



# Insights, Outlook on Health Care in Houston

Perceptions of Value and Equity in the Health Care Industry



This publication was produced in a partnership between Memorial Hermann Health System, University of Houston and Houston Business Journal.

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Houston is a city like no other: [America's fourth-largest city and most diverse metropolitan area](#), it's home to the largest medical complex in the world – [Texas Medical Center](#) (TMC). The region employs over [376,000](#) health care workers with top employers including Memorial Hermann Health System, Houston Methodist, Texas Children's Hospital, Harris Health System and Baylor St. Luke's Medical Center.

Meanwhile, scientists at Texas Medical Center-affiliated institutions, including UTHealth Houston, Baylor College of Medicine and MD Anderson Cancer Center, are advancing life sciences breakthroughs across [more than 300 research laboratories](#).

Memorial Hermann has been proud to grow along with Houston, and as a community-owned health system, it strives to keep its finger on the pulse of the region's health issues — and to align with the goals of community stakeholders. That's why Memorial Hermann recently partnered with the Houston Business Journal and the University of Houston to survey\* local business leaders' perspectives on the state of the health care industry, their understanding of value in health care and their perceptions surrounding health equity.

Below, we highlight some of the key findings from our study.



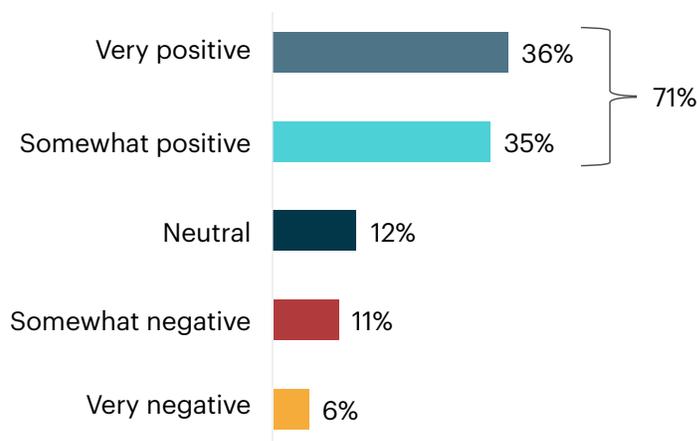
**David L. Callender, MD**  
*President and CEO  
Memorial Hermann*



**Stephen Spann, MD**  
*Dean  
University of Houston  
College of Medicine*

### Overall Impression of Health Care Industry in Houston

Base = All Respondents



*Seven of 10 have a positive impression of the health care industry in Houston*

\*An anonymous survey was conducted between April 13-24, 2023.

In recent years, hospitals, health care providers and other stakeholders have begun embracing an approach to creating greater value for patients and populations; achieving high-quality outcomes at the lowest cost.

Memorial Hermann's definition of value is driven by health care's [Quintuple Aim](#) approach: enhancing employee and physician well-being; prioritizing the patient and consumer experience and engagement; promoting health equity and improving access to care; delivering coordinated, collaborative, high-quality care that includes disease prevention; and reducing the total cost of care.

At Memorial Hermann, this means building meaningful and lasting relationships with consumers and patients, focusing efforts equally on both treatment and prevention, and reducing the overall cost of care without impacting care delivery or the patient and consumer experience.

While fee-for-service or fee-for-volume is still the dominant payment model across the health care industry and in Greater Houston, pay for value or pay for outcomes is gaining traction.

Ultimately, achieving value — and the [Quintuple Aim](#) — is primarily about keeping people healthy and reducing the need for care beyond preventative services.

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**At Memorial Hermann, this means building meaningful and lasting relationships with consumers and patients, and reducing the overall cost of care without impacting care delivery or the patient and consumer experience.**

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### Achieving Value in Health Care



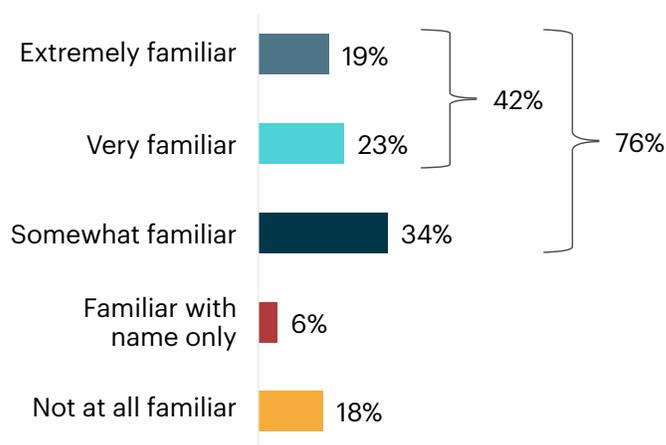
As the research shows, most business leaders are at least somewhat familiar with the meaning of value in a health care context. There are, however, differences in the level of awareness when comparing the responses from small and large firms.

