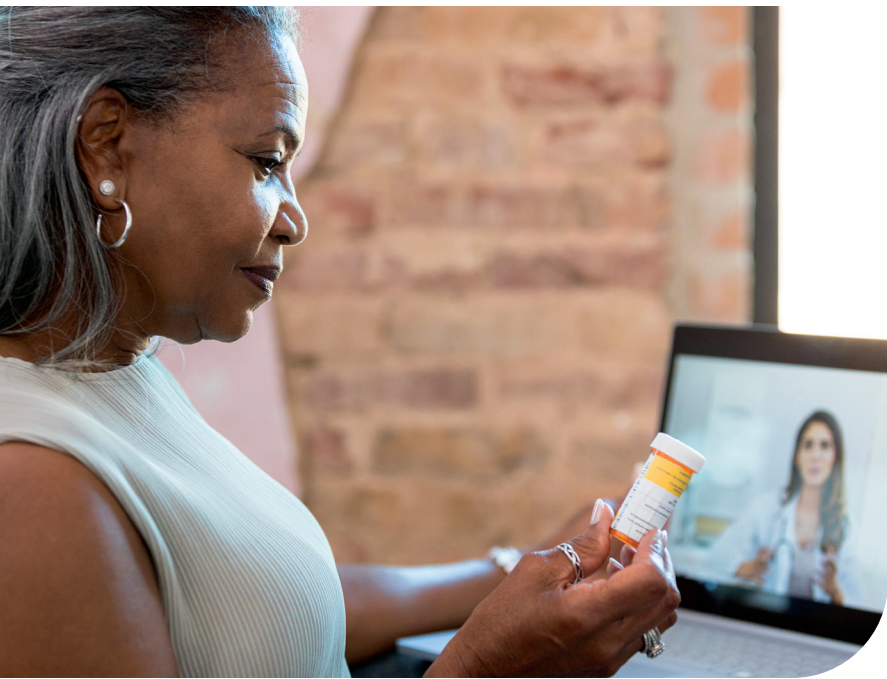
Most pressing issues for health systems this year: Fiscal burden, technology, and labor shortages



“Healthcare is facing some of the biggest challenges we have ever faced. An aging population, skyrocketing labor and supply costs, workforce availability, increased regulatory requirements, capacity challenges and a digital transformation...the one challenge that we must address across this country is the disparity of care for people of color, members of the LGBT Community, marginalized individuals and the uninsured.”

—Jack Lynch, FACHE
President and CEO
Main Line Health

Health system CEOs response to the question:
I believe the most pressing issues for health systems’ growth over the next 12 months are:

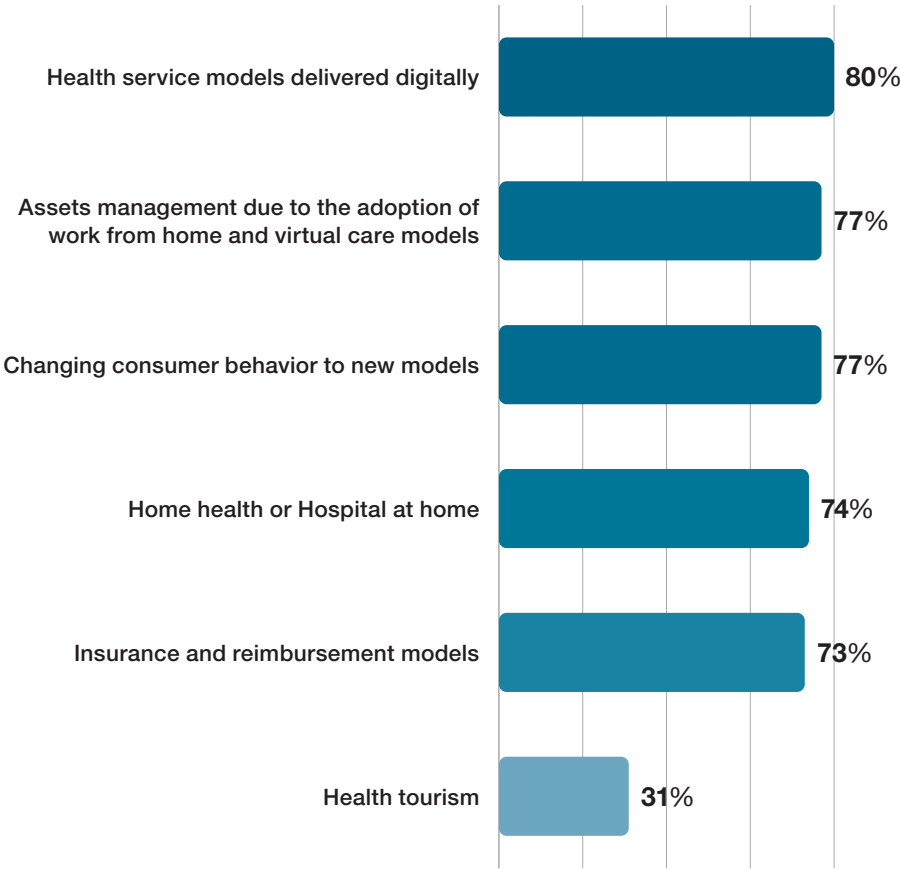


Health system CEOs are converging around the disruptive power of digital health service models (80%) and the need to respond to consumer behaviors embracing digital health (77%). Assets management is subsequently becoming a top concern (77%) to meet the needs for work from home and virtual care models. The move from fee-for-service to value-based care and insurance models may be feeding the perceived need for disruptions around reimbursement and insurance and models (73%). Health tourism is not a significant concern in 2022 as international travels remain problematic.

FIGURE 1.3

“Care everywhere” requires disruptive innovation

CEOs expect disruption in digital health, virtual assets management, and consumer uptake



“Amazon, Netflix, Google, and others have over the past couple of decades changed the definition of user experience; healthcare customers are increasingly expecting a similar experience. As an industry, we have talked about being a patient centric for a long time, but operated like a provider centric industry. While technology will play a very important role in the future, we also need to infuse humanity into healthcare.”

—Vikas Salgia
Sr. Director of New Market
Development at Hinge Health

Health system CEOs response to the question:
The health sector will see disruptions of the following trends in the coming year:



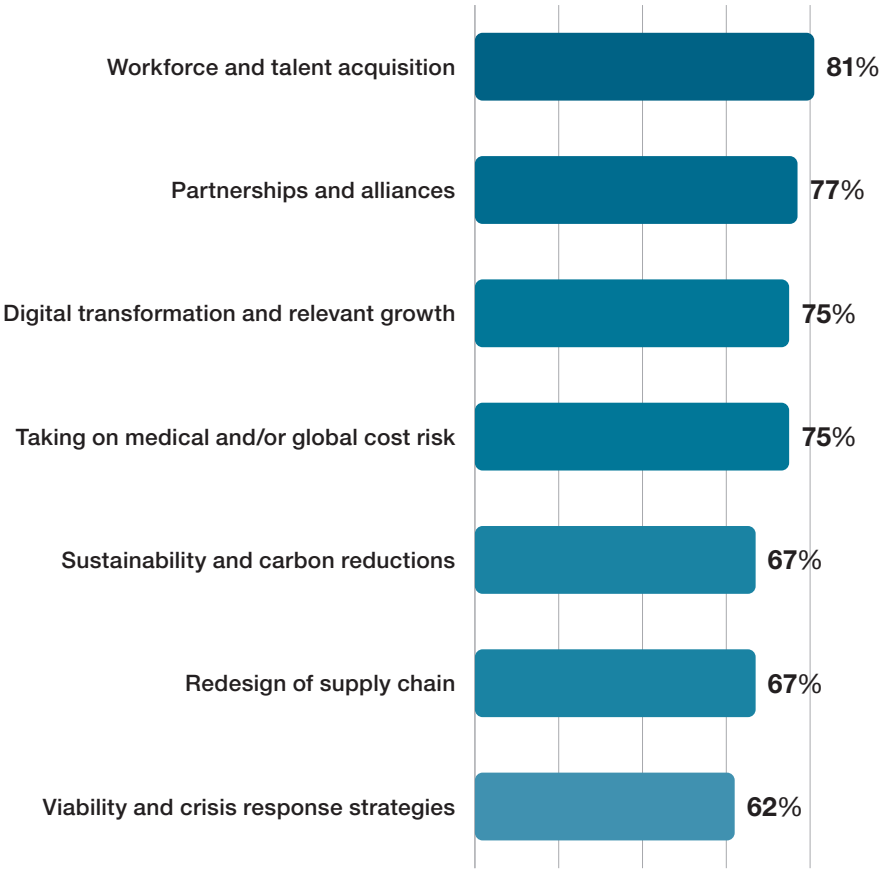
Dramatic changes in the healthcare sector and consumer preferences are fueling relationship-driven solutions. A top-class, engaged workforce remains hugely important to CEOs (81%) as they strategize the future of their health systems. Most are also concentrating on the value of digital transformation (75%).

