



OFFICE OF RACIAL EQUITY AND SOCIAL JUSTICE


Marc Elrich
County Executive

Tiffany Ward
Director and Chief Equity Officer

MEMORANDUM

November 2, 2022

To: Jennifer Bryant, Director
Office of Management and Budget

From: Tiffany Ward, Director
Office of Racial Equity and Social Justice 

Re: Racial Equity Impact Assessment (REIA) for Supplemental Appropriation (SA) #23-29
Hospital Response

- I. **FINDING:** The Office of Racial Equity and Social Justice (ORESJ)'s finding regarding Supplemental Appropriation #23-29 *Hospital Response* is inconclusive, as ORESJ could not determine the extent to which a racial equity lens was applied in the formula used to determine the distribution of supplemental aid across recipient hospitals. The distribution of assistance should consider hospital-related health disparities affecting Black and Latino residents in the County. Accounting for these disparities in the distribution of resources will help to prevent gaps from widening in the event of service interruptions or reductions.
- II. **BACKGROUND:** The purpose of Supplemental Appropriation #23-29 is to support Montgomery County hospitals, and help them maintain levels of service, as they respond to operational cost increases. Cost increases are largely due to financial, operational, and workforce challenges associated with the Covid-19 pandemic. In addition, nationwide inflation¹, and shortfalls due to delayed insurance reimbursements have put extra pressure on hospitals' operational capacity. The goal of this supplemental appropriation is to help hospitals avoid service interruptions or cutbacks—related to these pressures—and restore service when possible. The four hospitals slated to receive this support in the County are Adventist HealthCare, Holy Cross Health, Suburban Hospital, and MedStar Montgomery Medical Center. Available information indicates that the Department of Health and Human Services (DHHS) will create a process by which Hospital-specific requests will be reviewed.

¹ <https://www.aha.org/system/files/media/file/2022/04/2022-Hospital-Expenses-Increase-Report-One-Pager.pdf>

To assess the extent to which this supplemental appropriation has the potential to advance racial equity and social justice, we looked at the distribution of the 10 million dollars across the four hospitals and whether that distribution is equitable based on health inequities documented in the County’s February 2022 Health Equity report². Given the emphasis on hospitals, ORESJ reviewed the following data points related to hospitalization and ER visits (referred to throughout as “hospital-related health disparities”):

- Substance Abuse ER Visit
- Mental Health Related ER Visit
- Diabetes ER Visit
- Heart Disease ER Visit
- Chronic Lower Respiratory Disease ER Visit
- Firearm Hospitalization
- Fall Hospitalization
- Fall ER Visit
- Motor Vehicle ER Visit

The data show that for all the above hospital-related indicators, excluding “falls”, Latino (except for mental health-related ER visits) and Black residents experience disparities compared to their White counterparts. There were no disparities present in hospital-related indicators for Asian residents. The data also shows that the severity of disparities varies by geography.

Given higher rates of utilization (as a result of systemic health inequities) and the above disparities, we would expect hospitals serving larger percentages of Black and Latino residents to receive larger shares of supplemental aid, thereby reducing the chances of gaps or disparities growing because of service interruptions.

The below distribution was determined in partnership with Nexus Montgomery³.

Hospital name	Amount distributed	Percent of the total distribution
Adventist HealthCare	\$4,002,922	40%
Holy Cross Health	\$3,281,166	33%
Suburban Hospital	\$ 1,794,779	18%
MedStar Montgomery Medical Center	\$921,133	9%
Total	\$10,000,000	100%

²

https://www.montgomerycountymd.gov/HHS/Resources/Files/Reports/Health%20Equity%20Report_HM%20Core%20Measures%202010-2018.pdf

³ Nexus Montgomery is a partnership among the six hospitals in Montgomery County that connects people with resources in the community that will help them remain healthy and independent.

Specific information about the formula used to determine these amounts was not available at the time of this analysis, but background information suggests that factors such as volume of service and need were considered. ORESJ couldn't independently assess the extent to which the volume of service and need were disaggregated by race, ethnicity, or other relevant characteristics related to health inequities.

To estimate the volume of service and need by race and ethnicity, ORESJ used data from the American Hospital Directory⁴ and the American Community Survey. For each hospital, ORESJ found the top three zip codes for inpatient origin and then used American Community Survey data to determine the estimated demographic composition across those zip codes. Below are the top 3 zip codes for inpatient origin and total discharges at each hospital.

Hospital	Total Discharges	Top 3 Zip Codes for Inpatient Origin					
Adventist HealthCare (White Oak + Shady Grove)	32,095 ⁵	20904	20783	20705	20850	20878	20877
Holy Cross Health	22,259 ⁶	20910	20902	20904			
Suburban Hospital	11,485 ⁷	20852	20854	20817			
MedStar Montgomery Medical Center	5,031 ⁸	20906	20832	20853			

While imperfect in determining the demographics of all patients, the estimates that follow are a valuable proxy for the demographics of residents served by the hospital. Below are the estimates for the top three inpatient-originating zip codes at each hospital disaggregated by race and ethnicity.

