Health Equity Assessment & Rating Tool (HEART): Diligence Tool for Investors

The Health Equity Assessment & Rating Tool (HEART): Diligence Tool for Investors supports investors with assessing company capability for health equity impact during the diligence process. This tool is best suited to rate early- to growth-stage health companies that have at least some pilot data.

BACKGROUND

Disparities in health outcomes largely stem from structural racism that reinforces the inequitable distribution of economic, social, and health care resources. Capitalism and the drive for maximizing profit have fueled our country's economy while undermining key aspects of health equity. Specifically, the drive to maximize profit at the expense of population wellbeing is woven throughout our country's history of oppression, disparities in access to health care, restricted access to paid parental leave, and limited innovation in transformative health technologies.

HEART OVERVIEW

To ensure the principles of health equity are embedded into the fabric of new healthcare technologies and services, health equity impact must be considered during the investment decision-making process and beyond. Rhia Ventures has developed several adaptations of the HEART Framework to address the unique perspectives of evaluating health equity within a product / service, investment strategy, or organization. These frameworks, or tools, when used in combination, encourage a robust perspective to advancing health equity – by guiding startups, payers, and diverse investors (venture funds, pharma, impact investors, catalytic investors, foundations, corporates, family offices), and other decision-makers in the healthcare ecosystem.

HEART supports us with the *'how'* and the *'how well'*

- *What are we doing to advance health equity?*
- *What additional strategies should we consider?*
- *Who are we centering in our work?*

Health Equity

Every person has the opportunity to attain their full health potential, and no one is disadvantaged from achieving that potential because of race, gender, or other social determinants of health. We can advance and achieve health equity by:

- Actively seeking out and removing the underlying drivers of social advantage and disadvantage that contribute to disparate outcomes between groups
- Ensuring equitable access to and receipt of high-quality care, resources, and decision opportunities regardless of race, sexual orientation, gender, ability, immigration, location, income, education, occupation, or other socially determined factors.

Historically Marginalized

People who experience inequitable health outcomes due to social determinants of health that are largely outside of their control. This group may include women and other birthing people; people who identify as Black, Indigenous, people of color (BIPOC); people who identify as lesbian, gay, trans, queer, intersex, asexual (LGBTQIA+); people who are differently abled; people who live in rural communities or healthcare deserts; people who are uninsured and underinsured; individuals experiencing income inequalities; immigrant and undocumented people; adolescents and young adults; victims of sexual violence; and formerly and currently incarcerated people.

THE HEART FRAMEWORK

Advancing health equity requires a multifaceted approach through structural and systemic change. The HEART Framework utilizes eleven constructs through which to evaluate equity within an organization and its investments. To learn more about how your organization can evaluate how to advance health equity beyond the Diligence and investment process, please view the HEART - Investor Framework.

HEART DILIGENCE TOOL FOR INVESTORS

Rhia Ventures has developed the *HEART - Diligence Tool for Investors* as one of several tools from the HEART Framework to aid investors with identifying the health equity impact of a prospective portfolio company. This particular tool assesses health equity impact according to four impact criteria which are in the HEART framework: *Outcomes Oriented*, *Systems Change*, *Access to Care*, *and Affordability of Care*. When used during the diligence process, this tool can:

- formally and quickly assess a company's potential health equity impact during the diligence stage
- serve as baseline data on health equity impact prior to potential investment
- account for the nuances across company stage and types when evaluating potential health equity impact
- provide guidance to companies and investors on needed areas of support when advancing health equity
- provide baseline health equity data on four key metrics that can be tracked on an annual basis to assess improvements over time

SUPPORT FOR INVESTORS

This tool can increase the transparency and clarity of desired health, equity outcomes in ways that will:

- help deploy more capital addressing health equity
- increase the efficiency and effectiveness of these investments, and
- address the current capital gaps in the healthcare market

HOW IS HEALTH EQUITY ASSESSED?

There are four indicators through which we examine a prospective company's capability for health equity impact. We reccomend investors use the tool during screening and diligence. Investors may choose to assess impact once during the diligence process, or several times and adjust scores as new information is presented. It is important to note companies should at least have pilot data to assess in each of the indicators.

Outcomes Oriented	Systems Change	Access to Care	Affordability of Care
• Diagnosis • Treatment	• Stated commitment to health equity • Culturally intentional + culturally affirming care • Target population	• Provider capacity • Geography • Accommodation • Accessibility	• Commercial Insurance • Medicaid • Out of pocket costs • Costs to healthcare system (secondary)

HOW IS SCORING DETERMINED?

