

Health Care And Treatment

Employers Can Do More to Advance Health Equity

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Summary. Covid-19 exposed wide inequities in health in the United States and around the world. But health disparities persisted long before the pandemic. In this article the authors explain why businesses should help find solutions to health inequities and showcase... [more](#)

One of the starkest lessons from the Covid-19 pandemic has been the deep health inequities present in the United States and around the world. Nearly everywhere, groups that have been economically and socially marginalized experienced higher rates

of Covid-19 and morbidity and mortality from infection. In the United States, before vaccines and effective treatments were widely available, Black and Latino people were three times more likely than white individuals to be infected with Covid-19 and twice as likely to die, according to a study in the *Annals of Internal Medicine*.

Covid-19 wasn't an anomaly. It was a magnifying glass. It exposed inequities that persisted long before the pandemic—in life expectancy, birth outcomes, maternal health, chronic disease prevalence and outcomes, and more.

There is a silver lining, however. Increased awareness of the problem has led business leaders and employers to ask what more can be done to address health disparities, and many have taken meaningful steps toward improving health equity. In this article we explain why employers should help find solutions and showcase companies innovating in this space.

What Is Health Equity?

The Centers for Disease Control and Prevention defines health equity as the state in which “every person has the opportunity to attain his or her full health potential and no one is disadvantaged from achieving this potential because of social position or other socially determined circumstances.” Health equity is a broad concept and is inclusive of a number of groups that are marginalized by society and the health care system and therefore are not attaining their full health potential: people who are Black, Latino, and Native American (who collectively make up 33% of

the U.S. population); people who identify as LGBTQ+ (4%); individuals in rural communities (23%); people living in poverty (11%); and people with disabilities (12%).

A multitude of data supports prioritizing the health needs of these populations:

- Black persons are 30% more likely than non-Hispanic whites to die from heart disease.
- Native Americans and Alaska Natives have an infant mortality rate that is 60% higher than the rate for their white counterparts.
- Hispanic women are 40% more likely to have cervical cancer and 30% more likely to die from cervical cancer than non-Hispanic white women.
- Adults with disabilities are four times as likely as adults without disabilities to report having fair or poor health.
- Thirty-nine percent of men who identify as gay, 15% of women who identify as lesbian, 20% of men who identify as bisexual, and 15% of women who identify as bisexual report experiencing physical violence, property crime, or attempted crime because of anti-LGBT bias.

A related term is *social determinants of health*, which refers to the conditions in which people are born, grow, live, work, and age that impact their health. Differences in exposure to the social determinants of health are often at the root of health inequities. These include educational and employment opportunities, access to safe environments, affordable housing, nutritious food, access to care, and social relationships and networks—factors that influence health and occur largely upstream of the traditional health care delivery system.

The Business Case for Health Equity

Some business leaders may ask: Why isn't health equity solely the responsibility of the government or the health care delivery system? Why must my business play a role? The short answer is that income, economic stability, workplace benefits such as paid time off and medical benefits, and social conditions in the communities where companies operate are major drivers of health disparities, and employers can play a lead role in addressing many of them. This is especially true in the United States, where approximately 55% of people receive health insurance coverage and additional health benefits such as well-being programs, on-site clinics, and telemedicine through their employers.

Many employers have become attuned to how diversity benefits their businesses. Studies conducted by McKinsey over the years show that companies with the most ethnically and racially diverse workforces or executive teams are more likely to financially outperform others. A BCG study found that companies with above-average diversity had revenues from enhanced or new products or services that were, on average, 19 percentage points higher. But less appreciated is how health inequities can influence diversity efforts and business outcomes. A McKinsey survey conducted in June 2021 found that 30% or more of Black, Hispanic or Latino, LGBTQ+, and younger employees said they had considered switching employers because of their health benefits; employees who reported not receiving the care they needed were two times as likely to consider changing employers.

Inequities in health can also lead to groups of employees missing work more often or being less productive at work. The same McKinsey study found that if employees who are Black, Hispanic or Latino, and Asian were able to meet their own health needs and those of their dependents while missing the same average number

of days as white employees, the U.S. economy could expand by around \$20 billion—the equivalent of as much as 10% of the total cost of absenteeism.

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Health disparities also contribute to \$93 billion in excess medical care costs. Groups that have been economically or socially marginalized often have higher rates of chronic diseases and greater preventable morbidity and mortality—yet they have lower rates of utilization of primary care and mental health services. The result is that a significant proportion of preventable medical costs is spent on providing care to those groups, contributing to the year-over-year increases in health care costs experienced by most self-insured employers and in health care premiums for fully insured employers.

