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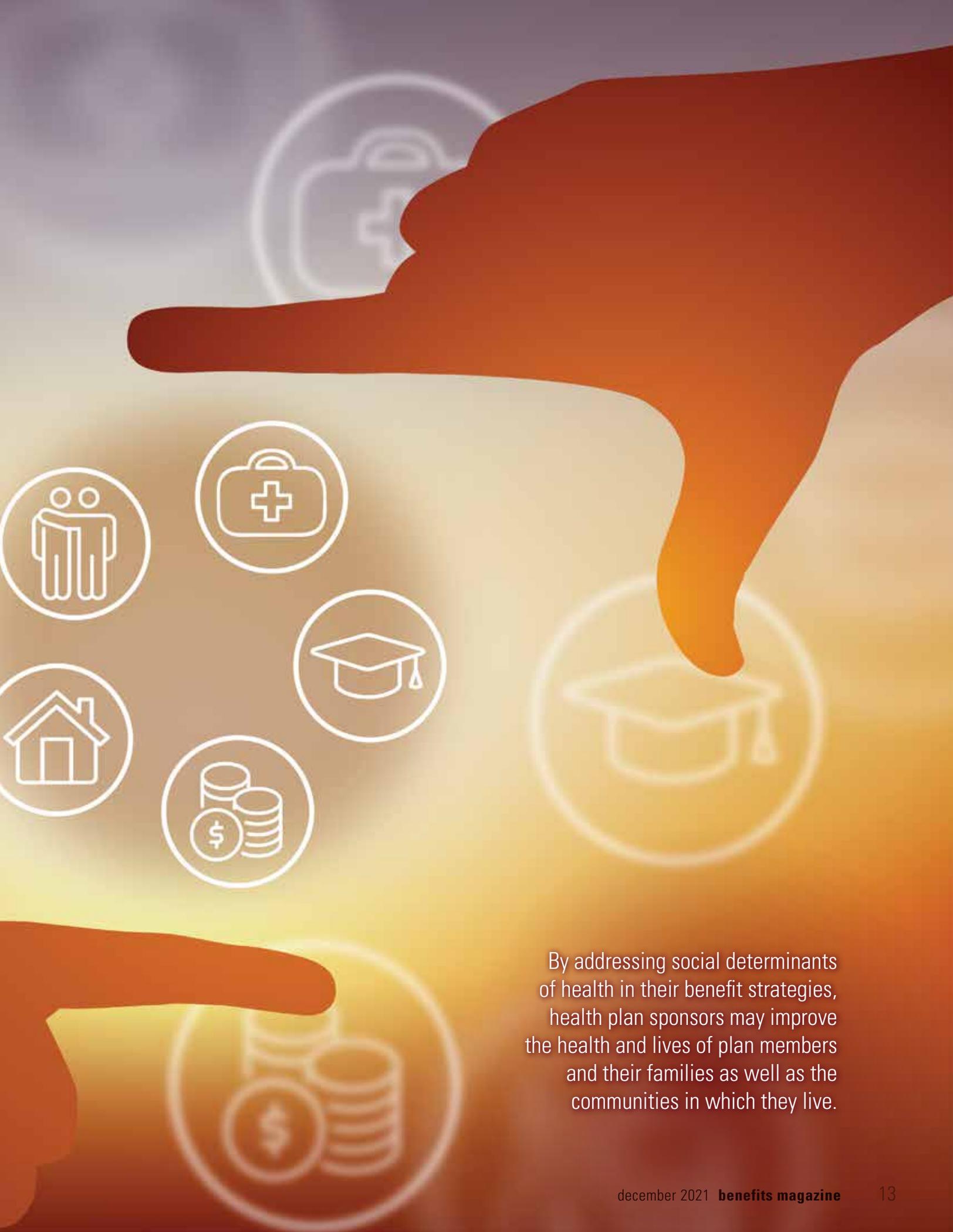
Focusing on Social Determinants of Health

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benefits
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By addressing social determinants of health in their benefit strategies, health plan sponsors may improve the health and lives of plan members and their families as well as the communities in which they live.

Where people live, work and go to school as well as their levels of financial security and social support have profound implications for their health. Known as *social determinants of health (SDoH)*, these nonmedical factors began receiving increased attention from the World Health Organization (WHO) in 2003 when it noted that people born in countries with high amounts of "human development" live on average 19 years longer.[1]

Increasingly, health plan sponsors are interested in the role they can play to address SDoH and how they can improve the health and the lives of plan members and their families in addition to their communities.

