

Health Disparities:  
Best Business Practices  
An Economist's Point of View

Bill Gil, CEO

Facey Medical Foundation

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# An Economist's View of Health Disparities

- Economic barriers contribute to health disparities due to lack of critical resources
- Income Bias
  - Hispanic per capita income 55% of whites
  - Black per capita income 65% of whites
- Uninsured
  - Overall uninsurance (15% of population) constant 1993-2008
  - Whites (10%), Blacks (19%), Hispanics (32%)
- Native Status
  - Native born income declined 7% in 2007 while US born head of household increased 1%
    - The gap is growing amongst ethnic, racial, and native bases
- Poverty Status
  - Percentage of the population below the poverty level
    - White 8%, Black 24%, Hispanic 22%

# Business Reasons

- It's the right thing to do
  - Addressing Health Disparities is part of our medical mission/values
- Capitation provides the right reasons
  - Capitation makes us our “brother’s keeper” and provides an incentive to address Health Disparities
  - Under fee-for-service, higher utilization means higher revenues---capitation creates the right incentive
- Coordination of Care model the right model
  - Complexities of chronic illnesses are best addressed within the framework of the coordinated care model

# Professional Practices

- Electronic Health Record
  - Improves care management in large organizations
- Population Management Approach
  - Integration of IT to help optimize care
- Evidence-based practice management
  - Standardization of practices improves quality
- Robust Hospitalist Program
  - Dedicated team to treat chronically ill in the hospital
- Patient-Centric Approach to Care
  - Cultural and demographic awareness

# Conclusion

- Low Socioeconomic Status is a Key Indicator of Health Disparities
  - Economic disparities are not narrowing, nor will Health Disparities
- Government Interventions Not Helping
  - Low Medi-Cal funding not helping improve the coordination of care by economically scaring off most of the large quality medical groups
- Health disparities are linked to Genetics and Socioeconomic factors and we're doing a mediocre job of managing both