Businesses can positively impact health equity in ways that will improve their businesses and society overall. Beyond investing in diversity, equity, and inclusion, here are the major opportunities for all employers regardless of size or geography.

Opportunity 1: Optimize Benefits and Health Plan Offerings

Some plan designs may inadvertently exacerbate health disparities. One example is co-payments for emergency room visits. Because people from groups that have been marginalized face barriers to accessing primary care (such as a dearth of nearby providers), they may rely on the emergency room for routine medical care. So cost-sharing efforts may inadvertently worsen health outcomes for employees most at risk of serious complications.

With careful plan design, employers can improve health outcomes. In a randomized clinical trial whose results were published in the *New England Journal of Medicine and Health Affairs*, patients from racial and ethnic minoritized groups whose employers covered all the costs of their preventive medications after they had suffered heart attacks had 35% fewer major complications than patients with co-payments, and 70% lower total health care costs.

Plan design changes can also cover out-of-pocket expenditures that are too costly for low-income families yet are proven to reduce health disparities. In 2021, in response to concerns about rising rates of Black maternal and infant mortality nationally, Walmart expanded benefits under its medical plan to include up to \$1,000 in coverage for doula services. Doulas provide emotional and informational support and guidance to mothers during pregnancy and birth. Aware of research demonstrating that having a doula on a birthing team decreases C-sections by 50% and the need for other medical interventions by over 50%, Walmart began offering doula benefits in Georgia, where a large proportion of its associates are African American. Encouraged by its early success, it recently expanded the program to Louisiana, Indiana, and Illinois in partnership with the National Black Doulas Association and DONA International.

Opportunity 2: Address Social Determinants of Health

Decades of scientific research reveal that 80% of health outcomes are determined by income level, educational attainment, health behaviors, and environment (transportation systems, workplaces, schools, air quality, and access to clean water and healthful food). The 2021 McKinsey survey found that 65% of the full-time employees of large U.S. employers had experienced at least one unmet basic need, and 66% of LGBTQ+ employees and 69% of employees of color with a household income of less than \$100,000 had experienced two or more unmet basic needs.

All of this suggests that employers should invest in benefits and policies that are not traditionally considered part of medical coverage but that indirectly improve health by addressing barriers to achieving optimal health. An example of such an initiative is the Thrive Local program that Kaiser Permanente launched in Northern California in 2019, which it plans to make available to its 12 million members and to the 68 million individuals in the communities that it serves throughout the United States. The program identifies someone with a social need (such as food, housing, or transportation), refers the individual to a community resource, and tracks the referral to make sure the needs have been met.



Business Group on Health found steps that other employers have taken to address social determinants of health include helping employees pay down their student debt, allowing employees to access earned wages before payday, providing subsidized childcare at work sites, and offering discounted legal services to help employees deal with housing, safety, or immigration needs. For instance, during the pandemic, H-E-B, a Texas supermarket and convenience-store chain, increased pay for low-wage earners and provided employees with free food during lunchtime to address food insecurity and reduce the social isolation that many experienced at the height of lockdown measures. And Walmart's Live Better U program has paid for 100% of college tuition and books for more than 52,000 associates and now includes historically black colleges and universities among its academic partners.

Opportunity 3: Expand Primary Care and Mental Health Access Through Virtual Care and Community Partnerships

Eighty-seven million Americans reside in communities that lack sufficient numbers of primary care physicians and mental health providers. In addition, many more are impeded from accessing care by barriers such as daytime work, lack of transportation, inadequate childcare, and physical disabilities. Because of these and other factors, nearly one in four Americans does not have a primary care physician, and many mental health conditions go undiagnosed and untreated.

Most large employers today offer free or subsidized virtual health services that have the potential to overcome these barriers. However, those services often do not provide comprehensive primary care and adequate mental health services. So it's important for employers to evaluate the virtual services offered by their health plan networks and invest in solutions that offer care that is culturally informed, contextually appropriate, and socially concordant (delivered by clinicians who share a social identity with the employee).

Inequities in the U.S. health system cost approximately \$320 billion annually and, if left unaddressed, could cost \$1 trillion or more a year by 2040.