There's also been a significant increase in the percentage of companies adopting this model compared to three years ago.

"Memorial Hermann is embracing value as part of our mission to create healthier communities, now and for generations to come. And we are not alone. Value is increasingly recognized as the future of health care because of its ability to deliver better outcomes and experiences at lower costs for all stakeholders, including patients, employers and communities," said David L. Callender, MD, president and CEO of Memorial Hermann.

## Familiarity With Value in Health Care

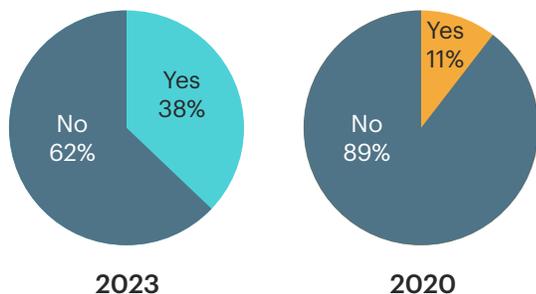
Base = Those Involved in Making Employee Benefit Decisions



*Four of 10 are very/extremely familiar with value in health care; three-quarters are at least somewhat familiar*

## Company Currently Incorporates a Value Approach Into Health Care Plan

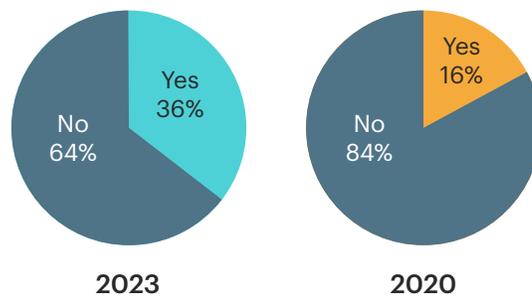
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*The number of companies incorporating a value approach in health care has grown by 27 percent since 2020*

## Awareness of Hospitals/Health Care Providers Transitioning From Fee-For-Service to Value Model

Base = Those Involved in Making Employee Benefit Decisions



*The number of people aware of the transition to value-based care has more than doubled from 2020*

Health equity is when every member of the community has the opportunity to be as healthy as possible.

Achieving this goal requires ongoing societal efforts to:

- Address historical and contemporary injustices;
- Overcome economic, social, and other obstacles to health and health care; and
- Eliminate preventable health disparities.

Health equity is a critical component of value. At Memorial Hermann, this includes culturally appropriate patient care, equitable and inclusive organizational policies, the collection and use of data to drive action, diverse representation in leadership and governance, community

collaboration for solutions, and systemic and shared accountability.

This also means a commitment to improving access to high-quality health care services for all members of the community, empowering every employee with the skills and support they need to succeed, and cultivating a respectful, inclusive environment for all.

Many organizations refer to their efforts as D&I (diversity and inclusion) or DEI (diversity, equity and inclusion). Memorial Hermann has elected to lead with equity and refers to its effort as equity, diversity and inclusion (EDI). By leading with equity, Memorial Hermann recognizes its responsibility as a large employer, a top health care provider and a community leader.



“From creating an environment where our employees feel they belong and are supported, to working to improve the health of all Houstonians, we are living our commitment to equity inside our walls and out in our communities,” said Dr. Callender. “As a mission-driven organization, we have a responsibility to help drive health equity in our communities by supporting policies and implementing practices to help remove structural barriers to equal care for all.”

Driving health equity begins with understanding it, and the survey results show that approximately half of business leaders correctly identify health equity as “access for all regardless of any criteria.”

