

THE GREENLINING INSTITUTE

ISSUE BRIEF : CHECKING THE PULSE

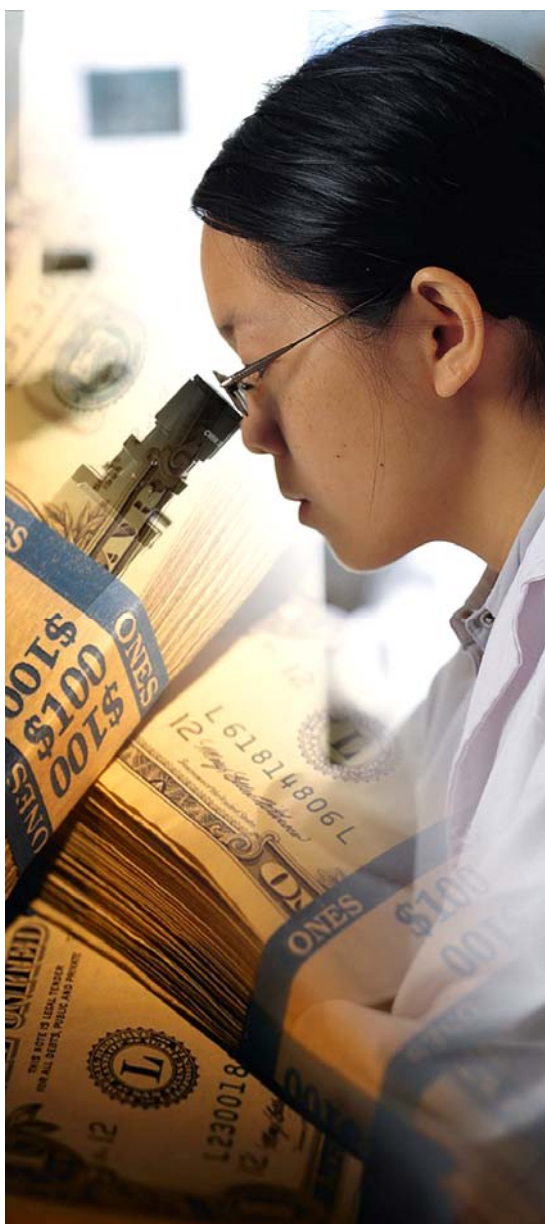
*An Initiative to Increase Diversity
in California's Health Workforce*

August 2007

SOCIAL BENEFITS & PRIVATE INVESTMENTS

The Private Sector's Role in Increasing Diversity in the Health Workforce

By Joe Araya Tayag



INTRODUCTION : CHECKING THE PULSE

On April 20, 2007, The Greenlining Institute, the Bay Area Coalition to Increase Diversity in the Health Workforce, Pacific Public Health Training Center, UC Berkeley Center for Public Health Practice, and the University of California Office of the President, California Program on Access to Care co-sponsored Checking the Pulse: An Initiative to Increase Diversity in California's Health Workforce in Los Angeles. To support California's diverse population, this event brought together people from all sectors who are involved in diversifying the health workforce. The purpose of the initiative was to bring together leaders from the education, advocacy, policy and private sectors to consolidate efforts and raise awareness in order to diversify the state of California's health workforce. The initiative aimed to develop strategies for reaping the benefits of California's rich diversity by creating new industry-community partnerships, advancing policies and building sustainable and successful health career pipeline programs in California.

A health workforce that mirrors our state's ethnic and racial diversity is an important goal for improving the health of Californians. By the year 2050 California's minority population is estimated to reach 76% of the total population. This increase in minorities will call for a more culturally and linguistically competent workforce that will better address the needs of California's diverse communities. At Checking the Pulse, leaders from insurance companies, community organizations, biotechnology, and pharmaceutical companies identified California's private industry as a key area for efforts to increase diversity. They addressed questions such as: What incentives are there for both communities and corporations to develop partnerships with one another? What are key values that must be shared to foster stronger ties between underserved communities and private industry? Embedded in these questions, the call for partnerships is clear. Unless these leaders collaborate, we may miss the opportunity to cultivate California's diverse talent and risk further injuring an already ailing health system.

Partnerships
are needed in
times when
community
benefits
agreements may
be the only cure
for an ailing
health system.

