Health Care and the Competitive Advantage of Racial Equity

How Advancing Racial Equity
Can Create Business Value

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FOREWORD

Despite decades of progress, people of color still suffer worse outcomes in health, education, career, and access to financial services than their White counterparts. This racial inequity is not inevitable; it is a product of structural racism, the explicit and implicit policies and practices embedded in "business as usual" that were designed to serve a majority White population and economically exclude people of color. Yet, a majority of youth today are of color, and, within 25 years, the majority of Americans will be people of color. For corporations, this means that the needs and experiences of their shareholders, employees, and consumers will shift rapidly. To compete successfully in the markets of tomorrow, business leaders must adapt their products and operations to respond to this dual challenge of historical racial exclusion and future demographics. This is not only a matter of social responsibility; it is also a competitive necessity.

Racial equity and competitive strategy have generally been two separate areas of research. For two decades, PolicyLink has been a national leader on equity, while FSG has counseled multinational corporations on the competitive advantage of positive social impact. Working together, we have combined our expertise to explore the economic consequences of racial inequity for corporations operating in the United States.

In 2017, we jointly published a report entitled **The Competitive Advantage of Racial Equity**, citing a growing number of companies that have found new sources of growth and profit by driving equitable outcomes for employees, customers, and communities of color. This new two-part report deepens that work by focusing on two specific industries with some of the most severe racial inequities: health care and financial services. Our research has identified key strategic actions and internal catalysts that can help companies in these industries prosper by addressing the distinctive needs of customers of color. Each report includes case studies of companies that are offering innovative new products and services—or

even influencing government policy—to expand their markets and better position themselves for the demographic shift already well underway.

Diversity and inclusion efforts remain important. However, diversity and inclusion practices at most companies today are peripheral to corporate strategy, product development, and operations, and this limits their ability to address many critical aspects of racial inequity. This research highlights the importance of strong diversity and inclusion practices as a *catalyst* that can enable companies to acknowledge and identify opportunities to advance racial equity through their core business. As exemplified in our case studies, an intentional approach to identifying and solving the challenges faced by communities of color that goes beyond trainings on cultural competency, multicultural campaigns, or merely being "race blind" is essential to both overcoming structural racism and improving a company's economic performance. And, those corporate leaders who pursue this approach will often find that the innovations they develop to meet the needs of people of color actually benefit all of their customers and employees.

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EXECUTIVE SUMMARY

People of color* in the United States—regardless of their income—experience poorer health and more premature, preventable mortality than their White counterparts. This carries an economic as well as a moral cost, reducing national productivity and increasing the health care costs of employers and government as well as imposing a financial burden on health care providers and insurers.

The root cause of these inequitable health outcomes cannot be explained merely by a lack of access to health care or by individual behavior. These outcomes result from *structural racism*. Deeply entrenched in America's history, structural racism is the system by which public policies, institutional practices, cultural representations, and other norms work in various, often mutually reinforcing ways to perpetuate racial inequity. For example, the practice of redlining—through which people of color were intentionally restricted from purchasing homes in certain neighborhoods—continues to undermine health outcomes by concentrating poverty, environmental pollution, a dearth of fresh food, and other adverse living conditions in neighborhoods primarily populated by people of color. Additionally, structural racism has reinforced the implicit bias that is embedded in clinical practice and keeps people of color from receiving necessary health care.