Background

WHO defines *social determinants of health (SDoH)* as the nonmedical factors that influence health outcomes. They are the conditions in which people are born, grow, work, live and age as well as the wider set of forces and systems that shape the conditions of daily life.[2]

Specifically, SDoH include the following key factors.

- **Education:** Quality education improves opportunities to find employment, obtain job security and earn a living wage which, in turn, affect financial stability and health status.
- **Financial stability:** Financial stability provides security to afford basic human needs of food, clothing, housing, child-care services, transportation and health care. Poor financial stability is linked to increased morbidity and mortality.
- **Social support and equality:** Positive family, friend, workplace and community relationships are important for physical and emotional health. Social isolation caused by decreased or negative human interactions is detrimental. *Social equality* is an environment in which all individuals have equal rights, liberties and opportunities. Both social isolation and inequality increase health and safety risks, reduce access to care and are associated with increased morbidity and mortality.
- **Environment:** Where people live influences access to food, transportation, housing, employment opportunities and health care. Individuals living in impoverished locations have increased exposure to health and safety risks.
- **Health care:** Access to high-quality, affordable, non-discriminatory health care narrows gaps in care and improves preventive care, adherence to care plans and ultimately overall health status. It also decreases mortality.

Health plan sponsors can influence SDoH by providing health and financial security through fair and equitable hiring practices, compensation and career development, an inclusive work culture and affordable benefits that include advocacy and navigation support. When employers do not act to address these factors, they may lose the ability to enhance worker health and ultimately risk unfavorable impacts to employee productivity and business results.

SDoH Intersection With DEI and Well-Being

Before the emergence of COVID-19, employers increasingly recognized the importance of diversity, equity and inclusion (DEI), with emphasis on the "D" and "I." However, 2020 brought an acute awareness that not all individuals are afforded the same opportunities to thrive in their personal and professional lives. The pandemic, social unrest, economic loss and severe weather all highlighted that SDoH could lead to disparate outcomes for different populations. For many employers, these events exposed challenges faced by low-income employees and escalated the development of DEI strategies that emphasized equity and well-being.

Challenges include the following.

- The COVID-19–related death rate among Hispanic or Latino people is 2.3 times the rate of white people. Among Black or African-American people, the death rate is 2.0 times the rate of white people.[3]
- In 2020, the unemployment rate increased by more than five percentage points to 13% for persons with a

disability and four percentage points to 8% for those without a disability.[4]

- Discrimination against LGBTQ+ persons is associated with high rates of psychiatric disorders, substance abuse and suicide.[5]
- People living in rural areas have less access to quality health care and are more likely to die from heart disease, cancer, unintentional injury, chronic lower respiratory disease and stroke than their urban counterparts.[6]
- Lower income Americans have a greater risk of housing insecurity and are more likely to be homeless or living in neighborhoods more susceptible to climate shocks due to substandard infrastructure in affordable housing units and low-income communities. This places them at greater risk of poor health and premature death.[7]

Plan Sponsor Strategies

Historically, plan sponsors have taken a one-size-fits-all approach to benefit offerings, designing benefit and well-being programs that are beneficial to the broad population. However, employer strategies are evolving to examine equitable benefit programs, design features, network composition, network access and communication to address disparities. Employers are also recognizing that underrepresentation of key workforce segments (e.g., women and LGBTQ+ workers, people of color and people with disabilities) in senior and higher paying roles leads to poorer employee experiences and outcomes in health, wealth, job security and well-being. In response, plan sponsors are increasingly developing short- and long-term workforce planning strategies with a focus on supporting a diverse set of backgrounds and circumstances in order to align with DEI strategies and environmental, social and governance (ESG) criteria as well as to address SDoH areas of potential risk.

Plan sponsors likely fall into one of the approaches identified in the continuum below. An organization's position on this continuum is often linked to organization priorities and resources.

- **Foundational** (programmatic approach): Foundational strategies offer inclusive benefits for physical and emotional health care; paid leave programs for personal time, illness and disability, and care of loved ones; and well-being and clinical health management programs

takeaways

- The World Health Organization (WHO) defines *social determinants of health (SDoH)* as the nonmedical factors that influence health outcomes. They include education, financial stability, social support and equality, environment and health care.

- Health plan sponsors play a role in SDoH by providing health and financial security through fair and equitable hiring practices, compensation and career development, an inclusive work culture and affordable benefits that include advocacy and navigation support.

- Failure to address SDoH may cost employers the ability to enhance worker health and could ultimately have a negative impact on employee productivity and business results.

- The continuum of benefits strategies that address SDoH include foundational, programmatic approaches; advancing, data-driven approaches; and transformative, holistic approaches.