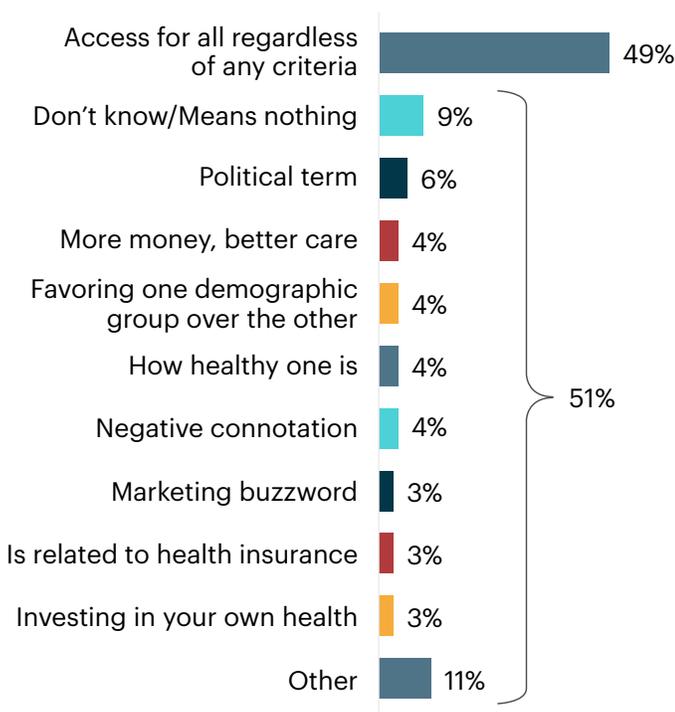
At the same time, a majority of respondents understand that issues surrounding health equity could impact their employees.

**“...working to improve health for all Houstonians, we are living our commitment to equity inside our walls and out in our communities.”**

**David L. Callender, MD**  
**President and CEO, Memorial Hermann**

### Employer Definitions of ‘Health Equity’

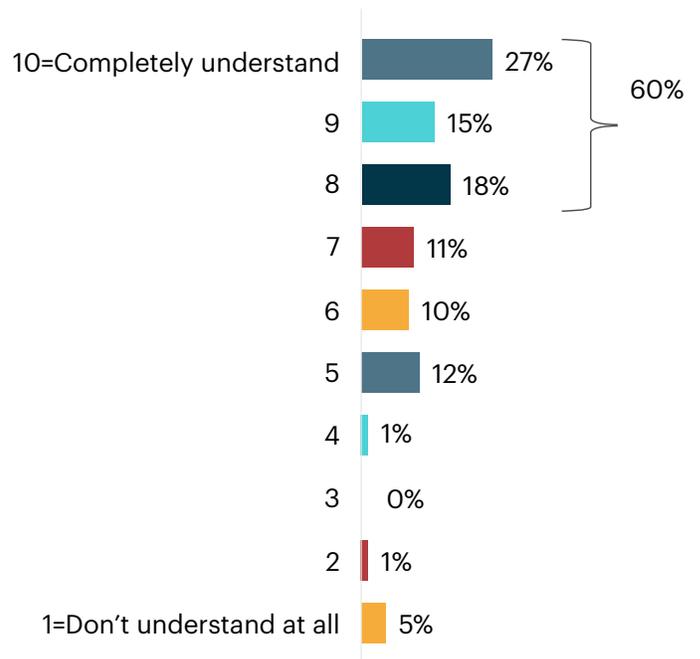
Base = All Respondents | Open-End Question



*Approximately half were able to describe 'health equity' as access to quality care and services for all regardless of any criteria*

### Understanding of Health Equity and How it Could Impact Company/Employees

Base = Those Involved in Making Employee Benefit Decisions



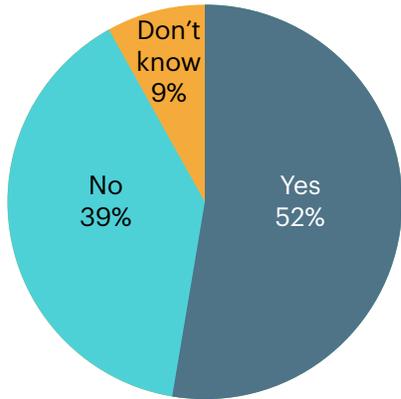
*Six of 10 said they have a good understanding of health equity and how it could impact employees*

Just over half acknowledge health equity is either a “very” or “critically” important priority for their company.