An example of such a service is a “virtual first” model offered by Accolade that United Airlines launched in January 2022 for its employees based at George Bush Intercontinental Airport and their dependents. (Disclosure: One of us, Shantanu, is the chief medical officer of Accolade.) Employees can use a mobile app or call Accolade to have a video visit with one of Accolade’s primary care physicians or mental health therapists and to get referred to a range of other services, such as a virtual provider of diabetes care or a physical therapist. Initial data shows that the model is reaching the intended audience: Twenty-seven percent of the employees and dependents who accessed the virtual services had one or more barriers to care (defined as having a low income, a language barrier, limited education, or living in an area with a shortage of health care professionals).

Expansion of access need not be only for virtual services. Employers can also partner with community-based providers that offer access to in-person care. In 2021, Aetna did an analysis of emergency room visits by United Airlines’ Newark Liberty International Airport–based employees and their dependents and found that more than 550 visits were for nonemergency reasons, costing these families and the system valuable time and money. An additional analysis by United revealed that 42% of its employees and families in the Newark area experienced either “very high” or “high” challenges in terms of social determinants of health. United and Aetna then created a communications

campaign to inform those employees where and when they could obtain alternative care at CVS HealthHub and MinuteClinic locations throughout northern New Jersey.

Opportunity 4: Make Benefits and Health Care Easy to Navigate

The 2021 McKinsey study found that employees of color were 1.4 to 1.5 times more likely than white employees to find the resources and tools explaining benefits unhelpful, regardless of income level.

Employers can leverage a range of tactics to make benefits easier to navigate, such as using inclusive language and imagery, employing a diverse and representative HR team, and training managers to identify employees with unmet needs and refer them to specific benefits programs. Employers may also choose to invest in a solution that gives employees a single point of contact for all their health and benefits needs. For example, Accolade utilizes health assistants: call-center workers who receive specialized training in helping people understand their benefits, search for in-network providers, and use community resources such as discount prescription programs, transportation options, and food pantries. A slightly higher proportion of individuals who use the service (36%) have language barriers than those who don't (34%), which is notable because the trend at similar health care services is the opposite: Marginalized individuals utilize them less. In addition, half the interventions that Accolade's health assistants perform to improve individuals' health outcomes address a barrier to a social determinant of health.

Navigation services can also help employees find culturally concordant providers. Accenture was an early adopter of a service offered by Included Health that assists LGBTQ+ employees and family members in finding LGBTQ+-friendly practitioners. Accenture says the positive effects of this offering on its LGBTQ+ employees and their families include increased preventive care visits, more-thorough understanding of the benefits as well as

approvals required for certain transgender procedures, reduced stress and anxiety in accessing health care, improved productivity, and a boost in employee allegiance to Accenture.

Charting the Path Forward

To improve health equity among their employees and communities, businesses will need to invest in a multiyear effort and equip themselves with the right leadership, resources, and processes. Here are the key steps for getting started:

Build a business case for investment. While many businesses may look at health equity as a societal and ethical imperative, they should also quantify the impact of health disparities on their bottom line to justify their investment. What is the impact of health disparities on medical costs or premiums? What is the cost of absenteeism resulting from them? How would improvements to marginalized populations' experience with care help recruitment and retention? And relatedly, how is a lack of diversity affecting productivity or the customer experience?

Too often health equity is looked at as a vague commitment rather than as a business problem with defined objectives.

Research by Deloitte's Center for Health Solutions and Health Equity Institute published in 2022 found that inequities in the U.S. health system cost approximately \$320 billion annually and, if left unaddressed, could cost \$1 trillion or more a year by 2040. Deloitte has partnered with the World Economic Forum to launch the Global Health Equity Network, which has worked with more than 20 organizations in health care, life sciences, civil society, finance, technology, and other sectors to understand the impact of health inequities on their businesses. Similar analyses, using

tool kits such as one developed by the American Heart Association, can help companies build the business case for sustained investment in addressing health equity.

Collect data to understand the problems. Core to formulating a health equity strategy is understanding the specific health and social needs of your population. Many employers historically have not collected routine data on gender and sexual identity and face limits on how they can use self-reported race and ethnicity data. To address this gap, health and well-being assessments such as annual Health Risk Assessments (HRAs) and employee surveys should be expanded to include self-reported race, ethnicity, gender, and sexual identity along with information on social determinants of health. For instance, the Centers for Medicare and Medicaid Services developed a 10-question instrument that screens for social needs, including housing stability, food insecurity, transportation needs, utility needs, and interpersonal safety that could serve as a useful starting point for other organizations.

