

ARTICLE

# Culturally Competent Healthcare

## Inequality in Healthcare Outcomes Carries Huge Cost

Patients of color face barriers when seeking care, leading to disparities in health outcomes. One part of the solution is diversifying the patient-physician experience.

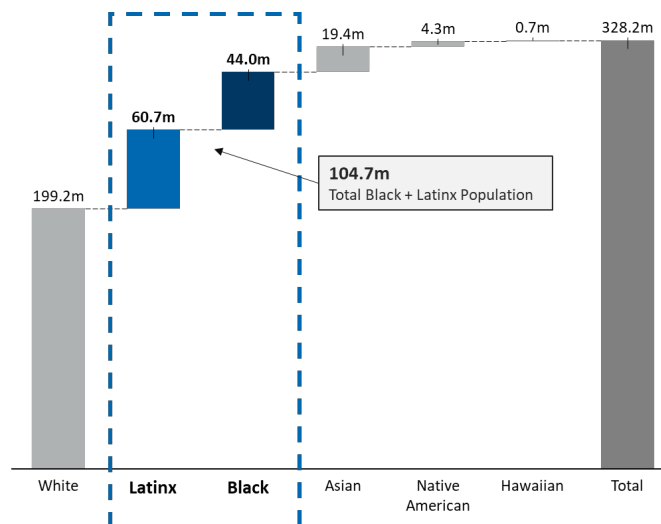
### The U.S. Healthcare System Has an Inequality Problem

There is a disparity in both care and health outcomes for minority groups in the United States. The Black and Latinx communities experience 30%-40% poorer health outcomes than white patients across all medical interventions — even when insurance status, income, age and severity of condition are comparable<sup>1</sup>. These disparities include more

premature deaths, higher maternal mortality rates, and increased cases of illness such as cancer, diabetes, heart disease and COVID-19.

To better understand what’s going on, there are two useful lenses through which to view the overall healthcare market landscape: patients and physicians. The Black and brown patient and physician populations are specific focus areas.

Exhibit 1 - Total U.S. Population by Race (2019 Estimate)