Lowering health care costs is perceived as the top benefit of embracing health equity.

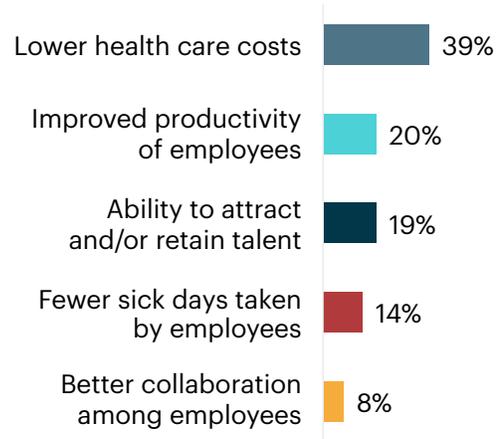
### Health Equity Issues Impact Employees at my Company

Base = Those Involved in Making Employee Benefit Decisions



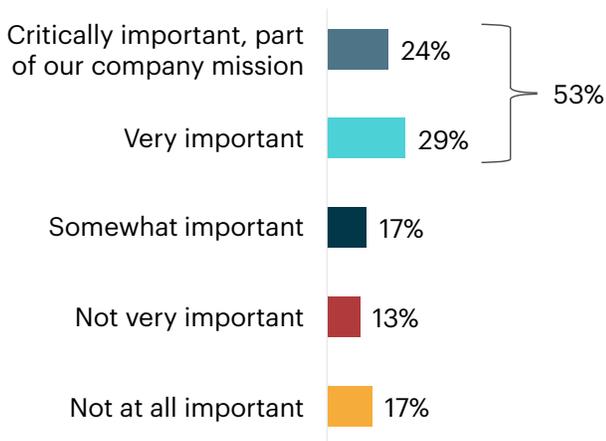
### Benefit of Health Equity Ranked #1

Base = Those Involved in Making Employee Benefit Decisions



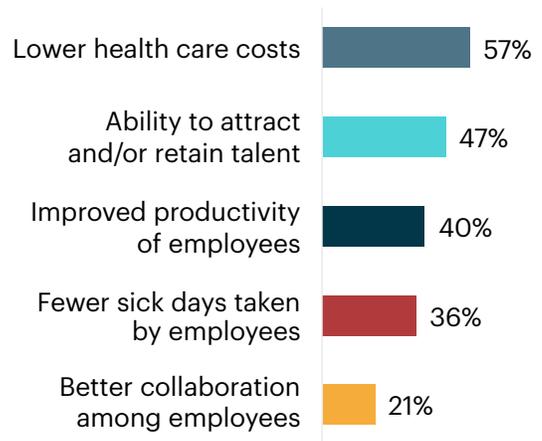
### Level of Priority of Health Equity in Company

Base = Those Involved in Making Employee Benefit Decisions



### Benefit of Health Equity Ranked #1 or #2

Base = Those Involved in Making Employee Benefit Decisions



*Just over half acknowledge health equity issues impact their employees and say health equity is very/critically important in their company*

*Four of 10 rank lower health care costs as the top benefit of health equity for their company*

This study also shines a light on corporate equity, diversity and inclusion efforts.