Although many health care companies today prioritize diversity and inclusion efforts or claim that health equity is part of their overall mission, these efforts alone cannot achieve racial equity and overcome the lasting health consequences of structural racism. Diversity and inclusion efforts in hiring are not sufficient to counter the effects of implicit biases in clinical practice or address the adverse social determinants of health (SDOH) that disproportionately affect populations of color. Health equity efforts by health care companies are still nascent and often focus on disparities caused by poverty, education, disability, and the like without explicitly acknowledging and addressing the degree to which structural racism causes those disparities. Achieving health equity depends on racial equity.
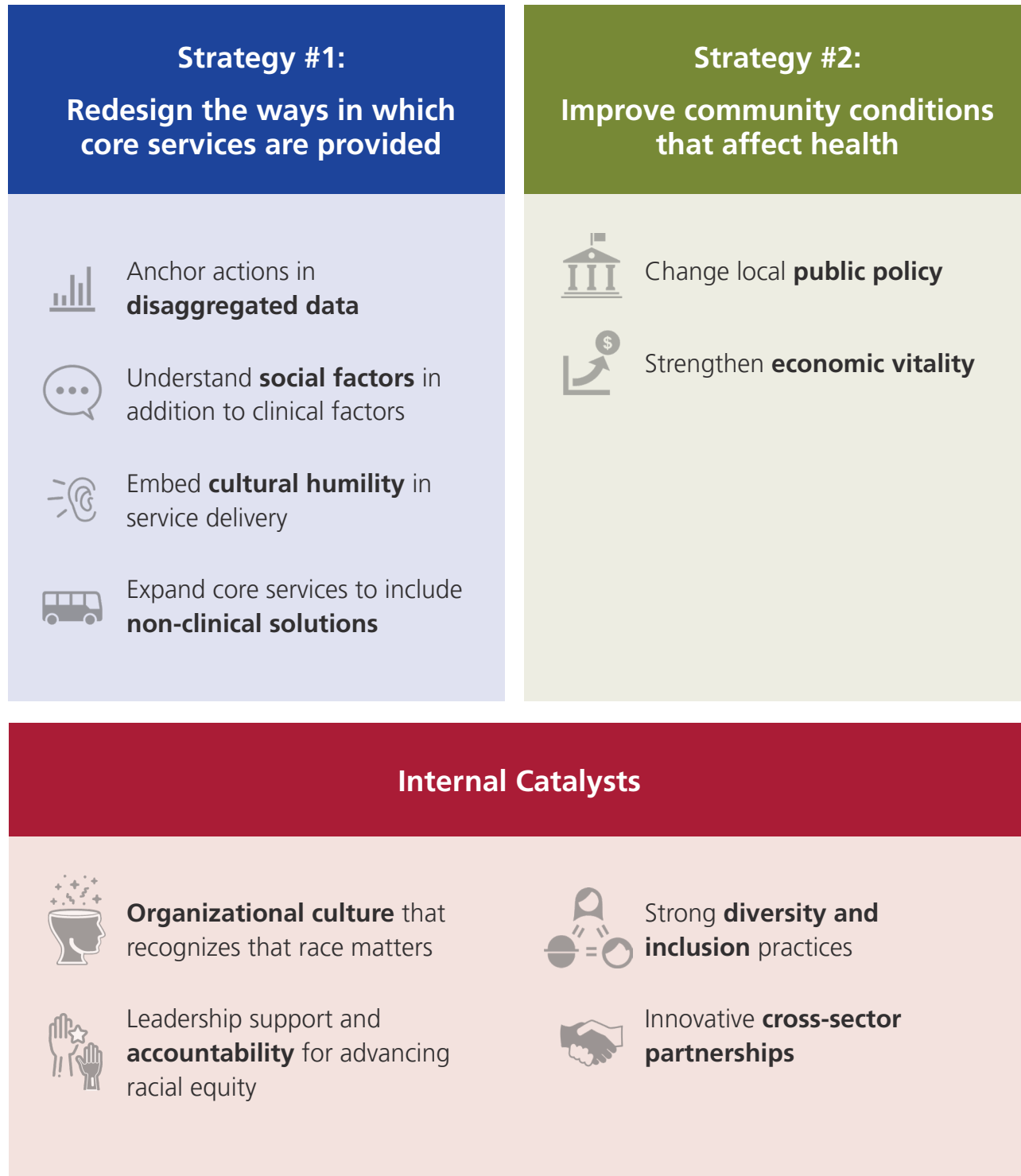
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* In this paper we use the phrase 'people of color' to refer to people of nonwhite race or ethnicity, including Latinx or Hispanic people.