DIVERSITY: “THE RIGHT THING TO DO, THE SMART THING TO DO”

Many times, when community groups claim the need to diversify today’s health workforce, they rely on framing diversity as a resolution to decades of exclusion from American society. However, in times when private health care and research firms give more attention to economic incentives than to issues of social equity, arguments for diversity must move beyond demands for *fairness* toward appeals to *function*.¹ Indeed, having a diverse workforce has become an economic and medical incentive in medical research and healthcare delivery.² The benefits of having a diverse workforce include:

- More effective communication with an increasingly diverse population³
- The integration of new ideas, experiences, and research agendas⁴
- Higher quality care⁵
- The fostering of intercultural trust during examinations, mentorship, clinical trials, and workforce relations⁶

To reap such benefits, California’s private companies must invest their leadership, time, and resources into cultivating the state’s talent. Both community groups and corporations require partnerships to prioritize community needs and develop culturally sensitive solutions. For private industry, California’s diverse demographic stands as a golden opportunity. As a global leader in health care research, development, and delivery, California companies are in a prime position to invest private funds into diversity and garnering its maximum potential.

THE CORPORATE LANDSCAPE OF CALIFORNIA’S HEALTH INDUSTRIES

To illustrate the scale of California’s health and research companies, combined net revenues of California’s ten largest healthcare and ten largest pharmaceutical and biotechnology companies in 2006 totaled a whopping \$211 billion dollars.⁷

As of 2006, healthcare companies employed 351,131 individuals while pharmaceutical and biotechnology companies employed 147,572 individuals. That is a total of almost one-half of one million people already working in California’s health labor force. Furthermore, these industries are expected to grow. While over 40% of all biotechnology firms in the country are based in California, more will come to reap the benefits of a pro-science electorate willing to invest as much as \$3 billion dollars into biomedical research.⁸ Current healthcare reform agendas are also looking to expand the use of the healthcare system that will need to grow to accommodate the wave of newly insured Californians. As healthcare, pharmaceutical, and biotechnology industries reap billions in profits, minority health disparities persist and access to jobs and opportunities continue to dwindle. Partnerships are needed in times when community benefits agreements may be the only cure for an ailing health system.

TOP 10 LARGEST CALIFORNIA PHARMACEUTICAL AND BIOTECH COMPANIES BY 2006 REVENUE				
RANK	COMPANY NAME	LOCATION	2006 REVENUES (\$ mil.)	NO. OF EMPLOYEES
1	McKesson Corporation	San Francisco, CA	92,977.00	26,400
2	Amgen Inc.	Thousand Oaks, CA	14,268.00	20,100
3	Genentech, Inc.	South San Francisco, CA	9,284.00	10,533
4	Sutter Health	Sacramento, CA	6,663.00	43,139
5	Agilent Technologies, Inc.	Santa Clara, CA	4,973.00	21,000
6	Allergan, Inc.	Irvine, CA	3,063.30	5,055
7	Gilead Sciences, Inc.	Foster City, CA	3,026.10	2,515
8	Beckman Coulter, Inc.	Fullerton, CA	2,528.50	10,416
9	Watson Pharmaceuticals, Inc.	Corona, CA	1,979.20	3,844
10	Applied Biosystems Group	Foster City, CA	1,905.10	4,570

TABLE 1. Source: "US State/Canadian Province: CA; Location Criteria: All; Industry: Pharmaceuticals." Hoovers. 12 June 2007. <<http://premium.hoovers.com/>>.

TOP 10 LARGEST CALIFORNIA HEALTHCARE COMPANIES BY 2006 REVENUE				
RANK	COMPANY NAME	LOCATION	2006 REVENUES (\$ mil.)	NO. OF EMPLOYEES
1	McKesson Corporation	San Francisco, CA	92,977.00	26,400
2*	Kaiser Permanente	Oakland, CA	31,100.00	162,535
3	Health Net, Inc.	Woodland Hills, CA	12,908.30	9,286
4	Blue Shield Of California	San Francisco, CA	7,518.90	4,300
5	Sutter Health	Sacramento, CA	6,663.00	43,139
6	Catholic Healthcare West	San Francisco, CA	6,002.10	40,000
7	Longs Drug Stores Corporation	Walnut Creek, CA	5,097.00	22,000
8	DaVita Inc.	El Segundo, CA	4,880.70	28,000
9	Allergan, Inc.	Irvine, CA	3,063.30	5,055
10	Beckman Coulter Inc.	Fullerton, CA	2,528	10,416

TABLE 2. Source: "US State/Canadian Province: CA; Location Criteria: All; Industry: Healthcare." Hoovers. 12 June 2007. <<http://premium.hoovers.com/>>.

* This includes the employees of the Kaiser Foundation Health Plan, Inc.



RECOMMENDATIONS

THREE KEYS TO CORPORATE-COMMUNITY PARTNERSHIPS IN DIVERSITY

Developing corporate-community partnerships is essential to cultivating leaders from diverse backgrounds. This enables healthcare research and delivery companies to better reflect the population of California. Such benefits should be communicated to shareholders to secure funding as well as to potential patients and consumers who need to feel that their needs are fully understood.