The formation of partnerships and alliances is also top priority (77%), as driven by the need to reduce medical and cost risks (75%). Lower rank focus areas are less immediately tangible items such as sustainability (67%) and supply chain redesigns (67%). CEOs ranked viability and crisis response at the bottom of the choices offered (62%), indicating confidence in having endured the worst of the pandemic, but at the absolute level, still important.

FIGURE 1.4

Technology doesn't create growth, people do

Leaders focusing on attracting the right talent and forming the right partnerships in 2022

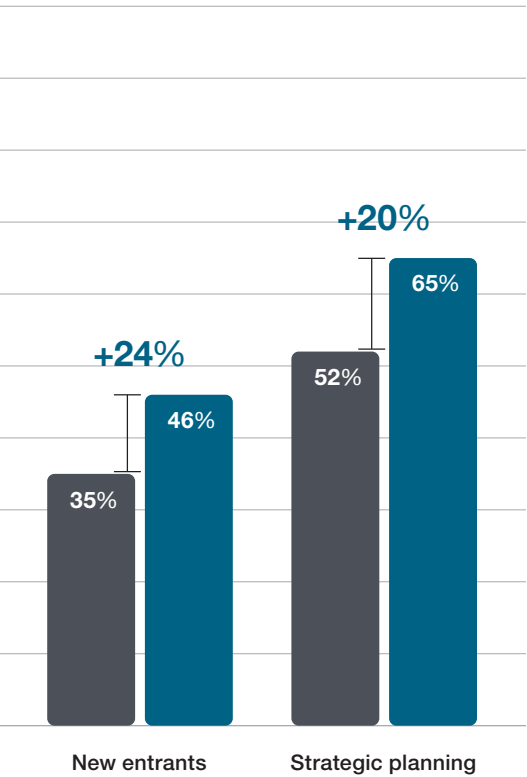


Health system CEOs response to the question:
What is the major future focus and orientation for your health system over the next 12 months?

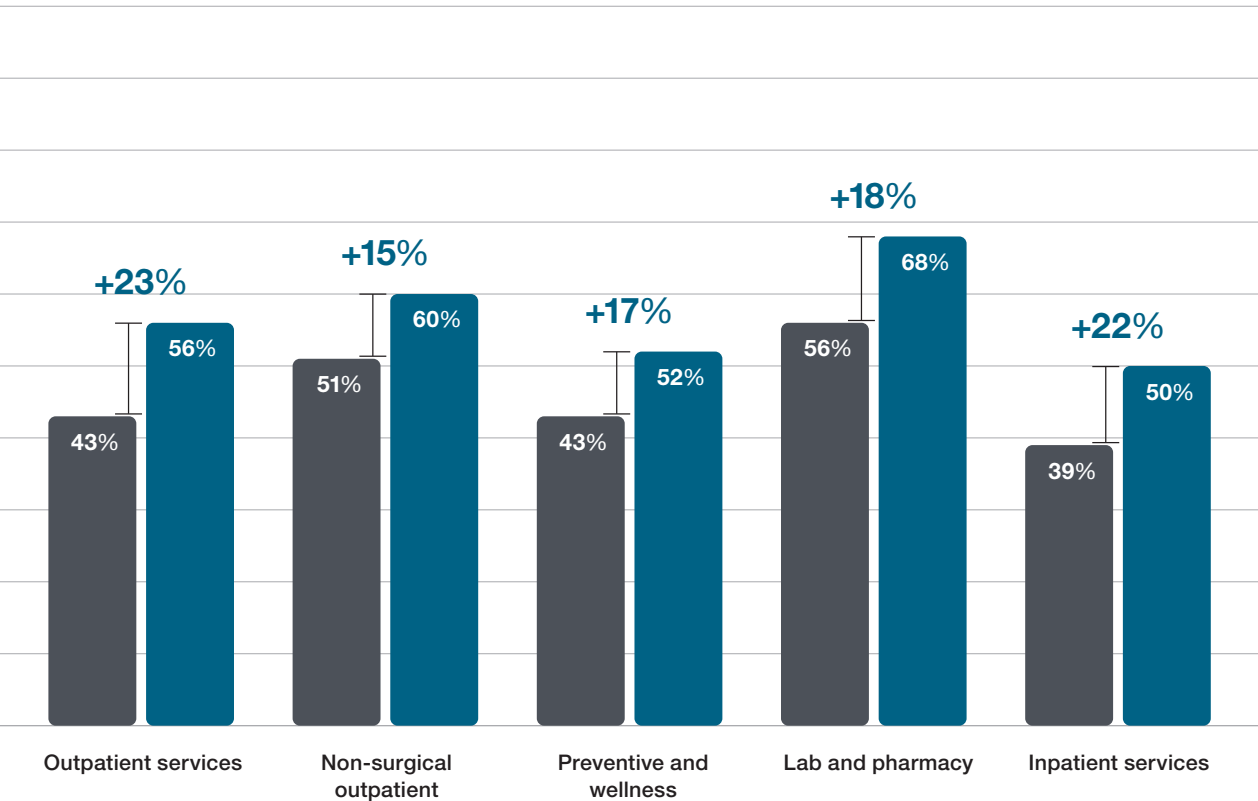
FIGURE 1.5

Fastest changing views 2022 vs. 2021: Growth strategies and concerns for the future

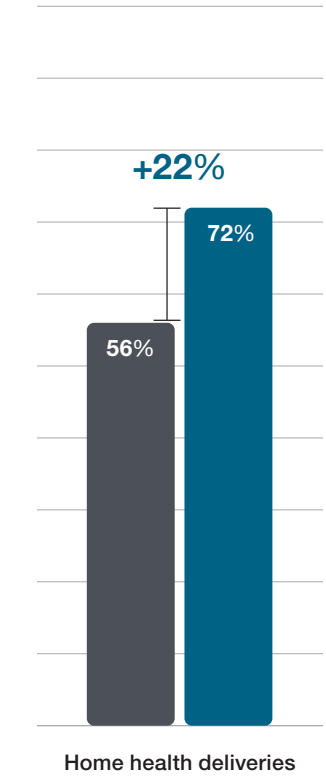
Competitive arena heating up



Big push to return to traditional services



Leaning into home health



2021 2022

Reflects relative percentage change in responses vs. 2021 from the 101 CEOs completing both the 2021 and 2022 surveys.

SECTION 2

Digital and Intelligent Technologies



Data is the servant leader of healthcare, enabling people and systems to excel

As the currency of digital health, quality data offers both risk and reward. The threat of data breaches, ransomware, and distributed denial of service (DDoS) attacks extends beyond finances and patient privacy to the health and lives of patients. Not surprisingly, an overwhelming majority of CEOs (90%) see risk mitigation technologies as essential in 2022.

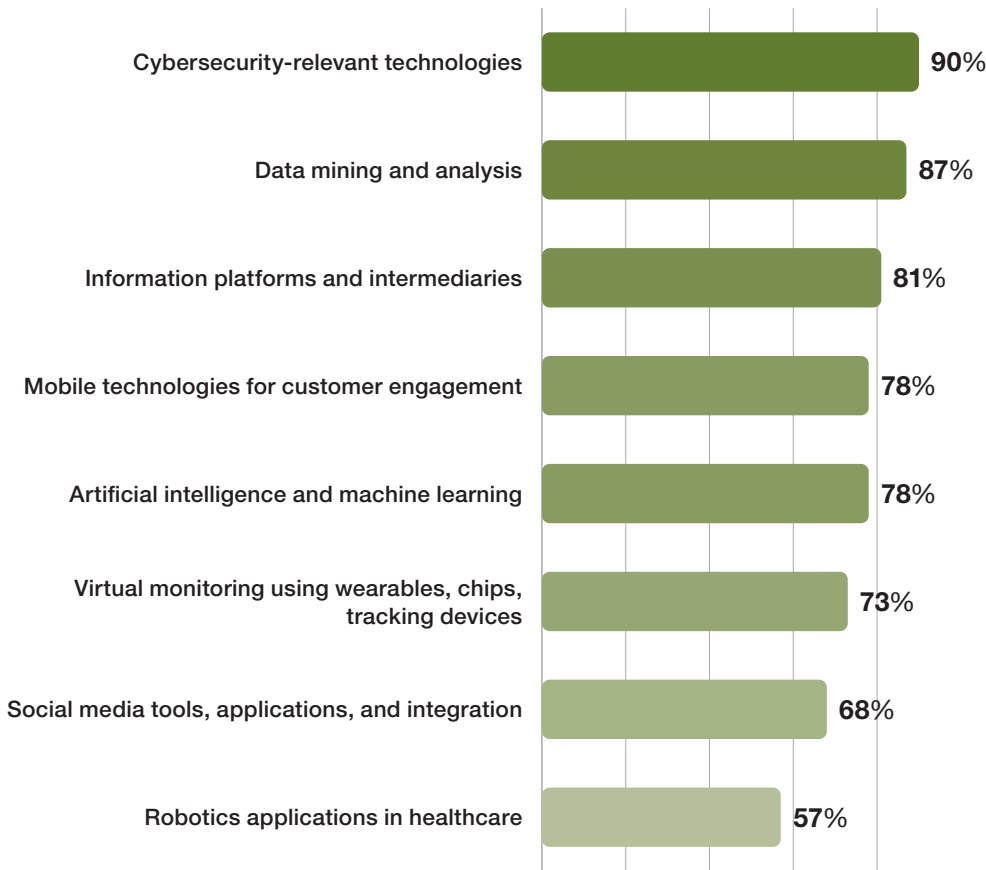
Patient-centered care and professional workforces are the engine of value-based care, but value-driving technologies are its jet fuel. There are myriad ways health systems can harness technology and data to enhance the care experience, reduce costs, and improve outcomes. Paramount for 2022: data mining and analysis (87%), creating cohesion across healthcare silos with platforms and intermediaries (81%), extending control to patients with mobile technologies (78%), and artificial intelligence and machine learning (78%). Close behind for many (60-70%) are integrating virtual monitoring, social media applications, and robotic technologies.