To make the collection of this data more acceptable to their employees, organizations should explain the reason for gathering it, make these fields optional, protect privacy, and assure employees that the data will not be used to discriminate.

Identify an initial population to focus on. Prioritizing a specific marginalized community and a specific health problem is more effective than taking a blanket approach to improving health equity at the outset.

Each employer has different challenges and opportunities that should inform which populations and medical and social conditions to go after first. For example, a tech company may have a large population of younger LGBTQ+ employees who need support with reproductive health or transgender care, whereas a manufacturing company may have challenges in ensuring that employees living in rural areas have access to high-quality care.

Companies are more likely to succeed if they focus their resources on clearly defined problems. Walmart chose to prioritize maternal health outcomes because national data showed that Black women in the United States had higher maternal mortality rates than white women; it homed in on Georgia because the proportion of its associates who are Black is higher in Georgia than in other states. United Airlines chose to address challenges that its African American and Hispanic employees in the Houston area faced in accessing health care after studying its own health care utilization trends.

Engage a broad group of stakeholders to design solutions. A core principle in health equity is when designing solutions to a particular problem, you should focus first on the most marginalized individuals with that problem. Solutions that work for them often will work for everyone, but the opposite is rarely true.

In designing solutions to specific problems, employers should get the input of individuals from the marginalized communities in question. One way to do that is to partner with employee resource groups (ERGs). These are voluntary, employee-led groups made up of individuals with common interests, backgrounds, or demographic factors such as gender, race, or ethnicity. They often support new hires during onboarding and ensure that diverse employees have an opportunity to be heard, valued, and engaged in company decision-making. Businesses should also consider establishing a community advisory board whose members include representatives of various community organizations and neighborhoods. Taking these steps will help ensure that the company hears from people who might otherwise go unheard.



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United Airlines' employee resource groups have played an instrumental role in developing the company's health equity strategy. (Each group—Black, LGBTQ+, multicultural, multigenerational, people with disabilities, veterans, women, and working parents and caregivers—is sponsored by a member of the company's executive team.) As a result of the groups' involvement, United Airlines expanded its initiative to address many more barriers to accessing care than it had originally intended. The groups also helped the company develop effective messaging to promote the initiative.

Measure progress to drive accountability and build momentum.

Too often health equity is looked at as a vague commitment rather than as a business problem with clearly defined and measurable objectives. The result is a lack of accountability and, over time, a loss of sustained commitment. The right approach is to start by identifying a set of metrics, establish a clear baseline, set a time-bound target for improvement, and track the metrics regularly. For example, when United Airlines and Accolade launched the virtual-first program in Houston, they agreed to measure the percentage of employees and dependents facing one or more barriers to care who utilized the service each month.

While the ultimate goal is to improve health outcomes, those outcomes are often hard to measure or at least attribute to a specific solution and are actually lagging indicators of success. Instead, employers should use a range of metrics, including those that provide real-time and actionable insights into the effectiveness of their programs, such as engagement and utilization. Where possible, these metrics should be stratified by sociodemographic variables. Engagement, for example, can be examined by race, ethnicity, sexual identity, and ideally, specific social determinants of health such as food insecurity or low wages.

Commit to advancing health equity. To help formulate and communicate a strategy for improving the health of their employees, some employers have already adopted a framework used by many health care systems called the “triple aim” or the “quadruple aim.” The former has three overlapping goals for health care improvement and innovation: improved population health, better care experience, and lower costs. The latter adds greater job satisfaction among care providers. We believe a fifth goal—health equity—should be added for two reasons. First, if organizations don’t consider health equity, they risk investing in interventions that inadvertently worsen health disparities. For example, co-pays for ER visits may lower total costs of care but at the expense of reduced access for individuals living in areas with a shortage of primary care physicians. Second, if organizations don’t consider health equity, they risk ignoring interventions that primarily improve it, such as providing discount prescriptions or access to food pantries. We recommend employers adopt the “quintuple aim” as a framework for making decisions about the design of benefits programs and for communicating to their employees and stakeholders their strategy to advance health and health equity.

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The health, productivity, and diversity of employees are key to an organization’s success. The pandemic has magnified the wide inequities in health that prevent certain employees from achieving their optimal health. By using a health equity lens and proven strategies to eliminate disparities, employers can improve business outcomes, create a better employee experience, and advance health for all.

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