During the *Checking the Pulse Initiative*, Senior Diversity Manager at Genentech Inc., Lisa Tealer, reiterated that diversity goes beyond being an ethical practice; and that in fact, diversity is crucial to the survival of the healthcare and research system. Biotechnology firm like Genentech rely on incorporating all parts of talent that come into research, development, and distribution of their products. In this way, both corporations and communities have much to gain from diversity.

To reap these benefits, community groups and corporations must integrate three keys toward developing successful partnerships:

1. Private companies must conduct more outreach to and collect more feedback from community-based organizations working to increase diversity
2. Community-based and educational institutions should integrate the role of the private sector into the broader statewide agenda to increase diversity
3. Private industry should invest in health and science career pipeline programs

PRIVATE COMPANIES MUST CONDUCT MORE OUTREACH TO AND COLLECT MORE FEEDBACK FROM COMMUNITY-BASED ORGANIZATIONS WORKING TO INCREASE DIVERSITY

All successful partnerships are marked by trust. However, this trust cannot grow between populations who feel uninformed and companies who are unaware of community needs. During the *Checking the Pulse Initiative*, Ken Baker, Director of Talent Acquisition and Diversity of Blue Shield of California, harkened to the saying, "my people perish for lack of knowledge." In his talk, Baker identified a stark disconnect between communities and their knowledge of opportunities available in the health workforce. He cited that many communities are not aware of programs such as workforce investment boards that receive billions of federal monies to address workforce issues and develop career pipelines. To bridge this disconnect, health companies should take it as their responsibility to inform communities of these opportunities.

Along with raising awareness, private industry must meet community members at an equal level. In The Greenlining Institute's own investigation of the philanthropic sector, only 3% of total grant dollars from both independent and community foundations polled in 2002 were awarded to minority-led non-profits.⁹ This troubling disparity is a symptom of foundations' failure to collect input from communities to assist in prioritizing their grant-making toward the underserved. To ensure that California does not see current minority health disparities worsen, private industry must conduct adequate outreach and engage communities to develop the best strategies in directing corporate resources for community benefits.

COMMUNITY-BASED AND EDUCATIONAL INSTITUTIONS SHOULD INTEGRATE THE ROLE OF THE PRIVATE SECTOR INTO THE BROADER STATE-WIDE AGENDA TO INCREASE DIVERSITY

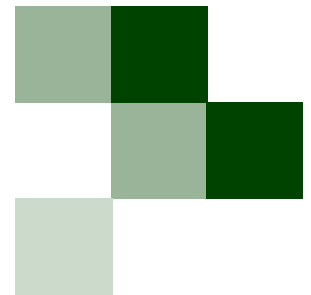
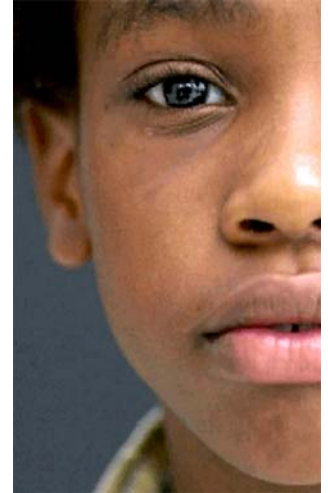
The private industry has an influential role in California's physical, social and economic well-being. Still, community-based initiatives have not yet fulfilled the private industry's potential in supporting the movement to increase diversity. For instance, only two advocacy organizations in California are working toward increasing diversity in the health workforce: The Latino Coalition for a Healthy California (LCHC), based in Sacramento and The Greenlining Institute, based in Berkeley. This signals the currently limited capacity for the diversity movement to undertake policy advocacy and promote institutional changes. Private companies may offset the lack of resources by committing to community benefits. Take, for example, the California Medical Association Foundation's (CMAF) approach.

During the *Checking the Pulse Initiative*, Carol Lee, President and CEO of CMAF, explained how their Corporate Advisory Committee supports their foundation's work by assisting in garnering funding, advising on strategic planning, and supporting CMAF's Network of Ethnic Physician Organizations (NEPO). A similar model should be developed for the statewide effort to increase diversity. This would increase the organizations' capacity to sustain a movement and develop new strategies. Such strategies include restructuring organizations' boards to include representatives from private industry and setting clear terms for accepting corporate funding so it does not jeopardize a community's independence. Incentives for private investments include nurturing relationships with their consumers as well as cultivating a diverse talent pool.

PRIVATE INDUSTRY SHOULD INVEST IN HEALTH CAREER PIPELINE PROGRAMS

To cultivate a diverse talent pool, private industry must increase their community benefits agreements and philanthropy toward health career pipeline programs. Students from underserved backgrounds face barriers which include academic and cultural isolation, facing low expectations, peers who are not supportive of academic success, and discrimination—whether perceived or actual.¹⁰ Health career pipeline programs are effective in guiding underrepresented youth to overcome barriers that hinder their achievements in science and math.¹¹

At *Checking the Pulse*, Dr. Toni Hoover, Senior Vice President of Pfizer Global Research and Development, emphasized the need to cultivate new talent locally as demonstrated by Pfizer's programs in California that focus on youth preparation. However, health and science career pipeline programs still lack the funds to sustain their efforts. In 2008, federal funding toward health professions under Title VII will be cut by 94.6%.¹² With these gaps left by cuts in government funding, health career pipeline organizations still require a sustainable source of funding that should be off-set with greater contributions from private industry.