FIGURE 2.1

Digital health’s imperative: Disrupt or be disrupted

Essential to precision-driven care: Cybersecurity, data mining, new platforms, AI, and apps



Digital technologies are powering value-based care’s paradigm shift. Pacing consumer expectations—not chasing them—is everything.

Health system CEOs response to the question:
Digital and intelligent technologies that are important for health systems:



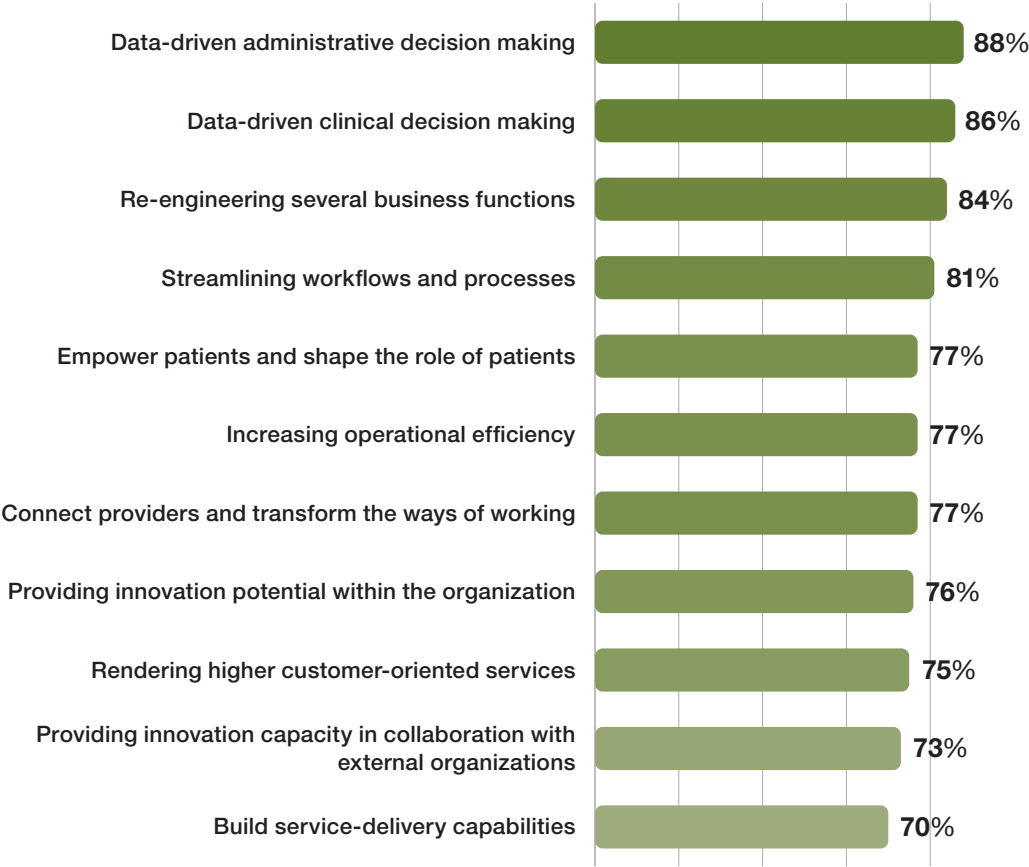
Value-technology investments in healthcare require a well orchestrated strategy that enables each health system to address its particular set of issues and opportunities. CEOs believe data-driven decision-making offers the most value creation, both administratively (88%) and clinically (86%). They also see digital mechanisms as key to value-engineering business functions (84%) and improving workflows and processes (81%).

Of median importance to CEO’s in value creation during 2022 are choices reflecting less immediate goals: patient empowerment (77%), operational efficiency (77%), connecting providers (77%), or fostering internal innovation (76%). These will require innovative, integrative strategies to realize the full value of value-based care.

FIGURE 2.2

The journey to value-based care starts with a clear roadmap

Digital mechanisms lead the way to better decisions, better engineered business functions, and better workflow



Relevant data, healthcare’s “invisible hand”, improves outcomes for patients and systems alike.

Health system CEOs response to the question:
To what extent digital technologies are creating value for your health system through these mechanisms?

Digital transformation requires careful orchestration and calibration. Change is hard. It needs a champion. CEOs understand it needs to be them (87%). They overwhelmingly agree on its imperatives: clear vision about why, how, and where digital makes the difference (87%), reducing waste and inefficiency (85%), and having a well-thought-out plan (84%).

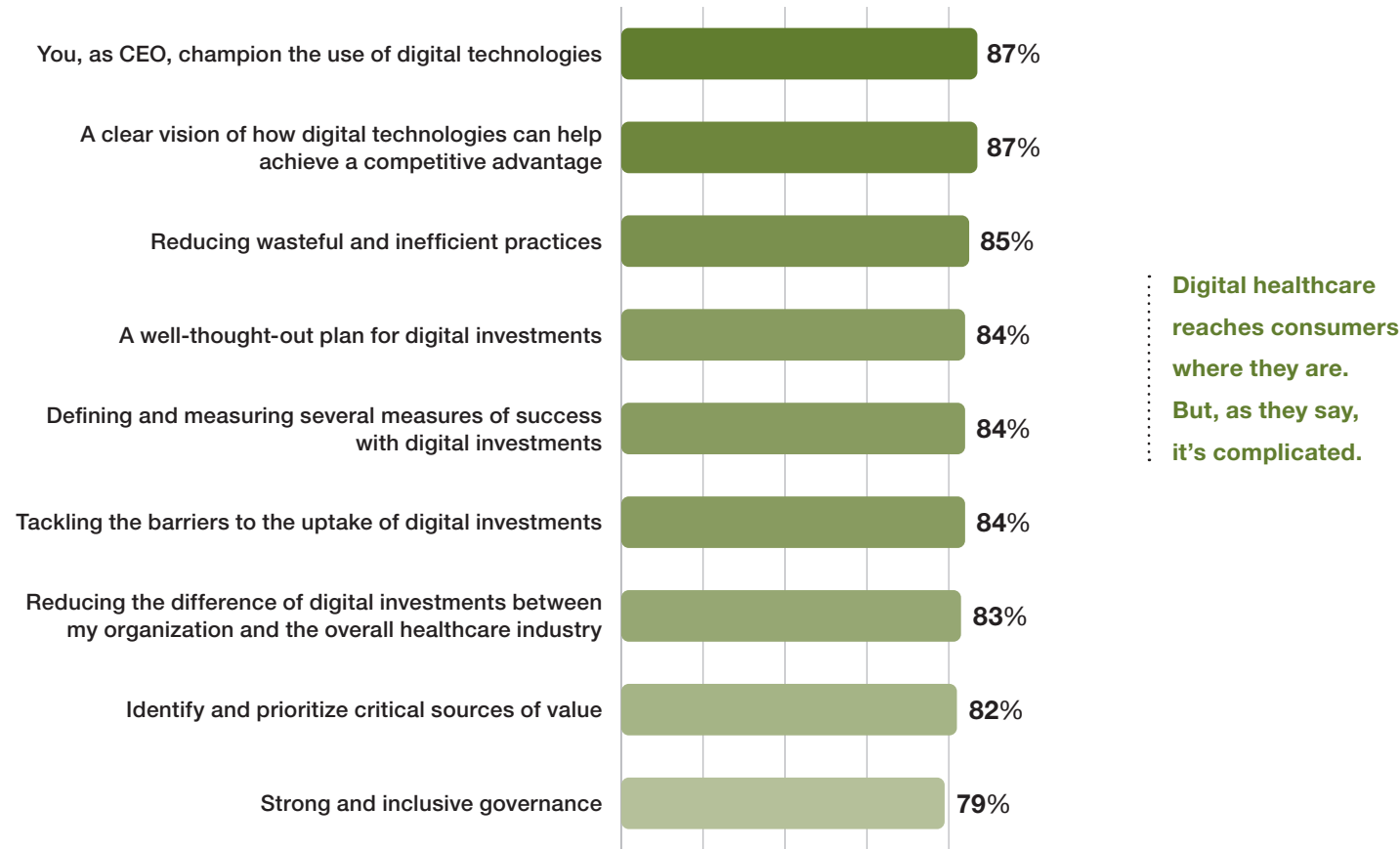
Also perceived as critical (more than 82%) are the need to: define and measure digital investment success, overcome barriers to internal adoption, leverage digital for consumer relevance to stay competitive, and mine data for value. The overall strong agreement on every survey response offered can be interpreted as an understanding of the importance of getting it right to break the way forward with digital.