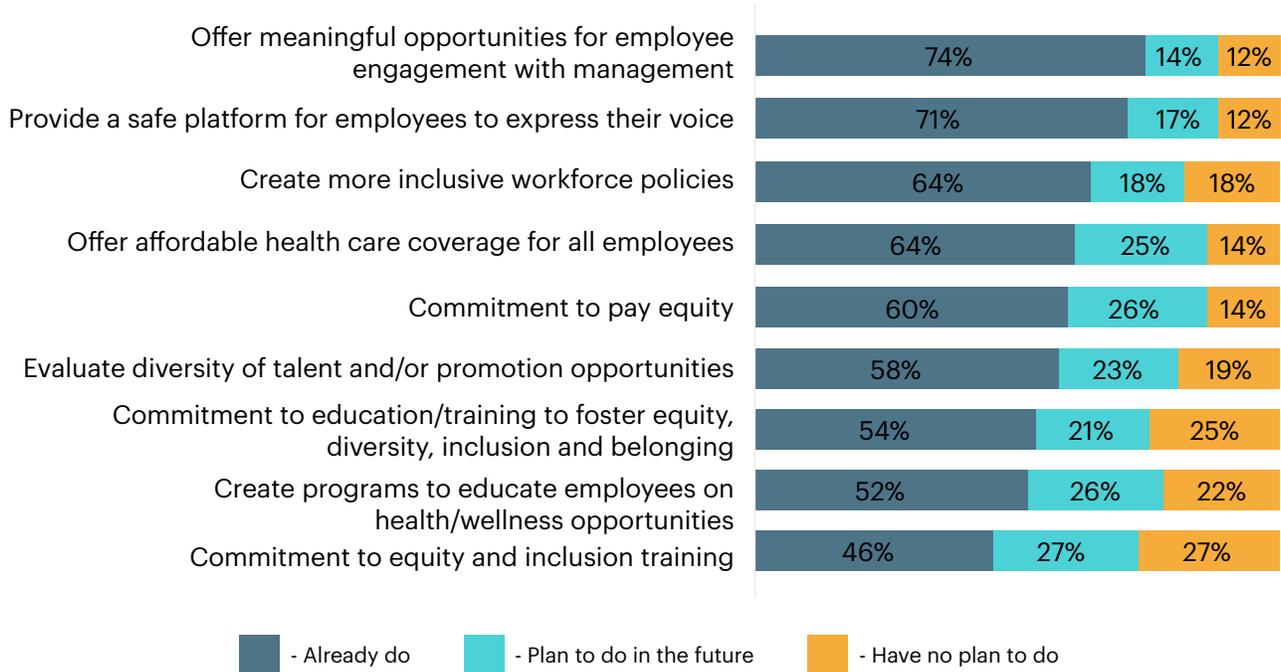
When asked how to promote health equity, top suggestions from respondents were to offer opportunities for employee engagement with management, provide a safe platform for employees to express their voice and create more inclusive workforce policies.

More than 70% of company leaders prioritize engagement and platforms for employees to express their voice, and more than half plan to offer affordable health coverage for all employee, and educate employee on health and wellness, all key steps in helping to improve workforce health and access to care.



## Programs Company Has Implemented/Plans to Implement to Promote Health Equity

Base = Those Involved in Making Employee Benefit Decisions



*Seven of 10 said they provide both engagement with management and a safe platform for employees to express their voice as examples of promoting health equity. Six out of 10 plan to offer affordable health care coverage, with just over half planning to educate employees on health and wellness.*

“Today, the value of health care in the U.S. ranks the lowest among all wealthy nations,” said Stephen Spann, MD, the dean of the University of Houston College of Medicine. “One of the major drivers of this is the significant health inequities between different segments of our population. For example, there is a 19.3-year difference in life expectancy between the ‘healthiest’ and ‘unhealthiest’ ZIP codes in Harris County. We now believe that social determinants of health, or non-medical drivers such as socioeconomic factors, the physical environment and differences in behaviors and lifestyles, account for 80% of preventable disease and death in our country. To improve the value of our health care, we must address these non-medical drivers upstream to improve health downstream, preventing illness and disease and their associated high costs.”

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**Stephen Spann, MD**  
**Dean, University of Houston College of Medicine**

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### Statement Agreement

Base = All Respondents



***Nine of 10 say their company is inclusive and non-biased, yet half cite unfair policies/programs that negatively impact employees***

Business leaders are a catalyst for improved outcomes in health care. This study illustrates that, while great strides have been made in recent years, opportunities exist for leaders across Greater Houston to consider value and equity as key drivers of the health and well-being of all Houstonians. Employers across multiple industries can consider the [Quintuple Aim](#) of health care as a framework for enhancing employee wellness — and improving the health of the entire community. After all, good health and economic strength go hand in hand.

“A healthy population underpins a healthy workforce, which in turn fuels the economic engine that allows Greater Houston to continue to grow and thrive,” said Dr. Callender. “Improving Houston’s health will require support from the entire community, including health care systems, elected officials, insurance companies and employers. By joining forces around issues like health care access, equity and value, we can make Houston a healthier place for us all.”

## How Hospitals and Businesses Could Partner to Address Health Care Issues

Base = All Respondents | Open-End Question

