Promoting health equity for low-wage workers:

How employers can reduce health care costs, increase productivity and help employees stay healthy

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When Sherrill* took a job in the call center of a large bank, her new employer's health plan was a major selling point. As a single mother of two young boys, her top priority is the health and well-being of her children.

Though Sherrill makes sure her sons visit their pediatrician regularly, she hasn't seen a doctor for her own care in several years. With most of her $35,000 salary going to rent, childcare, food, transportation and other living expenses, money is tight. Sherrill has been relatively healthy her whole life, but recently she noticed a small lump under her left arm. She has a nagging feeling that she should have it checked out, but she's concerned about the cost of a doctor's visit and any tests that may be ordered, since her health plan has a high deductible. She is trying to ignore the lump, hoping it will go away.

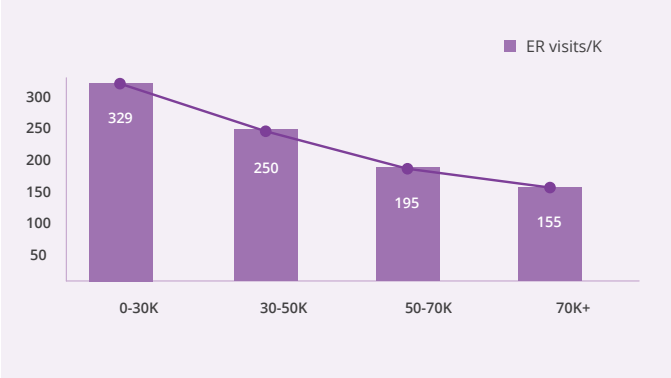
Unfortunately, scenarios like Sherrill's are far from unusual. Of the estimated 150 million Americans participating in employer-sponsored health plans, 24 percent are considered "underinsured," according to the Commonwealth Fund's most recent Biennial Health Insurance Survey.[1] This means they have coverage but don't have the financial resources to afford their plan's high out-of-pocket costs.

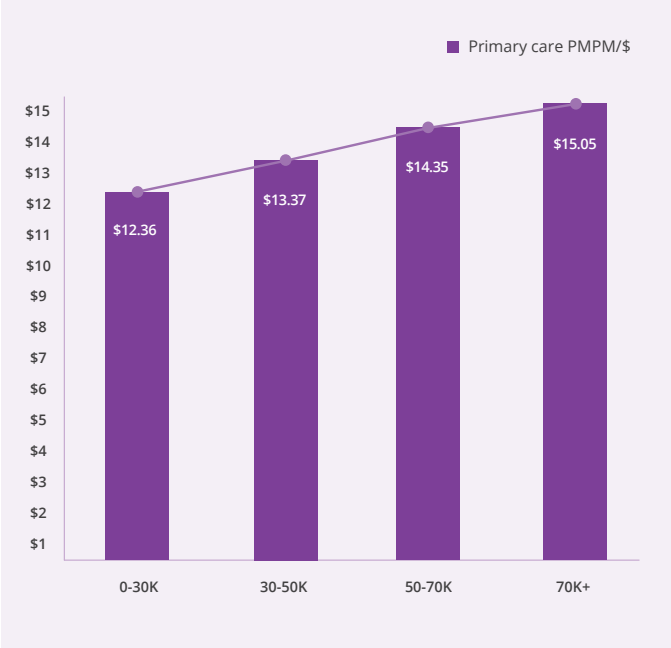
These financial and related social barriers directly impact health care decisions. After all, when you're struggling to put food on the table or make rent, budgeting for an unexpected health concern can feel like an impossible task. In fact, the Commonwealth Fund survey[2] found that 41 percent of underinsured adults say they have put off much-needed care, and nearly half (47 percent) grapple with medical bills and debt problems.

For low-wage workers like Sherrill, concern over out-of-pocket medical costs can lead to delays in diagnosis and treatment that would have been more effective at an earlier stage. These kinds of decisions don't just affect employees — they can also impact an employer's bottom line.