FIGURE 2.3

Patient-centric digital investment is cultural, operational, and financial

What digital investment takes: CEO as champion, clear vision, value-engineering, and smart plans

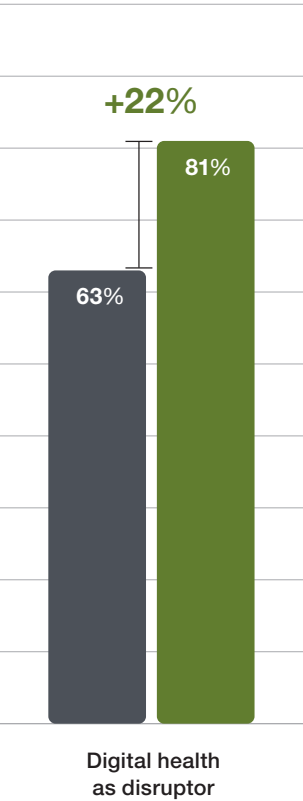


Health system CEOs response to the question:
To what extent are the following factors important in helping your organization get the most out of your digital investments?

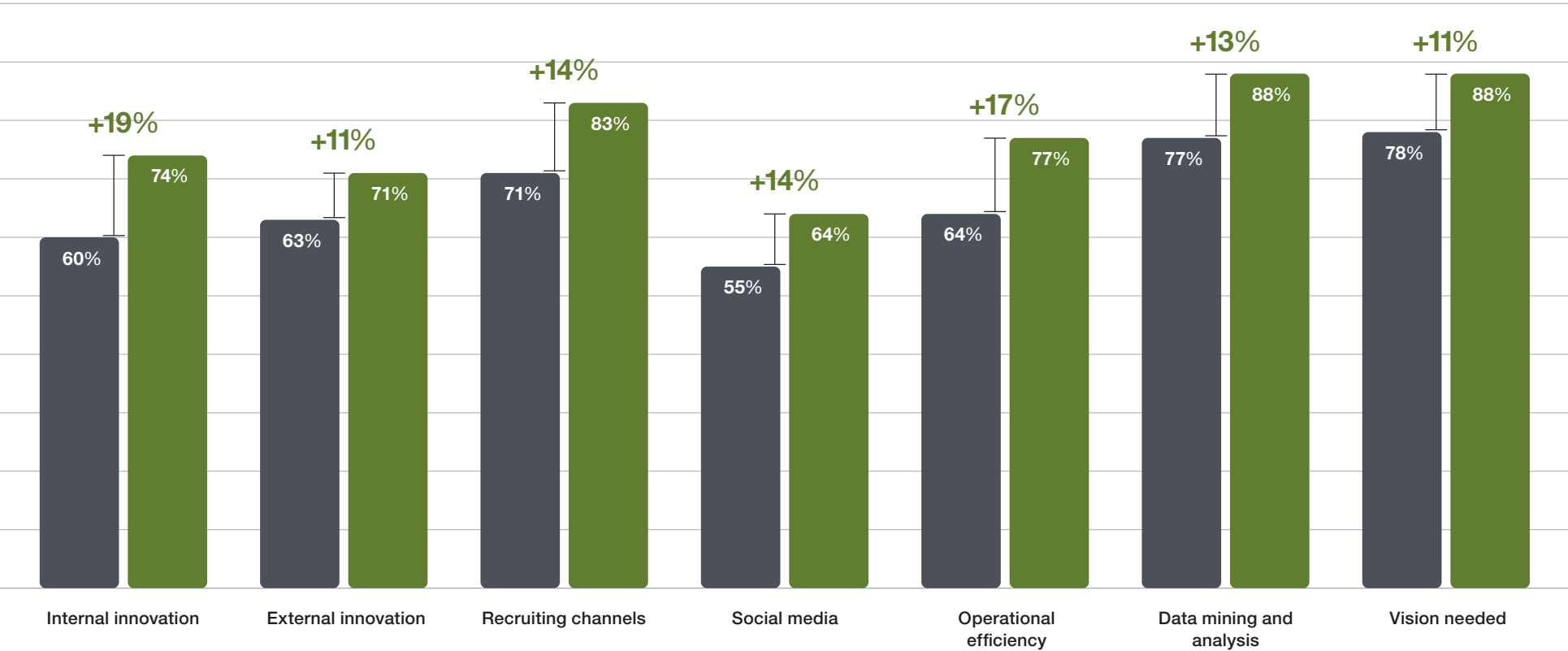
FIGURE 2.4

Fastest changing views 2022 vs. 2021: Digital and intelligent technologies

Huge push toward digital



Embracing many data-driven ways to create value; imperative for clear vision



2021 2022

Reflects relative percentage change in responses vs. 2021 from the 101 CEOs completing both the 2021 and 2022 surveys.

SECTION 3

Competition and Collaboration



CEOs are reshaping healthcare ecosystems to be proactive not reactive

Health system leaders are moving to take control of the market forces that shape their ecosystems. This means partnering to do more with less, being ready for policy issues, leaning into the power of people and technology in omnichannel consumer engagement, and generally taking a broader look at what healthcare means.

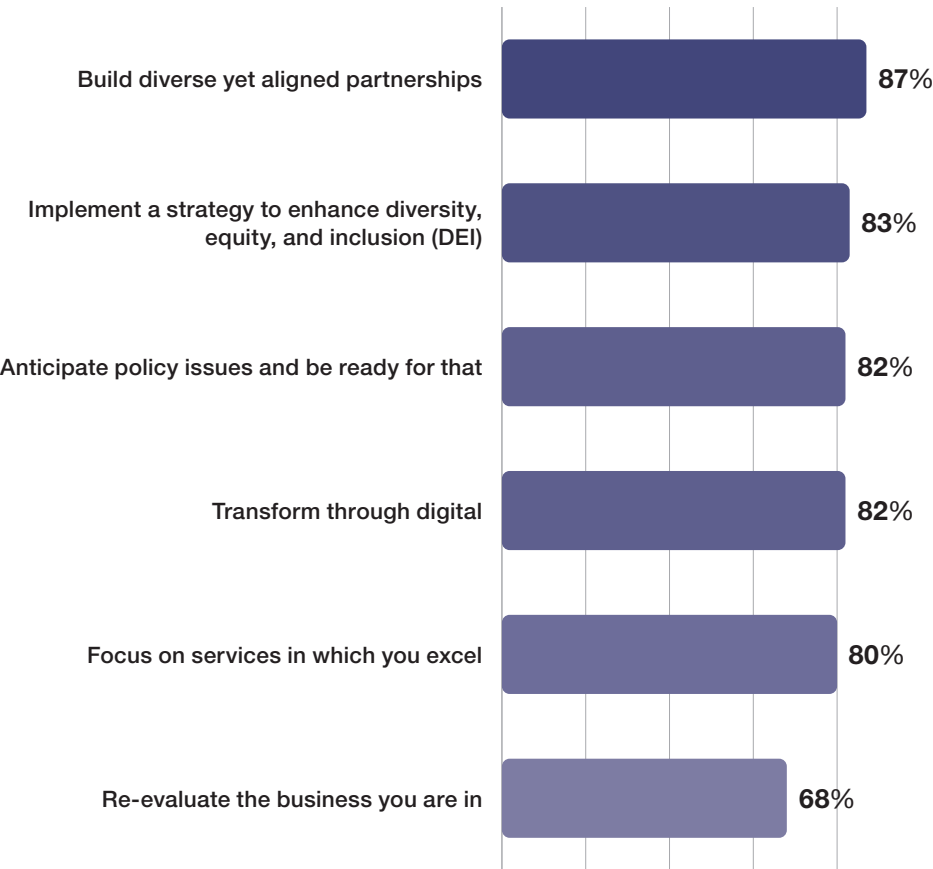
The struggle to cope under COVID exposed system weaknesses and ignited innovative solutions. CEOs (87%) see collaborative partnerships as the top strategy to compete in 2022. Next level importance for competitive advantage (83%) is workforce diversity, equity, and inclusion (DEI). Anticipating policy issues (82%) and being ready for them, as well as transformation through digital (82%), rank alongside DEI, followed by service excellence (80%). Least important (68%) for CEOs, but worth nothing and likely driven by COVID's crushing impact, is reevaluating the business they are in.