- Collecting data, including basic demographic data as well as more detailed information such as human resources (HR) data for signs of financial stress, is a key part of developing a strategy to address challenges related to SDoH.

that meet health risk needs specific to the population, based on claims and utilization data.

- **Advancing** (data-driven approach): Advancing strategies use data specific to individuals or subgroups to personalize tools and communications and implement relevant health and well-being programs where gaps in health care and financial stability exist. To further test data and perceived employee wants and needs, 29% of employers report using employee surveys and focus groups and leveraging employee resource groups when designing policies, programs and goals.[8]

- **Transformative** (holistic approach): Transformative strategies incorporate not only DEI but also sustainability or ESG factors. This approach includes taking steps to ensure that the organization's mission and values support employee well-being, that an inclusive culture supports diverse workforce segments and that the organization has established goals and analytics to measure effectiveness. Organizations support worksite culture by training managers to recognize when employees are struggling with social and emotional risk factors. Organizations may go further in understand-

ing community culture outside of the worksite and invest resources in and engage with the community to support and address disparities.

Five Actions for Plan Sponsors

Following are five actions for plan sponsors to build an insight-driven strategy—leveraging qualitative and quantitative data—to address SDoH, improve the health and wealth outcomes of employees and ultimately benefit the organization.

1. Understand Employees— Who They Are and Where They Live and Work

Data to define who employees are includes:
- **Geography:** Where someone lives; physical work location; and access to broadband, safe transportation, child-care services and quality health care
- **Demographics:** Ethnicity, race, age, sexual and gender identification, disability status, veteran status, religion, education, primary language, health and financial literacy
- **Job-based:** Job role, income, flexible work (hours and location), benefits eligibility, cost of benefits relative to income and diverse representation in all job roles.

Admittedly, this level of employee measurement is an emerging practice, with some information easier to track and measure than others. Some data will be captured in the human resources information system (HRIS) and Equal Employment Opportunity Commission (EEOC) reporting.[9] Other elements may be more challenging to collect. Employers may consider using publicly available community health data and applying it to their own populations. These measurements can also be supplemented by employee research and surveying.

Visiting workplaces and the surrounding community provides an additional layer for understanding the drivers of the health and well-being challenges facing employees. To share one example, an employer struggled to reduce emergency room use and high chronic condition prevalence at one manufacturing plant. Collaboration with health carriers to provide telemedicine and primary care yielded little success. However, leaders gained critical insights when they visited the worksite to meet with local human resources (HR) and shift leaders about employee challenges. The location was in a food desert and the worksite had ten vending machines in the breakroom full of soda, energy drinks and unhealthy food. The employer quickly responded and provided several vending machines offering bottled water only, filled candy bowls with fresh fruit and planned to partner with a local church and farmer to bring in fresh, affordable produce. Not only was local employee feedback overwhelmingly positive, but the employer also addressed underlying health habits that contributed to clinical condition prevalence and high health care expenses.

Visiting local communities is not always practical; however, employers can obtain feedback from employees through many avenues, including preference surveys, town hall meetings, focus groups (virtual and in person), one-on-one discussions and employee resource groups. Employee listening strategies have become increasingly important and useful for assessing employee needs and challenges, especially now that many organizations have moved some or all employees to virtual work environments. Developing an agile listening strategy and allowing employee opinions to be measured on continuous and ad hoc bases allows review of differences by employee cohort, enabling the development of strategies and programs that meet diverse needs.

2. Use Benefit Program Data by Cohort to Prioritize Interventions

Carrier and vendor reporting capabilities continue to evolve, including linking those reports and analyses to available community and third-party data to provide enhanced insights. Historically, carriers and vendors focused their reports on overall key condition management prevalence, but reports are now narrowing the focus to understand those who may also be at higher risk of being negatively affected by SDoH (e.g., where they live, access to primary care providers/specialists, poverty prevalence). Tapping into these expanded data points for a worker population, or for those who reside in similar areas, can provide meaningful insights.

Data points to identify higher risk cohorts that may be easier to access include benefit eligibility, plan (and tier) enrollment and savings levels compared with income. Where more detailed data is available, patterns of insecurity can also be identified through:
- HR data for signs of financial stress (e.g., loans, hardships, wage garnishment, opt-out of 401(k))

- Utilization
  - Employee assistance program (EAP) utilization and depression prevalence to measure emotional stress
  - Chronic condition prevalence, emergency room use, well-being or health management program use, and outcomes to assess physical well-being
  - Other utilization data (e.g., used time off, disability, workers' compensation claims).

Cohort outcomes that vary from other cohorts or available benchmarking data is often a warning sign that intervention is necessary.