In many ways, low-wage workers approach the health care system much like individuals without any insurance coverage. Research has found that they're less likely to have a primary care physician (PCP). When they do seek care, they sometimes opt for the ER over more cost-effective alternatives, like an urgent care center. This can be attributed to a host of reasons, including affordability, a lack of awareness of lower-cost treatment options, and accessibility due to transportation issues or schedule inflexiblity.

Site-of-care decisions among low-wage workers[3]





*hypothetical for illustration purposes

1 The Commonwealth Fund. "Health Insurance Coverage Eight Years After the ACA: Fewer Uninsured Americans and Shorter Coverage Gaps, But More Underinsured." February 2019. https://www.commonwealthfund.org/publications/issue-briefs/2019/feb/health-insurance-coverage-eight-years-after-aca

2 Ibid.

3 Aetna study of 8 large commercial group plans. September 2017

A 2017 study of eight of Aetna's large commercial group plan customers[4] revealed poorer health outcomes and excessive health plan costs associated with low-wage workers in four main areas:

1. Higher incidence of preventable disease
2. Later-stage recognition and treatment of diseases
3. Limited ability to navigate health system and comply with self-care regimens
4. Treatment in more expensive and less effective settings — low-wage workers had more than twice as many ER visits as higher-wage workers.

But the reason for these outcomes doesn't just boil down to an employee's take-home pay. The answer also lies in where they live, work and play.

Understanding barriers to better health

As a concept, social determinants of health (SDoH) isn't new. But it's picked up steam in recent decades and is the focus of the government's Healthy People 2020 campaign to improve the nation's health. The premise is simple but powerful: The conditions in which we're born, live, work and age shape our health and can impact our life expectancy by as much as 60 percent. They include such factors as our socioeconomic status, education, neighborhood and physical environment, employment and social support networks, as well as our access to health care.

SDoH can have far-reaching effects. Employees who delay preventive care because they lack transportation or childcare, or go to the ER because they didn't know about lower-cost urgent care options, pay the price with their health and financial well-being. By the same token, employers whose workers use health care resources ineffectively and inefficiently may experience higher overall medical plan costs.

The good news is that many of these social and financial barriers can now be identified and addressed, creating a win-win-win for employees, plan sponsors and their communities.

Overcoming barriers to better health

One way employers can encourage healthy behaviors is to make services more accessible. This could include allowing flexibility in work schedules for employees who need to see a doctor during working hours, or offering transportation assistance, such as vouchers for rideshare services, to help people get to and from their appointments quickly.

Having a strong support network can also help employees stick with their health care regimens. Employers can encourage this by providing opportunities for employees to connect with people and resources that can help them achieve their health goals. Building healthy habits is often more fun as a group effort, and work friendships can be a powerful motivator for regular exercise or a needed nudge to visit a doctor when something doesn't feel quite right.

The cost of chronic conditions[5,6,7]

Economic burden

90%

of health care dollars spent go to treating people with chronic conditions.

Prevalence

6 in 10

Americans have at least one chronic condition — high blood pressure, diabetes, mental illness — and 4 in 10 are managing more than one.

High individual costs

$16,750

is the average medical expenditure per year for people diagnosed with diabetes.

4 Ibid.
5 RAND Corp. "Multiple Chronic Conditions in the United States." 2017.
6 Ibid.
7 American Diabetes Association. "Economic Costs of Diabetes in the U.S. in 2017." 2018. http://care.diabetesjournals.org/content/41/5/917

To help plan sponsors identify specific cost drivers for their health plan and quantify their impact, Aetna is developing analytics tools that will use an employer's own health plan data and apply ROI-driven metrics. The baseline analysis will include isolating the cost, utilization and engagement results for workers most likely impacted by SDoH, and will include several key areas, including but not limited to:

- PCP utilization
- ER utilization
- Prevalence of chronic conditions, specifically diabetes, hypertension and hyperlipidemia

These employee-focused analytics are helping to drive changes in behavior, which can have a significant impact on the total cost of care.

Employers can see how much of an influence employees' SDoH have on how they interact with the health care system. Together these insights can help plan sponsors pinpoint areas where they have the greatest opportunity to reduce overall health plan costs.