FIGURE 3.1

COVID has exposed weak links in the healthcare value chain

To compete post-COVID-19: Partnerships, people, planning, and digital transformation



Health system CEOs response to the question:
What is needed for your health system to compete in the post-COVID-19 economy?



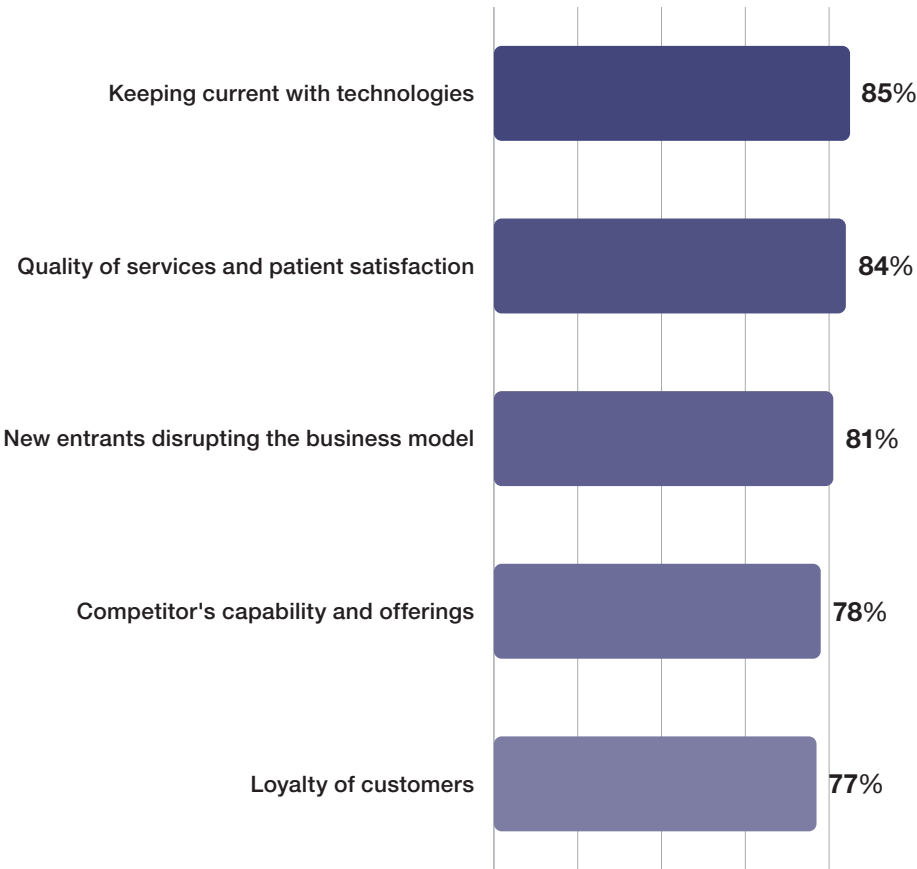
Although CEOs do not see it as strategic in and of itself, they agree (85%) on the need to keep current with technology—as outdated technologies can hurt the ability of health systems to compete in a specific region or area. Virtually equal in importance (84%) are quality services and patient satisfaction, confirming the importance of consumer-centric care to the bottom line.

Ranked next as a concern (81%) are new healthcare entrants attempting to disruptively innovate with new technologies, delivery, and business models. Competitive capabilities and offerings (78%) and loyalty of consumers (77%) rank lowest on the list of concerns offered in the survey, likely a reflection of the less tangible wording as an answer choice rather than not being competitive concerns. In fact, consumer loyalty and continuity of care is the end game for value-based care.

FIGURE 3.2

Competing in 2022: Same tools, new rules

Top competitive concerns: Keeping up technologically, quality of services and patient satisfaction, and new entrants



The disruptive power of data has the healthcare marketplace on its toes. Competition proves its place as a driver of innovation, quality, and value.

Health system CEOs response to the question:
What are your concerns about competition in the new normal?



Healthcare CEOs (87%, see Figure 3.1) see the value of partnerships to growth in 2022. Merging core capabilities enables health systems to overcome vulnerabilities and create competitive edge. For example, supply shortages during COVID peaks compel CEOs (77%) to ascribe high importance to collaborations with supply chain and logistics organizations.

Consultants (73%) are also important. Health system operations and revenue streams during pandemic peaks exposed the limitations of in-person and fee-for-service models. Input from consulting agencies helps leaders think like an outsider and take a broader view of where healthcare can go.

Academia is also an important way to partner for success, with 73% of CEOs creating (or planning to create) partnerships. Universities offer resources to understand the new and emerging business models and add value in workforce reskilling.

Equal importance (68-70%) is given for horizontal, vertical, and entrepreneurial collaborations, indicating openness to positioning for growth opportunistically. Collaborations with disruptors and commercial players remain at the bottom of the rank, important to only 54-57% of CEOs, likely a reflection of perceived risk.

FIGURE 3.3

Better together: Partnering for successful outcomes

Partnered integrations improving patient care on many fronts



Health system CEOs response to the question:
Are you currently engaged with or considering engaging with any of the following types of partners through joint ventures, strategic alliances, or informal collaborations to support your growth?

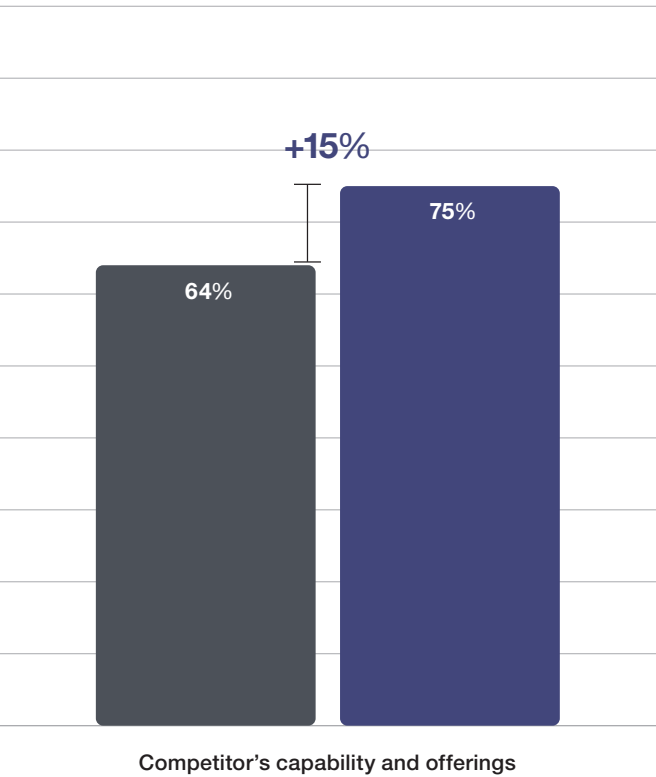
“Healthcare’s moment to transform is now. The incremental changes of the past will not get the job done today. Throughout history, when the way is blocked, innovators find new paths that can result in a solution that is game changing for decades. Now is the time to foster the passion in our teams that will propel us forward, and stoke the sparks of innovation. As we do so, building and maintaining relationships that earn long-term trust is critical to making a significant impact on the health of our communities.”

