**Hospital and Health System Leadership Incentives to Improve Health & Reduce Disparities**

_A project of the NAM Leadership Consortium for a Value & Science-Driven Health System and the American Hospital Association_

**Activity:** Explore trends in executive compensation of hospital and health system leaders for successful reduction of health disparities and meeting population health goals.

**Compelling aspiration:** *Aligned incentives for health system leadership to support health and health care equity.* Achieving this aim will require exploring incentives driving health system leaders to address health equity, disparities and population health in order to inform future efforts.

**Issue:** As the United States healthcare system increasingly adopts and implements value-based payment models to achieve better outcomes at lower cost, hospitals and health care systems are being challenged to improve the health of the populations and communities they serve. Key to this effort is addressing health equity and reducing health and health care disparities, as well as addressing the needs of the most medically complex conditions. As has been noted, 5 percent of patients account for 50 percent of the healthcare spending, primarily due to multiple comorbidities and complex conditions. Furthermore, disparities related to elevated rates of chronic illness among African-Americans and Hispanics alone are estimated to cost the healthcare approximately $337 billion from 2009 through 2018. A variety of well documented approaches are being taken by health systems to successfully improve the health of populations. In a recent American Hospital Association (AHA) survey, 85% of hospitals reported strong or total commitment to population health or have population health in their vision statement, while only 19% strongly agreed that they had the financial resources available for population health.

Hospital and health system leaders need to prioritize improving health equity and reducing disparities in order to improve the health of their population and success in the population health paradigm of health care. In order to make progress in this very important issue, it will be necessary to understand the various policies and incentives at play at the health system and health system leadership level to address equity and disparities.

**Approach:** The NAM will partner with the AHA on its Population Health, Equity and Disparities survey of its membership. NAM will work with AHA to develop 2-4 survey questions on the existing policies and incentives that are in place both at the system, Board of Directors, and C-suite level to promote population health, disparities reduction and health equity. Findings from the survey will be presented to stakeholders in multiple venues (e.g., AHA Annual Meeting and Leadership Summit; Association for Community Health Improvement National Conference; NAM Patient & Family Leadership Network and Executive Leadership Network webinars) for feedback. Findings and learnings from the listening sessions will be presented in an NAM and AHA discussion paper.

**Participants:** American Hospital Association, health system leaders and senior scientific and thought leaders representing working to advance health and health care equity.

**Deliverable(s):** AHA survey results; stakeholder listening sessions at meetings such as: Annual Meeting and Leadership Summit; Association for Community Health Improvement National Conference; NAM Patient & Family Leadership Network and Executive Leadership Network webinars; NAM and AHA Discussion Paper.


**NAM contact:** Michelle Johnston-Fleece, Senior Program Officer (MJFleece@nas.edu)
The National Academy of Sciences

The National Academy of Sciences (NAS) is a non-governmental organization comprised of the nation’s leading scientists. Chartered by Congress and President Abraham Lincoln in 1863, NAS is called upon to serve as the adviser to the Government and to the nation on matters of scientific research and policy. Presidential Executive Orders have defined the special relationship of the Academy to Government and cited its unique capacity to marshal scientific expertise of the highest caliber for independent and objective science policy advice. The NAS charter now provides the governing framework for the work of three component Academies: the National Academy of Sciences, the National Academy of Engineering, and the National Academy of Medicine. Each of the three Academies has approximately 2000 elected members, and, in addition, draws widely throughout the nation and world for the expertise necessary for the accomplishment of its mission and related responsibilities.

The National Academy of Engineering

Founded in 1964 under the NAS Charter, the National Academy of Engineering (NAE) provides engineering leadership in service to the nation. The mission of the National Academy of Engineering is to advance the well-being of the nation by promoting a vibrant engineering profession and by marshalling the expertise and insights of eminent engineers to provide independent advice to the federal government on matters involving engineering and technology. The peer-elected NAE members and foreign associates, senior professionals in business, academia, and Government are among the world’s most accomplished engineers. They provide the leadership and expertise to advance engineering, technology, and their relationships to the quality of life.

The National Academy of Medicine

The National Academy of Medicine (NAM) was established in 1970 under the NAS charter (initially as the Institute of Medicine), to serve as the nation’s adviser on health, health science, and health policy. Like its sister organizations, NAS and NAE, National Academy of Medicine members (about 65 elected each year) are drawn from the leading authorities in medicine, health, the life sciences, and related policies, in the United States and throughout the world. Working together through the NAM, their primary aim is ensure that objective, reliable, and scientifically informed analysis and independent guidance are brought to bear on the most difficult and challenging health and health care issues facing the nation, and beyond.

Rights and responsibilities under the Congressional Charter

The three National Academies have a long tradition of providing national advice and leadership, which rests on their ability to convene experts and other diverse stakeholders charged with considering important issues of science, engineering, and health policy in an objective, independent, and trusted environment that assures rigorous analysis. Because the National Academies provide the Federal Government with a unique service, activities are accorded a special status by charter and the implementing Executive Orders of the President. Specifically, “when a department or agency of the executive branch of the Government determines that the Academy, because of its unique qualifications, is the only source that can provide the measure of expertise, independence, objectivity, and audience acceptance necessary to meet the department’s or agency’s program requirements, acquisition of services by the Academy may be obtained on a noncompetitive basis if otherwise in accordance with applicable law and regulations.” (Executive Order 12832)