In our 2017 report **The Competitive Advantage of Racial Equity**, we concluded that advancing racial equity is not only a moral imperative but also an economic opportunity to enhance every company's bottom line. This report builds on that conclusion with a focus on the health care sector. Our research suggests that health care companies must take a new approach to the challenges of achieving health equity, not only to serve their humanitarian mission but also to improve their own profitability and competitiveness. This approach includes, but goes well beyond, diversity in hiring. Health care companies must rethink the ways in which their core services are designed and delivered to populations of color to explicitly address implicit bias and proactively consider the effects of the poor environmental conditions in communities of color that exacerbate health disparities. They must also look beyond their own internal practices to improve the adverse social conditions in their communities. This will require fundamental changes in management practice and organizational culture. Health care companies that tackle these challenges successfully will not just deliver better outcomes for people of color—the evidence suggests that they will also improve health outcomes for all clients and strengthen their own economic performance.[1]

Our research identified four health care companies that have taken promising steps in this direction—two integrated health systems (**ProMedica** and **Kaiser Permanente**) and two commercial insurance companies (**Cigna** and **UnitedHealth Group**). Each of them has used a variety of strategies to advance racial equity in ways that improve health outcomes for people of color and also reduce costs or extend their competitive advantage. These strategies fall into two categories and are enabled by a set of internal catalysts—specific practices, policies, and attributes of the organization (see Figure 1).

Achieving health equity depends on racial equity.

FIGURE 1. STRATEGIES AND INTERNAL CATALYSTS

Strategy #1:

Redesign the ways in which core services are provided

Anchor actions in **disaggregated data**

Understand **social factors** in addition to clinical factors

Embed **cultural humility** in service delivery

Expand core services to include **non-clinical solutions**

Strategy #2:

Improve community conditions that affect health

Change local **public policy**

Strengthen **economic vitality**

Internal Catalysts

Organizational culture that recognizes that race matters

Leadership support and **accountability** for advancing racial equity

Strong **diversity and inclusion** practices

Innovative **cross-sector partnerships**

Adopting these practices is about more than corporate social responsibility or good will—they are rapidly becoming a competitive necessity. The majority of the United States population will be people of color by 2044, and people of color already form the majority in many regions and age groups. The costs of racial health disparities are a growing drag on the U.S. economy. For health care providers and insurers in particular, health disparities impact the bottom line through higher costs, avoidable readmissions, and slower business growth due to lower member satisfaction rates. These disparities alone are estimated to have cost health insurers $337 billion between 2009 and 2018.[2]

Advancing racial equity to improve the health and well-being of all at a national level will inevitably require major public policy changes and transformation of the business practices of individual health care companies. While the scale of the challenge is significant, the resources that leaders of major health care companies can wield are also significant. If today's health care companies want to succeed in the America of tomorrow, they must better understand the root cause of health inequities among people of color. With that understanding, they can use their resources to modify their internal practices, promote more equitable public policies, and forge partnerships in their communities to create the conditions for all to thrive and reach their full potential.

INTRODUCTION TO THE CHALLENGE

People of color in the United States experience significant, persistent health inequities. Black men and women face 40 percent and 57 percent higher hypertension rates than White men and women respectively.[3] The death rate from breast cancer for Black women is 50 percent higher than for White women.[4] Twenty-five percent of Latinx children aged 6–11 years are considered obese, compared to 11 percent of White children.[5] Asthma prevalence is also highest among Black and Native American communities, and Black children have a 260 percent higher emergency department visit rate and a 500 percent higher death rate from asthma compared to White children.[6] Native American, Latinx, and Black communities have the highest percentages of adults with diabetes.[7] A Brookings Institute report highlights that, when compared to White patients, Black patients are referred to see specialists less often, receive fewer appropriate preventive care services such as mammography and flu vaccines, benefit from fewer kidney and bone marrow transplants, receive fewer antidepressants for diagnosed depression, and are admitted less often than Whites for similar complaints of chest pain.[8, 9] The root cause of this problem cannot be explained solely through common assumptions related to lack of access to health care or individual behavior—it goes back to America's discriminatory history, the effects of which continue even today.

These inequities are a result of *avoidable, unjust* **circumstances and deeply entrenched biases; structural racism helps explain why communities of color in particular experience these health inequities.**[10] Structural racism is the system by which public policies, institutional practices, cultural representations, and other norms work in various, often mutually reinforcing ways to perpetuate racial inequity.[11] Consider, for example, the federally institutionalized historical practice of redlining—the practice of intentionally restricting people of color from buying homes in particular neighborhoods that were largely populated by White families. Although redlining is now illegal, it has had lasting effects and research suggests that informal rental and housing market discrimination persists.[12] For example, the National Fair Housing Alliance estimates that each year there are four million instances of housing discrimination in the rental market.[13] As a result, the aver-

age White American in a metropolitan area lives in a majority-White neighborhood, while the average Black American lives in a neighborhood with a level of segregation that has changed little since 1940.[14] The effects of residential segregation were further compounded by systematic disinvestment. Segregated neighborhoods with predominantly Black populations were starved of business investment and essential public-sector services such as schools and public transportation.[15] Disinvested neighborhoods expose residents to conditions harmful to health such as substandard built environments, dilapidated housing, pollutants and toxins, limited educational and job opportunities, and a lack of healthy food options. Thus, the practice of redlining described above not only kept communities of color in disinvested neighborhoods, but also significantly raised their risk of poor health.[16]