—Tina Freese Decker
President & CEO
Beaumont Health and
Spectrum Health System

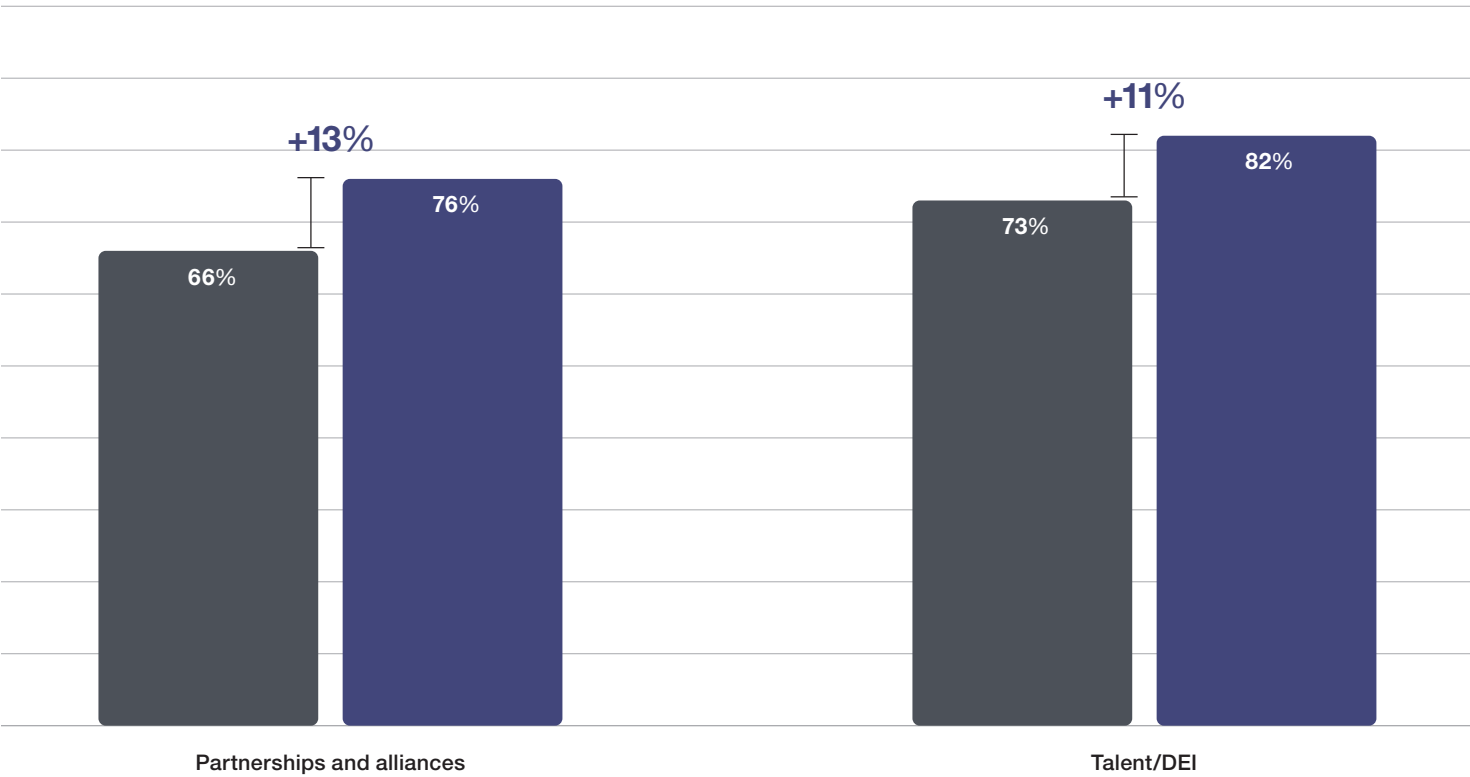
FIGURE 3.4

Fastest changing views 2022 vs. 2021: Competition and collaboration

More worrisome: Staying competitive



Growing emphasis: Adding competency both outside and inside



Reflects relative percentage change in responses vs. 2021 from the 101 CEOs completing both the 2021 and 2022 surveys.

2021 2022

SECTION 4

Workforce, Talent, and Diversity



When you look in a mirror all you can see is yourself

It is hard to imagine a sector with more to gain from diversity, equity and inclusion (DEI) than healthcare, and as much to lose. It starts with a workforce as diverse as the population being served, which energizes shared purpose and invites co-creation and innovation. Better care experiences and health outcomes in turn ripple through the system and out into the community.

COVID has severely strained the physical, mental, and emotional well-being of healthcare workers. Already an issue, turnover rates and resignations have reached crisis levels across all health systems. There is significant CEO convergence around the need to upskill or reskill the existing workforce (90%), attract a broader range of talents in new hires (87%), and utilize online platforms and social networks (86%) to find them. To train in the skills and talents that meet system needs, 83% of CEOs are reaching out to universities for help with talent building. Some (77%) are looking at hiring talent away from other industries and train them.



FIGURE 4.1

Widening the lens on talent

Addressing needs: Broader skill sets, expand recruitment channels, and customize training



“We want people in HCA Florida JFK North Hospital that have differing ideas, differing experiences, differing opinions, because we need to grow and accelerate our thinking...to achieve what is best for patients and community. The only way you do that world-class is to bring a variety of people together and embrace different ideas. Diversity and inclusion will make us more competitive in the marketplace and facilitate expeditious actions on key strategies that align and live up to our mission: Above all else, we are committed to the care and improvement of human life.”

—Ashley Vertuno, FACHE
Chief Executive Officer
JFK Medical Center

Health system CEOs response to the question:
How will you address talent needs in your organization?

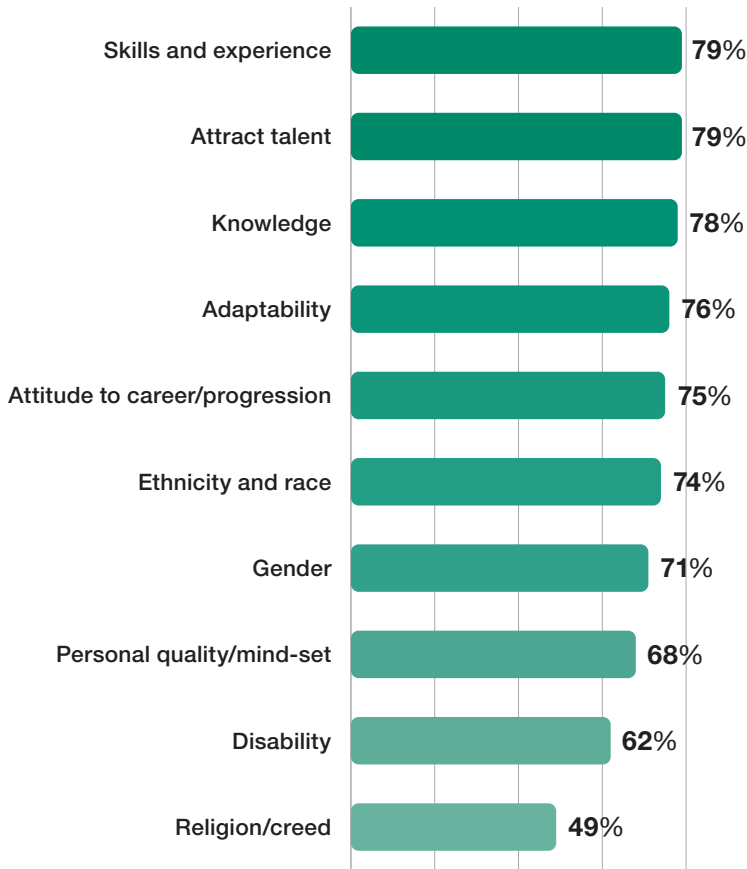


Employing and managing a diverse workforce has enormous implication for diverse consumer populations. Our survey found wide agreement on many strategies to foster diversity and inclusion: attract diverse talent (79%), and achieve the right mix of skills and experience (79%), knowledge (78%), adaptability (76%), and ethnicity and race (74%). Interesting as well are the dimensions of diversity that are not top of the list for many CEOs: gender, personal quality/mindset, disability, and religion/creed. This could indicate an opportunity gap or simply reflect confidence in the existing heterogeneity of their organization.

FIGURE 4.2

Diverse workplaces to support diverse populations

Talent strategy: Attract talent, skills and experience, knowledge, and adaptability



“Recruiting and retaining a diverse workforce is critical for furthering Gillette Children’s mission and driving innovation. That is why we are taking intentional, meaningful steps not only to augment our recruiting practices but also to assure we are fostering a welcoming and inclusive community for our staff, patients, & families.”

— Barbara Joers
President and CEO
Gillette Children’s

Health system CEOs response to the question:

Which dimensions of talent diversity and inclusiveness do you specifically address or plan to address in your company’s talent strategy?