Holy Cross Hospital

Summary Demographics of top 3 Zip Codes	2020 ACS Estimate (across Top 3 Originating Zip Codes)	Percentage
White	65,656	43%
Black or African American	52,653	35%
American Indian and Alaska Native	1,354	1%

⁴ <https://www.ahd.com/>

⁵ As of August 8, 2022.

[https://www.ahd.com/free_profile/210057/Adventist HealthCare Shady Grove Medical Center/Rockville/Maryland/](https://www.ahd.com/free_profile/210057/Adventist_HealthCare_Shady_Grove_Medical_Center/Rockville/Maryland/)

⁶ As of October 7, 2022. [https://www.ahd.com/free_profile/210004/Holy Cross Hospital/Silver Spring/Maryland/](https://www.ahd.com/free_profile/210004/Holy_Cross_Hospital/Silver_Spring/Maryland/)

⁷ As of September 12, 2022.

[https://www.ahd.com/free_profile/210022/Johns Hopkins Suburban Hospital/Bethesda/Maryland/](https://www.ahd.com/free_profile/210022/Johns_Hopkins_Suburban_Hospital/Bethesda/Maryland/)

⁸ As of August 4, 2022.

[https://www.ahd.com/free_profile/210018/MedStar Montgomery Medical Center/Olney/Maryland/](https://www.ahd.com/free_profile/210018/MedStar_Montgomery_Medical_Center/Olney/Maryland/)

Summary Demographics of top 3 Zip Codes	2020 ACS Estimate (across Top 3 Originating Zip Codes)	Percentage
Asian	17,743	12%
Native Hawaiian and Other Pacific Islander	279	0%
Some other race	23,059	15%
Hispanic or Latino (of any race)	34,692	23%

Source:

<https://data.census.gov/cedsci/table?t=Race%20and%20Ethnicity&g=860XX00US20902,20904,20910&d=ACS%205-Year%20Estimates%20Data%20Profiles&tid=ACSDP5Y2020.DP05>

Suburban Hospital

Race and Ethnicity	2020 ACS Estimate (across Top 3 Originating Zip Codes)	Percentage
White	95,399	71%
Black or African American	11,382	8%
American Indian and Alaska Native	786	1%
Asian	29,124	22%
Native Hawaiian and Other Pacific Islander	260	0%
Some other race	6,526	5%
Hispanic or Latino (of any race)	14,722	11%

Source:

<https://data.census.gov/cedsci/table?t=Race%20and%20Ethnicity&g=860XX00US20817,20852,20854&d=ACS%205-Year%20Estimates%20Data%20Profiles&tid=ACSDP5Y2020.DP05>

Medstar Montgomery Medical Center

Race and Ethnicity	2020 ACS Estimate (across Top 3 Originating Zip Codes)	Percentage
White	65,472	51%
Black or African American	25,601	20%
American Indian and Alaska Native	1,692	1%
Asian	18,663	15%
Native Hawaiian and Other Pacific Islander	103	0%
Some other race	23,538	18%
Hispanic or Latino (of any race)	34,302	27%

Source:

<https://data.census.gov/cedsci/table?t=Race%20and%20Ethnicity&g=860XX00US20832,20853,20906&d=ACS%205-Year%20Estimates%20Data%20Profiles&tid=ACSDP5Y2020.DP05>

Adventist Healthcare (Shady Grove and White Oak)

Race and Ethnicity	2020 ACS Estimate (across Top 3 Originating Zip Codes)	Percentage
White	115,365	41%
Black or African American	77,046	27%
American Indian and Alaska Native	2,556	1%
Asian	53,615	19%
Native Hawaiian and Other Pacific Islander	513	0%
Some other race	52,149	18%
Hispanic or Latino (of any race)	75,359	26%

Source:

<https://data.census.gov/cedsci/table?t=Race%20and%20Ethnicity&g=860XX00US20705,20783,20850,20877,20878,20904&d=ACS%205-Year%20Estimates%20Data%20Profiles&tid=ACSDP5Y2020.DP05>

Given the presence of hospital-related disparities affecting Black and Latino residents in the County and how potential gaps in service could exacerbate those disparities, ORESJ determined which hospitals serve the largest share of Black and Latino residents (based on the above analysis).

Hospital	% Black residents (in Top 3 Originating Zip Codes)	% Latino residents (in Top 3 Originating Zip Codes)
Holy Cross Hospital	35%	23%
Suburban Hospital	8%	11%
Medstar Montgomery Medical Center	20%	27%
Adventist Healthcare	27%	26%

Based on these estimates, the hospital serving the largest share of residents experiencing hospital-related health disparities is Holy Cross Hospital, followed by Adventist Healthcare, Medstar Montgomery Medical Center, then Suburban Hospital. To account for racial health inequities, the distribution of supplemental aid should consider these estimates in assessing the volume of service or need.

Because ORESJ could not review the formula used by Nexus, it cannot determine whether the above (or similar) analysis was taken into consideration when determining the distribution of aid.

cc: Ken Hartman, Director, Office of Strategic Partnership, Office of the County Executive
Dr. Raymond Crowel, Director, Department of Health and Human Services