The health care field has long recognized that physical and social conditions in which people live and work—also known as the social determinants of health (SDOH)—have a greater role in influencing community-level health outcomes than clinical care.[17] Examples of SDOH include safe housing or access to healthy food; access to educational, economic, and job opportunities; quality of jobs; availability of community-based resources for recreational and leisure-time activities; transportation options; and public safety.[18] However, structural racism has influenced the social, economic, and physical development process in communities of color, resulting in poorer social and physical conditions in those communities today. Thus, racial inequity leads to health inequity.

Interpersonal racism, discriminatory practices, and underlying beliefs and values continue to influence the quality of health care services and the likelihood of a patient receiving the appropriate treatment.[19] Research shows that implicit bias—attitudes or stereotypes that affect our understanding, actions, and decisions in an unconscious manner—is influenced by decades of structural racism; further, implicit biases also perpetuate stereotypes and further the effects of segregation.[20] For example, a seminal 1999 study included in the *New England Journal of Medicine* showed that the race and sex of patients independently influence physicians' recommendations for the management of chest pain.[21]

Structural racism has influenced the social, economic, and physical development process in communities of color, resulting in poorer social and physical conditions in those communities today.

Studies have also shown that Black mothers-to-be are treated with disrespect, misdiagnosed, over- or under-prescribed medications, or have received unnecessary procedures without the mother's full awareness and consent.[22] Although many health care companies commit to diversity and inclusion efforts or provide cultural competency training for their staff, they may only address overt forms of racism without acknowledging and addressing the influence of structural racism, which contributes significantly to poor health outcomes for people of color.[23]

It is important to note that **health inequities are not just faced by lower-income people of color.** Black Americans in the middle class find it harder than White middle-class Americans to live in a neighborhood with a lower risk of exposure to conditions that are associated with negative health outcomes.[24] Black women with a Ph.D. and high take-home pay are more likely than White women who have only a high school diploma to die from birth-related complications.[25] The Institute of Medicine report *Unequal Treatment* found that even with the same insurance and socio-economic status and when comorbidities, stage of presentation and other confounders are controlled for, people of color often receive lower quality health care than do their White counterparts.[26] These inequities can be attributed to many factors, including living in a zip code with poorer conditions, a life-long experience of trauma from overt racism, or more covert forms of discrimination during health care delivery. Exposure to discrimination and chronic stress alone can be enough to affect a person's biology, including the nervous system, immune system, and cardiovascular functions.[27]

Health inequities are costly and, as the demographic makeup of the U.S. shifts, these costs will only grow. Health inequities faced by people of color are costly to the economy. Differences in health outcomes across racial and ethnic groups cost $93 billion each year in avoidable health care spending. Further, they create $42 billion in indirect costs related to lost productivity. Given that people of color will comprise the majority of U.S. workers and consumers by 2050, **our economy stands to gain more than $230 billion per year if health inequities are eliminated by 2050**.[28]