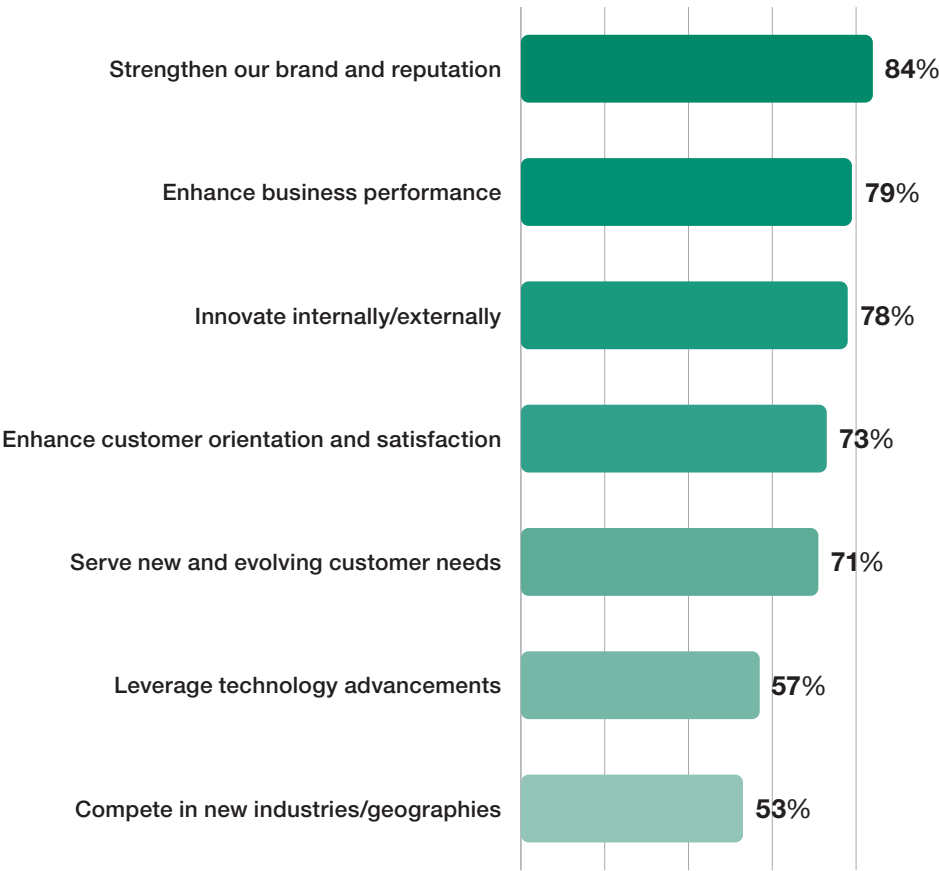


Most of the CEOs surveyed agree that workforce diversity has strengthened brand and reputation (84%), enhanced business performance (79%), and helped both internal and external innovation (78%). Driving these is the value of diversity to health systems’ value proposition. Health leaders see that a critical difference maker is making sure consumers and co-workers feel understood and valued for who they are and where they come from. Accordingly, workforce diversity accrues the benefits of enhanced consumer orientation and satisfaction (73%) and serving new and evolving consumer needs (71%). Improving outcomes is the bottom-line benefit for healthcare systems and their consumers.

FIGURE 4.3

Better for business, better for consumers

Diversity’s benefits: Brand building, performance, innovation, and consumer satisfaction



Health system CEOs response to the question:
Which of the following benefits, if any, has your organization obtained from its strategy to promote talent diversity and inclusiveness?

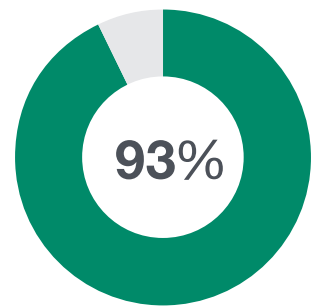


CEOs plan to rely more on the upskilling activities than recruitment strategies to improve DEI within their health system. An overwhelming majority of CEOs (93%) have locked in on training managers on DEI best practices and on team building (90%). Many are also looking to broaden their mix of talent (83%) and provide incentives for inclusiveness (81%). Bolstering existing workforce capabilities and confidence is a cost effective way to build a DEI-oriented culture, but may or may not be sufficient.

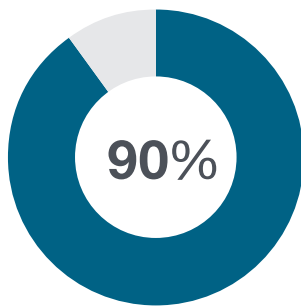
FIGURE 4.4

Baking it in—DEI is a culture not an initiative

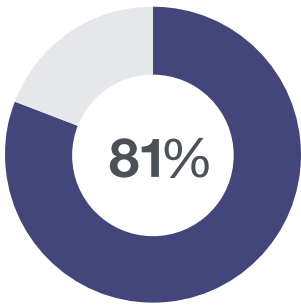
DEI will take training, team-building, and employee incentives



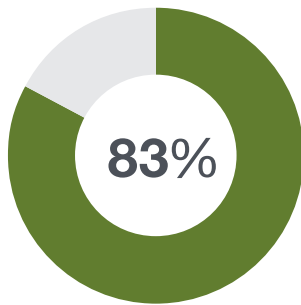
Train managers on best practices in DEI



Offer social and work-related team building activities



Provide incentives for managers to be more inclusive



Mix of talent needed to compete

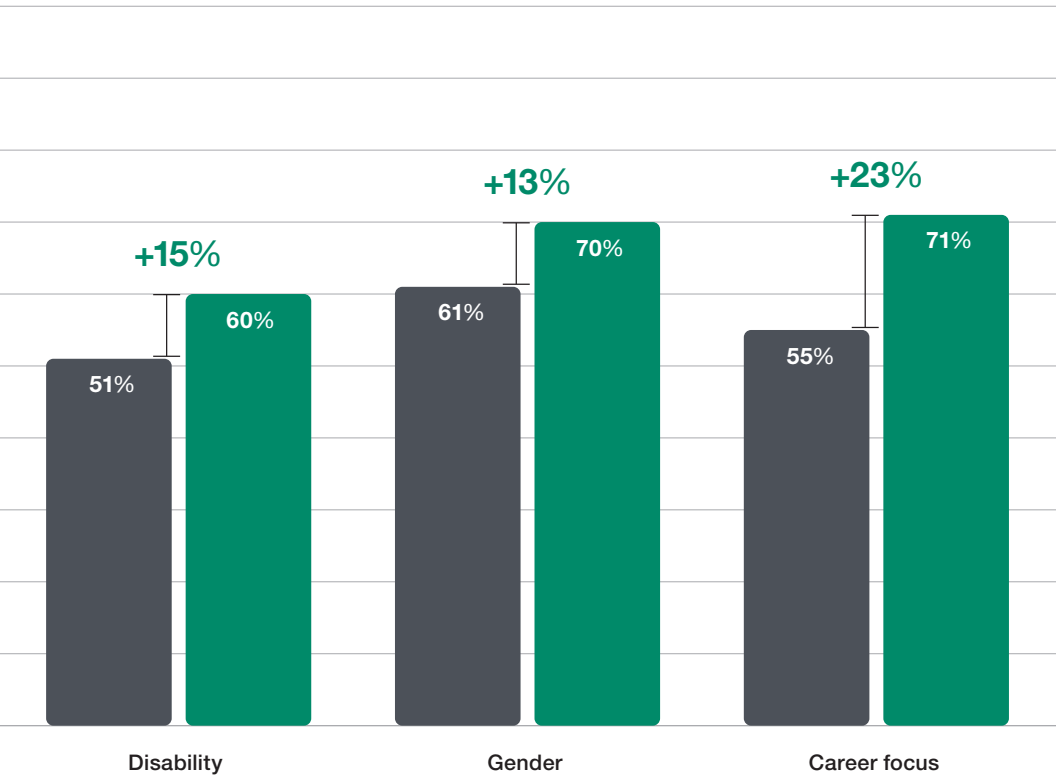
A rising tide lifts all boats. Prioritizing and supporting the needs of the marginalized is good for patients, staff, and communities. Billions are being spent to achieve it, yet the needle has hardly moved. It takes more than DEI officers, hires and training to overcome a toxic culture. Improving consumer loyalty and employee retention starts at ground zero.

Health system CEOs response to the question:
How will you address DEI (diversity, equity, and inclusion) in your organization's talent strategy?