3. Review Affordability and Access to Health, Welfare and Broader Employee Benefits

Historically, many employers subsidized health care costs equally by plan and dependent coverage tier, with Affordable Care Act (ACA) affordability thresholds being the measure of validating that payroll contributions are affordable. The average 2020 employee-only coverage payroll contribution represents 4% of total income for the 2020 U.S. median family income.[10] However, nearly 30% of U.S. individuals have income that is at or under 200% of the federal poverty level ($25,760 for a single person), and almost 40% of U.S. adults report not being able to pay for a $400 emergency using cash, savings or a credit card paid off at the next statement.[11]

Given the rising cost of health care and financial insecurity, plan sponsors are expanding the view of affordability to consider not only employee payroll costs but also the potential out-of-pocket costs if care is used and how that

cost may deter some individuals from getting the care they need. Nearly 90% of employers reported that achieving health program costs that are affordable for employees—especially low-wage employees—is a key priority in the next two years.[12]

A logical first step is to evaluate the affordability of health coverage and broader benefits such as disability and retirement savings relative to income, incorporating payroll deductions and out-of-pocket costs. Employers can use additional levers to address health care affordability (where not already present), such as supporting health education/literacy, improving access to high-value services at lower cost-sharing amounts, reducing point-of-care costs to help increase adherence to care plans and providing digital therapies through chronic condition management programs. Employers can also address broader affordability through financial education and counseling, voluntary benefits such as hospital indemnity and critical illness insurance, and caregiving and disability leave programs for income protection.

4. Collaborate With DEI and Talent Functions Within the Organization

Employers influence employee well-being through pay, career and benefits. However, employers will have the greatest impact on SDoH through a focus on equitable total rewards where benefits, talent and DEI functions collaboratively place employee well-being at the center of business priorities. This approach often incorporates corporate commitments to DEI and sustainability, or ESG. This functional coordination will support attraction, retention and engagement of employees, with prioritization

of policies and programs for employees needing SDoH support.

As a result of this type of collaboration, many employers will be positioned to gain powerful insights from employee resource groups (where they exist). Listening can lend critical insight on health, technology and financial literacy, how benefits resonate with employees, their experience with carriers and vendors, and even their experience with managers and leaders when they utilize benefits. Listening can also shed light on the important connection to community and social circles that influence their health, wealth and broad well-being in and outside of the employer workplace culture. Employers can then use identified disparities and influencers as a foundation for strategic priorities.

5. Develop a Strategy to Address Challenges With Defined Target Success Outcomes

There are many different approaches to integrating SDoH considerations into benefits and well-being strategies. To best hone their approach, employers should consider what they are trying to achieve. Perhaps it's attracting and retaining top talent. Or the focus may be on improving access to care and supportive programs, quality of care, and health and well-being outcomes. They may be focused on a better member experience. Employers should keep in mind that setting objectives and goals, testing actions and refining strategies will be a cyclical process.

Employers should consider taking the following steps.

- **Set a goal framework:** Once key objectives are established, bring analytic and member information into a strategy that puts actions to each of the SDoH key areas with

measurable target outcomes for success (e.g., reduced health risk, increased adherence, etc.). After assessing the environment and barriers, use the S.M.A.R.T (specific, measurable, achievable, relevant, time-bound) goals framework to define the target outcomes. Measure impact and refine the approach, as needed, to meet the target outcomes.[13]

- **Set outcome goals:** Some employers focus on health risk prevention, adherence and related metrics. An example might be to decrease unmanaged diabetes in rural, low-income populations with a 10% increase in members meeting ideal HbA1c targets in a 12-month window. Others may take a whole-person approach that may include, for example, culturally competent communications (education), collaboration with local community groups on corporate responsibility initiatives (social), 100% coverage for diabetes prescriptions and testing (financial stability), subsidized healthy food options or fitness resources (environment), or a diabetes condition management program with a diverse network of coaches (health care).

- **Link SDoH strategy with productivity and employer cost savings:** A transformative approach sets target outcomes on productivity and business performance. Using the same example, a plan sponsor can target success outcomes for reduced health care spending on diabetic episodes and reduced cost to members for prescriptions, supplies and health care visits. The cost of the health investments would be measured with decreased presenteeism and absenteeism, improved productivity and lower turnover.

When developing target success outcomes, it is important to understand current state of employees' SDoH factors and the approach that will be employed to measure progress against the target outcomes. This includes identifying the early indicators of success or risk as well as the long-term goal.

Conclusion

Benefit plan sponsors play an important role in providing health and financial security to members through benefit programs. By following these five actions to address SDoH, employers and plan sponsors will have a greater impact, creating value and custom pathways to better outcomes for populations that most need added security and support. ◑

bios

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