Health inequities faced by people of color also create a financial drag on health care providers and commercial insurers, the two types of health care companies featured in this report. Consider, for example, the cost of readmissions to hospitals. A study by the Agency for Healthcare Research and Quality (AHRQ) reported that readmissions are one of the costliest outcomes for hospitals. In 2011, hospital readmission costs reached a total of $41.3 billion for patients readmitted within 30 days of discharge. The financial burden of hospital readmissions has recently increased as providers move towards value-based payment models in which hospitals take on more financial risk for a particular group of patients and are penalized for high readmission rates. Additionally, providers are replacing fee-for-service payments, especially for Medicare.[29, 30] Pay-for-performance contracts have started including provisions that look to address racial and ethnic disparities in health care—and
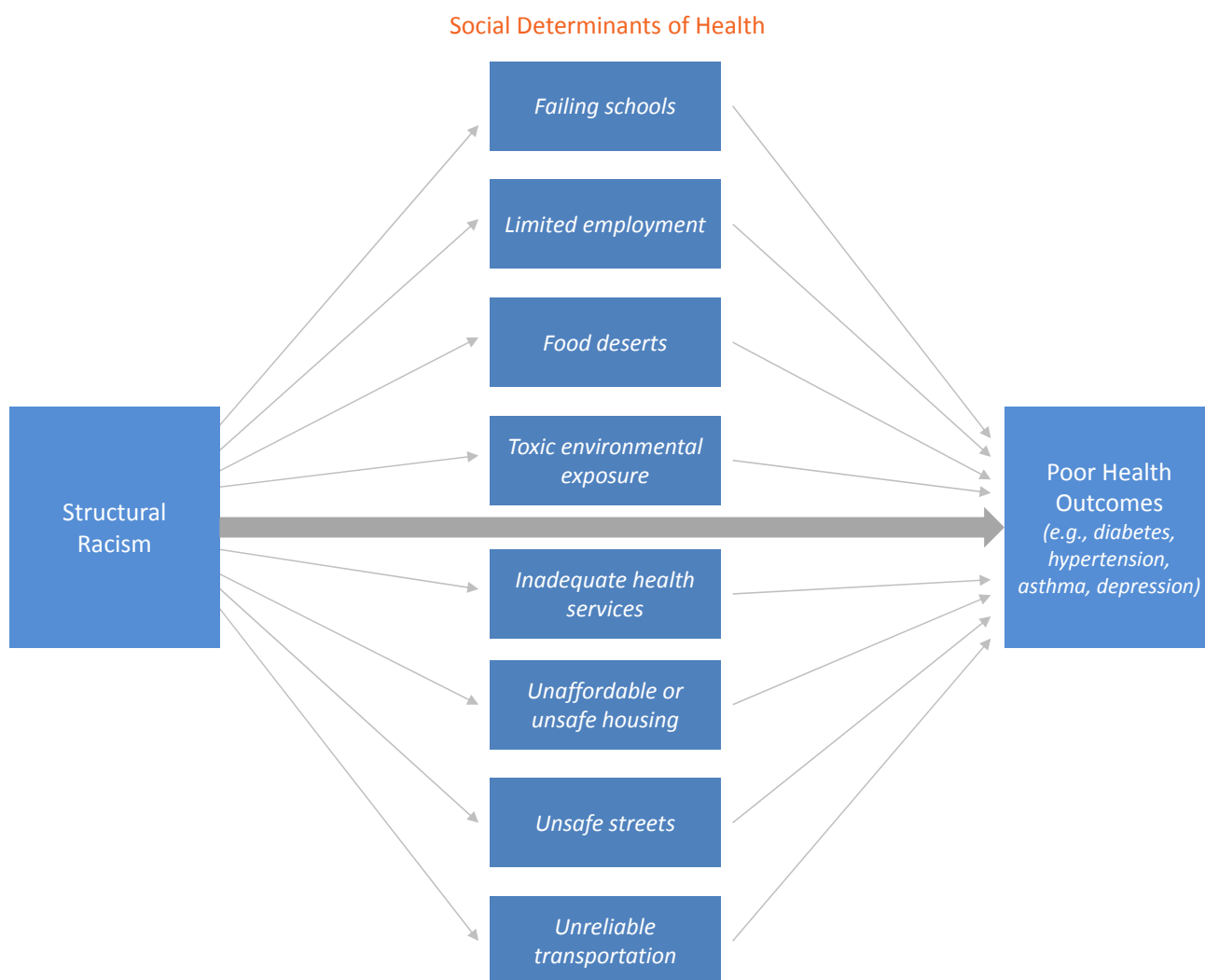
this trend is expected to grow over time.[31] Studies have also shown that readmission rates for Black patients are higher in many cases. For example, Medicare data shows higher readmission rates for heart failure among Black patients than White patients.[32] As hospitals and health systems seek to minimize costs and penalties from readmissions or maximize incentive payment for providing high-quality care, fully addressing the unique challenges faced by their patients of color will not only help improve financial performance but will also distinguish their companies as high-quality institutions within provider networks.