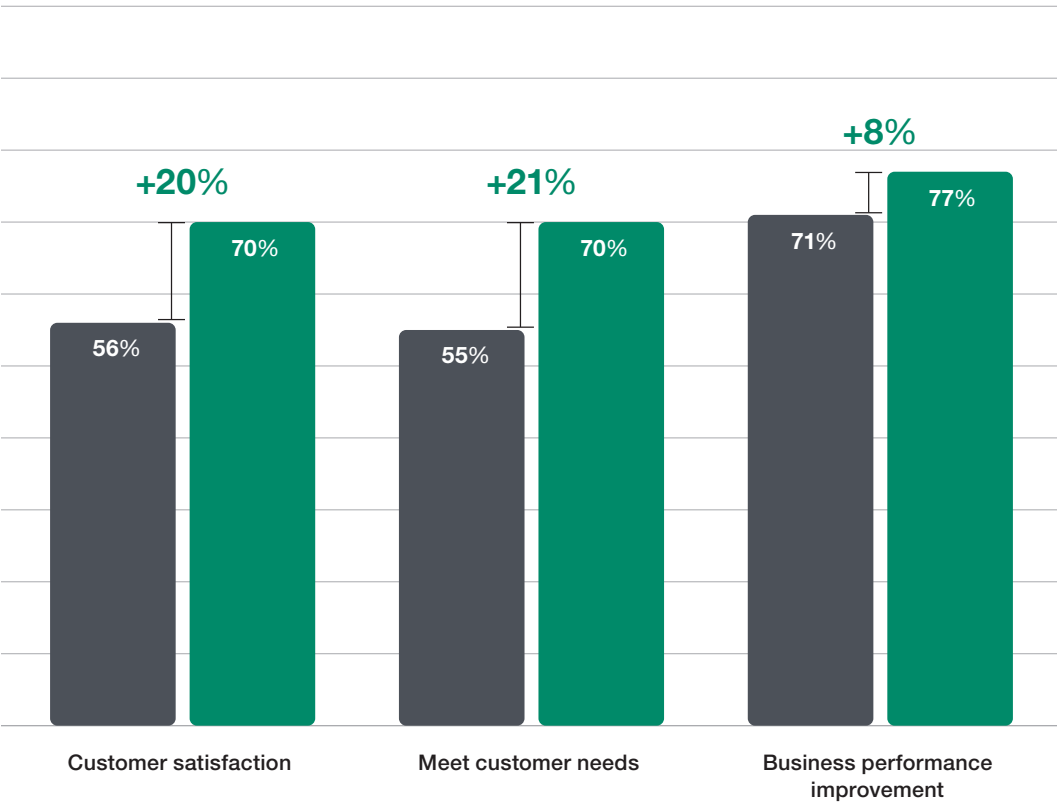
FIGURE 4.5

Fastest changing views 2022 vs. 2021: Workforce, talent, and diversity

Biggest shift in DEI thinking: Disability, gender, and career focus



DEI creating benefits for consumers and the bottom line



2021 2022

Reflects relative percentage change in responses vs. 2021 from the 101 CEOs completing both the 2021 and 2022 surveys.

SECTION 5

Research Methodology





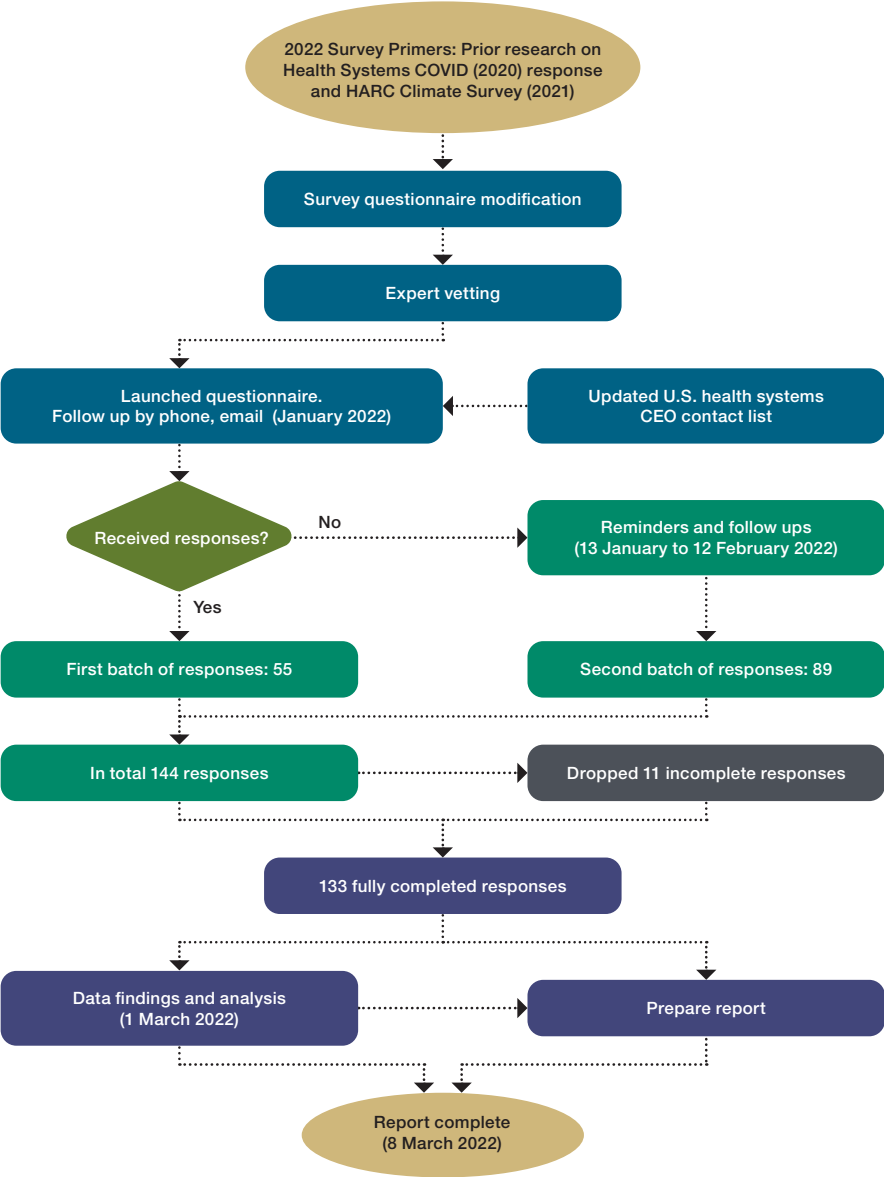
Continuing the conversation

The 2022 Health Systems’ Climate Study conducts and reports primary research on the climate of health systems in the United States. Begun by the Health Administration Research Consortium (HARC) last year, it strives to offer insights of health systems’ CEOs to inform policymakers, practitioners, and academic stakeholders as they collaborate to create ongoing strategies to support population health.

In 2022, we primarily relied on the survey questionnaire designed, validated, tested, and implemented in the Inaugural Health Systems’ Climate Study 2021. We made minor modifications to existing questions and added others. The research response rate was excellent, 21%. The U.S. health systems CEO contact list was updated for 2022 using information from multiple sources, contacts, professional collections, websites, and annual reports. The survey instrument was mounted on a professional survey platform mapped with trackable links for each health system. This report reflects 133 usable responses; 144 were received, 11 of them were incomplete. Disaggregated responses by revenue and size of the health systems is available in the 2022 Health Systems’ Climate Study Supplement.

The size of the 133 health systems represented in this survey varies from 1 to 50 hospitals, and from 278 employees to 60,000 employees. The annual revenue in 2022 ranged from \$0.7 million to \$10 billion. In aggregate the health systems represent \$263 billion in revenues and 1.2 million employees across the United States.

Our process



The research team



Dr. Jiban Khuntia

Associate Professor of Information Systems
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Dr. Khuntia is an expert in information technology and service innovation, and a leading health systems researcher. His work has appeared in *Information Systems Research*, *Production and Operations Management*, *Journal of Management Information Systems*, *Journal of Medical Internet Research*, among others. Before zeroing in on healthcare, Dr. Khuntia spent ten years as a professional and consultant in supercomputing, the IT industry, and government. He earned his Ph.D. from the Robert H. Smith School of Business, University of Maryland.



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Dr. Ning has published in the *Journal of Medical Internet Research*, *Information Technology for Development*, and other top publications. Her adjacent experiences include having coordinated international projects relevant to healthy and sustainable communities. Dr. Ning completed her Ph.D. in Computer Science and Information Systems in the Business School at the University of Colorado Denver.



Dr. Rulon Stacey

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Chair of the CEO Circle of the International Hospital Federation

Dr. Stacey has been twice selected by Modern Healthcare as one of the top 100 most influential people in US healthcare. He has served as the Chair of the Board of Governors for the American College of Healthcare Executives and was appointed by three different United States Secretaries of Commerce to multiple terms as the Chair of the Board of Overseers of the Malcolm Baldrige National Quality Award. Dr. Stacey is also a partner at Guidehouse consulting and lends his expertise to the Poudre Valley Colorado Health System, among others.

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This research benefits from the expert inputs from our Health Administration Executive Council members at the Business School of the University of Colorado Denver:

Dr. Wayne Cascio

Emeritus Professor of Management

Dr. Jeff Helton

Clinical Associate Professor

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Important recognition goes to:

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Kathryn Hogan, Coordinator of the Health Administrations Program at the Business School of the University of Colorado Denver

Roger Japp, Director of Executive MBA in Health Administration Program at the Business School of the University of Colorado Denver

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GUIDEHOUSE

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