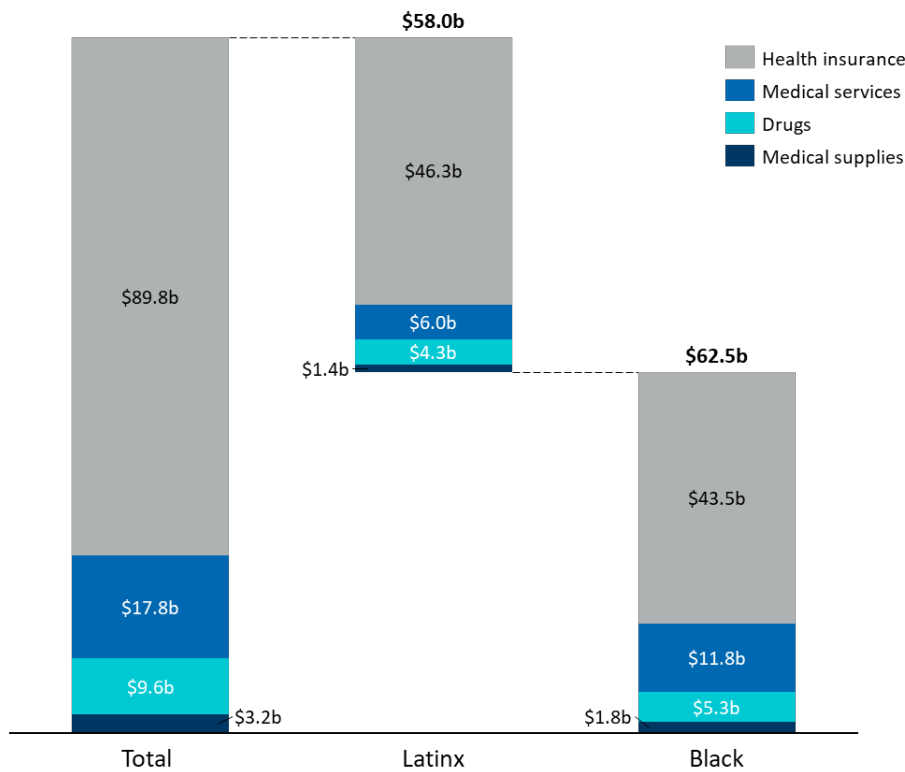


Source: U.S. Census Data 2019

The Black and Latinx population segment of the U.S. healthcare market is significant; spending a combined \$120.4 billion annually on healthcare (estimated). To determine our addressable patient market, we started with the overall market. Approximately 31.9% of the ~328.2 million people living in the United States are Black or Latinx (13.4% Black and 18.5% Latinx), which presents a target market of 104.7 million patients.<sup>2</sup> The addressable market focuses on young people, since they are more interested in taking control of their own healthcare and using technology to improve their lives. Coincidentally, both the Black and Latinx communities are very young, with most people being under the age of 35. Older age groups for Black and Latinx are proportionately smaller than for those of other races.

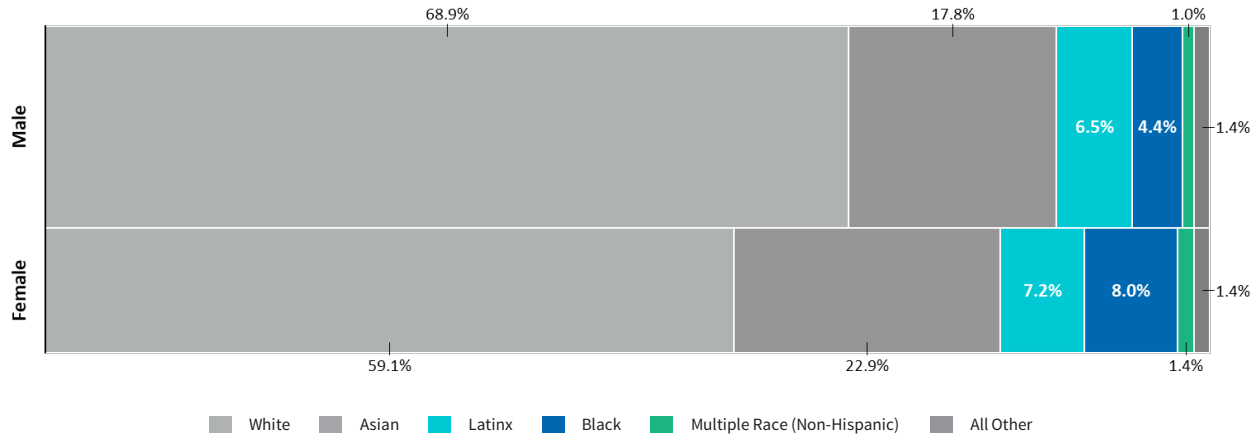
Black and Latinx physicians account for 10.8% of all active physicians in the United States. There are approximately 99,000 Black or Latinx physicians (Black: 45,500; Latinx: 53,500). Primary care physicians represent 20% of the active physicians in the United States, while the other 80% work in specialty care. A higher proportion of Black and Latinx doctors are women, compared with the larger share of white male physicians. This is especially true for the Black community, where women represent 53.1% of doctors, compared to 40.5% of Latinx doctors and 34.4% of white doctors, respectively.<sup>3,4</sup>

### Exhibit 2 - U.S. Annual Total Consumer Healthcare Spend for Black and Latinx Demographics



Source: U.S. Bureau of Labor Statistics, Consumer Expenditure Surveys 2019

### Exhibit 3 - Total Active Physicians Working in the United States by Race/Ethnicity and Gender



Source: Association of American Medical Colleges

#### Disparity in Healthcare Lays a Large Cost Burden on Society

Inequality of health outcomes for Black and brown patients not only goes against our nation’s identity and values, but it also carries a significant economic cost. This cost is felt by patients, physicians, healthcare providers, employers and insurers/payors. These disparities cost healthcare payers alone an estimated \$331 billion in economic losses between 2008 and 2018<sup>1</sup>. The total cost to society is difficult to quantify but is certainly material. The system is ripe for improvement. There is potential for significant savings by addressing some of the underlying causes of this disparity.