CONCLUSION

DIVERSITY: FROM BUSINESS IMPERATIVE TO MEDICAL NECESSITY

The preceding recommendations focus on the potential business incentives for the private sector's role in increasing diversity. However, we must not forget that diversity remains just as much an issue of *fairness* as it does a promise of *functionality*, now more than ever. Given California's political movement toward developing a healthcare reform agenda that strives to include millions more of California's uninsured, how will private industry accommodate these populations? When does increasing diversity move from being a business imperative to being an urgent undertaking for all of California? This was a key question posed by Dr. Gil Ojeda, Program Director of University of California Office of the President, California Program on Access to Care. For instance, over 57 percent of the uninsured are Latino, representing over 3 million individuals that could potentially enter the health care system over the next several years.¹³ These individuals will need to be welcomed by a prepared and diverse healthcare system.

Community members should take the information presented in this brief to heart in partnering with private industry. The Greenlining Institute's own success with banking, telecommunications, regulated utilities industries and investment houses speaks volumes after garnering trillions in community benefits agreements toward low-income and underserved communities over the past 15 years. In health, Greenlining's work has established millions of dollars in funds to expand telemedicine throughout California by promoting relationships with telecommunications corporations. Opportunities in healthcare research and delivery are within the state's grasp. Partnerships are now, greater than before, crucial for the survival of the health care system as well as the health of the state.

WE MUST NOT
FORGET THAT
DIVERSITY
REMAINS JUST AS
MUCH AN ISSUE
OF FAIRNESS AS IT
DOES A
PROMISE OF
FUNCTIONALITY,
NOW MORE
THAN EVER.

NOTES AND REFERENCES

1. *For a thorough examination of the changing arguments surrounding diversity in health professions, please see:* Smedley, Brian D., Adrienne Y. Stith, Lois Colburn, and Clyde H. Evans, eds. The Right Thing to Do, the Smart Thing to Do: Enhancing Diversity in the Health Professions. 2nd ed. Washington, D.C.: National Academy P, 2002.
2. It is important to note that diversity can mean many things in this context: women holding key management positions, different age groups, ethnic minorities, individuals with disabilities, and even people from underserved or non-traditional backgrounds.
3. *For a thorough analysis of demographic trends and projections in California, see:* Hanak, Ellen, and Mark Baldassare, eds. California 2025: Taking on the Future. Public Policy Institute of California. San Francisco, 2005.
4. *See for example,* Lawrence, Trish. "Why Diversity Matters." The Scientist. 7 Nov. 2005.
5. Smedley, Bradley D., Adrienne S. Butler, and Lonnie R. Bristow, eds. In the Nation's Compelling Interest: Ensuring Diversity in the Health Workforce. Institute of Medicine. Washington D.C.: National Academies Press, 2004.
6. Ibid.
7. Source: "US State/Canadian Province: CA; Location Criteria: All; Industry: Pharmaceuticals." Hoovers. Accessed 12 June 2007. <http://premium.hoovers.com/> and "US State/Canadian Province: CA; Location Criteria: All; Industry: Healthcare." Hoovers. Accessed 12 June 2007. <<http://premium.hoovers.com/>>.
8. *See for example,* Somers, Terri. "How Prop. 71 Came to Life." San Diego Union Tribune 19 Dec. 2004. Accessed 15 June 2007 <<http://www.signonsandiego.com/news/metro/20041219-9999-1n19stemcell.html>>.
9. Duenas, Tomasa, Erica Cano, and Elizabeth Mayorga. Investing in a Diverse Democracy. The Greenlining Institute. Berkeley, 2006.
10. Summers, Michael F., and Freeman A. Hrabowski. "Preparing Minority Scientists and Engineers." Science 311 (2006): 1870-1871.
11. Matsui, John, Roger Liu, and Caroline M. Kane. "Evaluating a Science Diversity Program At UC Berkeley: More Questions Than Answers." Cell Biology Education 2 (2003): 117-121.
12. This data is taken from the president's FY 2008 Budget.
13. Fronstin, Paul. "Snapshot: California's Uninsured." California Healthcare Foundation. Oakland, 2006.



1918 UNIVERSITY AVE
2ND FLOOR
BERKELEY, CA 94704
PH.: (510) 926-4014
FAX: (510) 926-4010