The tool maintains a scoring continuum – as opposed to pass/fail – to examine progression towards health equity. It is possible for scores to change during the diligence process and beyond. Each indicator is examined through four levels of progression towards reproductive and maternal health equity:

- A score of one generally means the product / service does not necessarily advance health equity because it is comparable or less effective than standard of care (e.g., pricing is more expensive than other products / services on the market).
- A score of two generally means a company's product or service has acknowledged the nuances or reasons for disparities among historically underserved populations but has no plans to address these disparities.
- A score of three generally means a company's product or service has a plan for how to address disparities among historically underserved populations, however data are not available to show change in health outcomes for historically underserved populations.
- A score of four generally means a commitment to health equity is demonstrated throughout the company's business model and the company has stratified pilot data (or beyond) to reflect equitable outcomes among historically underserved populations.

About Us

Founded in 2018, Rhia Ventures is a women-led nonprofit seeking to advance reproductive and maternal health equity by intentionally leveraging capital to center the needs, experiences, and perspectives of historically marginalized people in decision-making. The Rhia Ventures Ecosystem Building program supports early-stage reproductive and maternal health entrepreneurs and investors with building and growing in a way that incorporates a health equity lens and a culture of impact management and measurement.

Diligence Tool for Investors	1	2	3	4	Score	Notes
Outcomes Oriented Potential to dramatically transform diagnosis and/or treatment outcomes for health conditions. ● **Diagnosis**: Dramatically improves accuracy (sensitivity, specificity), speed and/or degree of invasiveness compared to standard of care OR new diagnostic for condition that lacks any existing method ● **Treatment:** Dramatically improved efficacy, ideally with reduced side effects, compared to standard of care OR new treatment for condition that lacks any existing treatment	Product or service has a diagnostic / treatment goal that is comparable to standard of care for all (no mention of disparities).	Company demonstrates understanding that disparities in treatment and / or diagnosis outcomes exist yet have not set a diagnostic or treatment goal for other underserved groups (beyond general population)	Company has defined target measurable diagnostic or treatment outcomes for underserved groups but have not demonstrated effectiveness of product/service across underserved populations	Product/service dramatically improves health outcomes through early diagnosis, addressing missed or incorrect diagnoses and/or availability of treatment for historically marginalized or underserved groups, as demonstrated with stratified diagnosis / treatment outcome data		
Systems Change **Core mission and business model incorporates systemic change** that addresses gender, racial or other forms of bias and inequity ● **Target population:** Companies intentionally engage underserved populations (e.g, women, Black, Indigenous and other people of color [BIPOC], people living in rural areas or care deserts, and LGBTQIA+ individuals) and address the unmet needs of those populations to inform product and service offerings. Clinical trials are inclusive with underserved groups well represented. ● **Stated commitment:** The company has explicitly committed to advancing health equity in its values, mission or work. ● **Culturally-affirming and culturally intentional care:** For companies with customer-facing providers, providers are of diverse backgrounds. Care provided reflects understanding of and respect of diverse cultural backgrounds.	Company does not target a historically underserved target population and does not have a stated commitment to advance health equity	Company demonstrates understanding of disparities and has a stated commitment to health equity / address needs of underserved populations	Company has identified a historically underserved target population with unmet needs to address however the product/service does not offer culturally affirming care	Company offers culturally intentional and culturally affirming care to underserved populations that advances health equity, as demonstrated by stratified patient satisfaction or retention data		

Diligence Tool for Investors	1	2	3	4	Score	Notes
Access to Care Enables access to care (health services, diagnostics, treatments) by reducing barriers for underserved populations such as women, BIPOC, people living in rural areas or care deserts, and LGBTQIA+ individuals. Examples include: ● **Expanded provider capacity (Availability):** Increased health service provider capacity that enables more people to receive care and improves overall timeliness to care through methods such as increasing the workforce (e.g upskilling, alternative providers, or creating a new workforce) or group care in conditions with critical provider shortages. ● **Geographic accessibility:** Providing care to patients facing geographical constraints (e.g. rural, care deserts) through innovations such as mobile care, home monitoring etc. ● **Treatment and diagnostic accessibility:** Allowing women to more easily and directly access care, such as removing unnecessary provider or lab visits when possible (e.g. over-the-counter medications, home testing and treatment)	Product/servic e has similar accessibility for historically underserved communities as standard of care	Company demonstrates understanding of the disparities in access to care, however does not have a plan to improve access for historically underserved communities	Company has a plan to address access gaps built into their business model, however does not have stratified access data.	Company is addressing access gap(s) (e.g., availability, accessibility, accommodation, acceptability) as demonstrated by stratified patient data.		
Affordability of Care **Low or decreased cost to the end customer** ● **Insurance-covered** product or service, preferably commercial and Medicaid, with low or no out-of-pocket costs to the customer ● **If not insurance-covered**, dramatically lower out of pocket costs relative to standard of care Secondarily, **reduces total costs of care for the health care system**.	Product / service pricing is more expensive than standard of care and is cash pay only.	Product/service is less expensive than competitors but does not have an insurance option.	Product/service has a private insurance option. May provide a discount program for populations under a certain income threshold.	Product/service has Medicaid coverage and little-to-no cost out of pocket for consumers.		