#### One Start-up Has a Solution to Diversify the Patient-Physician Experience

HUED is a start-up created to diversify the patient-physician experience and connect patients to the appropriate care they deserve. Kimberly Wilson founded HUED to help address these disparities — a need she experienced personally after receiving improper care for a diagnosis. “The concept of HUED came from my own frustration,” says Ms. Wilson. “I’m not a physician or a clinician and I don’t have a healthcare background, but what really makes any founder a great founder is being part of the problem that you’re trying to serve.”

Ms. Wilson’s vision for HUED is to remove four of the barriers driving disparity in health outcomes: fear, distrust, comfort, and access. HUED seeks to do this primarily through patients and physicians. For patients, HUED is a technology-enabled platform to connect Black and Latinx populations with culturally competent physicians. For physicians and other healthcare providers, HUED is developing an educational resource to build that cultural competence and reduce healthcare inequality. HUED also plans to work with employers to build an employer-sponsored patient program that will provide tele-medicine and other services to employees on the platform. HUED’s focus on positively impacting health outcomes for historically underserved communities makes the organization a unique changemaker in the patient-physician connection platform space.<sup>1</sup>

## Call to Action: FTI Consulting Partnered with HUED

FTI Consulting recently partnered with HUED by providing a team of consultants to support development of its go-to-market strategy and preparation for conversations with potential seed investors. We worked with Kimberly Wilson, Founder and CEO, to achieve four goals: quantify the size of the target market and potential growth rates, create a go-to-market strategy, define customer segmentation, and model pricing options for potential revenue streams.

We determined that HUED's addressable market includes 62 million patients and 174,000 physicians. Addressable markets were determined from target markets and considered factors such as age, technology usage and participation in employer-sponsored health plans. The defined customer segments included not only patients and physicians, but also healthcare providers and payers. Next, we worked with HUED to build out a growth strategy through 2025, based on the organization's multiple revenue streams and potential for growth in each. In addition, FTI Consulting modeled multiple pricing options using value-based, market-based and cost-plus methods. HUED's target prices are competitive with comparable companies, clear hurdle rates to cover expected operational expenses, and indicate high profit margins. Last, we built a profit & loss model forecasting financial performance, growth strategy targets and other KPIs (key performance indicators) for 2021–2025. These workstreams culminated in building out the go-to-market strategy and positioning HUED for success.

After our assessment, we concluded that HUED has a unique value proposition within the healthcare industry and brings a much-needed capability to the market. Considering its target market landscape and the existing relevant industry players, HUED fills a gap in the current system.

## Conclusion

The cost of unequal healthcare access, treatment and outcomes is high and paid by everyone. This is an addressable problem with many improvement opportunities. Getting this right would provide significant health and economic benefits to society. We each have a responsibility to do our part by educating ourselves, then finding and supporting people or organizations working in our communities to address these inequities and their underlying causes — people like Kimberly Wilson and organizations like HUED.

At FTI Consulting, we prioritize inclusion and are working to address challenges faced by our society. We leverage our expertise to help the world more broadly by offering pro bono consulting services to organizations that aim to support equality and justice in the communities in which we do business. Corporate America must play a role in addressing the inequities that are pervasive throughout our society. Promoting diversity and inclusion is the responsibility of all of us, and FTI Consulting is committed to fulfilling our role and being a force of change and continued progress.

### Endnotes

1. <https://huedco.com/>
2. [U.S. Census Data 2019](#)
3. [U.S. Bureau of Labor Statistics, Consumer Expenditure Surveys 2019](#)
4. [Association of American Medical Colleges](#)

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