"Our new tools and concrete solutions will make it easier — and both financially and socially rewarding — for plan sponsors to take a leadership role in addressing health equity in their workforce and communities," explains Andy Hiles, F.S.A., vice president of Aetna's Plan Sponsor Insights. "We will help plan sponsors find new solutions to address the social and financial barriers low-wage workers face in receiving effective and efficient health care. We will recommend actions that utilize the capabilities and perspectives of all key stakeholders, including providers, the health plan, community programs and the myriad levers unique to the employer/employee relationship."

After all, says Hiles, when health care is coordinated and efficient, data and technology are used effectively, and patients are engaged in their care:

- More people engage with a PCP and get preventive services and screenings
- We're able to detect and address risk factors and early disease more rapidly
- We are better able to control chronic disease, like high blood pressure, diabetes and kidney disease
- We see more efficient and effective use of the health care system, like fewer emergency room visits, hospitalization and re-admissions
- People are healthier: better able to enjoy their life and be productive at work

For employees like Sherrill, knowing how to access the resources available through her employer's health plan means that she can take care of her family's health needs efficiently and effectively and focus on being productive at work.

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— Andy Hiles, F.S.A., vice president of Aetna's Plan Sponsor Insights

The workplace is one local opportunity to address the barriers to good health faced by lower-wage workers (i.e., the social determinants of health). The community is another. In fact, an important partner for employers are community organizations, which are already on the front lines of addressing social and financial barriers employees are facing. Aetna has a long history of partnering with local organizations to improve everything from food insecurity, affordable housing and neighborhood safety to access to health care, education and financial wellness. Combined efforts have been as simple as extending a traffic light in south Austin to allow people to walk safely across a major highway, and as elaborate as a weekend-long medical outreach event in Appalachia for thousands who have no access to care. But the end goal is the same: to eliminate the social determinants that act as barriers to good health.

"By using data to shine a light on what's really happening in the health care experience of low-wage workers — at the plan sponsor or market level — and then partnering together to address those barriers, we create a win-win-win for workers, communities and employers," says Hiles.

What's next: Are your employees making the best use of their health coverage?

Today, employers are able to choose from a variety of options and customize their plans to best meet the health care needs of their unique workforce. Here are some questions to consider as you're designing your employer health plan:

- Are your employees aware of efficient, effective resources available to them and how they work? (Aetna, for example, has programs designed to educate members about different resources, such as urgent care centers and walk-in clinics. There are also digital tools like the Aetna Health app, which members can use to find a doctor, get cost estimates for doctor visits and procedures, pay claims and track spending and progress toward meeting their deductible.)
- Are your employees able to access the care they need? (Aetna plans offer personalized wellness programs, such as our maternity program, and disease management programs.)
- Are your employees choosing the right plan to fit their needs? (bswift's decision support tool, Ask Emma, provides personalized cost comparisons of different plans, helping employees make informed decisions.)
- Is your health plan designed to accommodate the financial challenges facing low-wage workers, not just in obtaining coverage, but in the day-to-day use of the plan? (Aetna offers telemedicine for certain conditions, which makes it easier for employees to see a doctor at a convenient time and place, plus online resources like cost estimators and savings calculators. And PayFlex offers personalized health-wealth planning tools, exclusive member discounts for eligible health care items and more rewards to stretch health care dollars, helping employees to better plan, save and pay for care.)
- Do your employees have access to dental and vision benefits? (Aetna offers plans that couple medical coverage with dental or vision. Preventive dental and vision exams aren't just good for the mouth and eyes — they can also reveal the warning signs of more serious, undiagnosed health problems, such as hypertension, cardiovascular disease and diabetes. And since people are more likely to get a dental or eye exam than a physical, chronic conditions can be diagnosed and managed sooner.)
- What resources are available to help employees navigate the system so they can find the most effective and efficient treatment for their health care needs? (Aetna offers extra support to members in unique and complex situations, such as our new cancer support center).

Special thanks to:

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