Health inequities also affect the profitability, growth, and competitiveness of commercial insurance companies. Racial health disparities alone are projected to cost health insurers $337 billion between 2009 and 2018.[33] They are also costly to their customers—employers. Consider, for example, the Healthcare Effectiveness Data and Information Set (HEDIS), a key differentiator of service quality and a driver of new business. One data set it tracks is asthma medication adherence rates. A ten percent increase in these rates among African American employees and their dependents could drive savings of more than $1,600 per person to employers, the primary payers for health plans.[34] As commercial insurers examine ways to effectively manage per-member, per-month spend or improve performance on HEDIS metrics, the care experience of people of color will matter.

DEFINITIONS

» **Health equity:** Everyone has a fair and just opportunity to be healthier. This requires removing obstacles to health such as poverty, discrimination, and their consequences, including powerlessness and lack of access to good jobs with fair pay, quality education and housing, safe environments, and health care.[35]

» **Racial equity:** Just and fair inclusion into a society in which all people can participate, prosper, and reach their full potential.[36]

» **Social determinants of health (SDOH):** Conditions in the environments in which people are born, live, learn, work, play, worship, and age that affect a wide range of health, functioning, and quality-of-life outcomes and risks.[37] See Figure 2.

» **Structural racism:** Complex system in which public policies, institutional practices, cultural representations, and other norms work in various, often mutually reinforcing ways to perpetuate racial inequity.[38]

FIGURE 2. IMPACT OF STRUCTURAL RACISM ON HEALTH

Social Determinants of Health

Failing schools

Limited employment

Food deserts

Toxic environmental exposure

Structural Racism

Inadequate health services

Unaffordable or unsafe housing

Unsafe streets

Unreliable transportation

Poor Health Outcomes
(e.g., diabetes, hypertension, asthma, depression)

Source: Adapted from the **Boston Public Health Commission's Health Equity Framework**

In the next section, we look at how a few leading health care companies[a] have intentionally created shared value by adopting innovative business practices to address health inequities faced by people of color.

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a. In this paper, we have used the phrase 'health care companies' to include both for-profit health care companies and nonprofit health care providers.

STRATEGIES FOR HEALTH CARE COMPANIES

Our research explored the field of health care to identify business practices that intentionally advance racial equity. We identified four innovative health care companies that are advancing racial equity as part of a broader business goal of advancing overall health equity: **ProMedica**, **Kaiser Permanente**, **Cigna**, and **UnitedHealth Group**. These companies are creating shared value by proactively addressing the problem of racial inequity in health in ways that reduce costs or strengthen their competitive advantage. Shared value, as described in the *Harvard Business Review* by Michael Porter and Mark Kramer, is created when companies achieve a competitive advantage that drives growth and profitability through their positive social impact.[39] It is based on the idea that societal problems often create economic costs to firms and that addressing those problems can create economic value. A focus on shared value has the opportunity to create business value in many ways—it can open up new markets and thus create new revenue streams, it can enable the company to gain greater efficiency and thus reduce costs, and it can help a company differentiate itself from its competitors.

Health care companies featured in this report recognize that health outcomes are not only influenced by clinical factors but also by social determinants that include *race and the overall effects of structural racism***.** Given that the race-based system of exclusion is the main driver of health disparities, it is essential that racial equity and health equity are not decoupled and that companies strive to advance both. For example, since the greatest health disparities are faced by Black and Native American populations, it is unlikely that health equity will be achieved without first focusing on the different effects of historical and ongoing racism. Focusing on experiences of people of color does not mean that no attention is paid to other populations. Rather, as the principle of *targeted universalism*[40] suggests, the universal goal of health equity can be achieved through targeted strategies that benefit sub-populations. Evidence shows that programs designed to benefit vulnerable groups, such as people of color or people with disabilities, often end up benefiting all of society.[41]

The leading companies we identified in this report are advancing racial equity as part of their overall health equity strategies in two ways. First, they are redesigning the ways

in which core services are provided to benefit customers of color. Second, they are strengthening the communities in which they operate and improving social determinants of health by shifting external conditions in partnership with others. Each of these companies also has a strong internal enabling environment that catalyzes action—this is where executive leadership, organizational culture, diversity, and inclusion matter most.

Each of the four companies featured has experimented with varied strategies and is still in the early stages of building an evidence base to guide their operations and inform their efforts to improve health equity across the industry. Our hope is that the four examples we have profiled here will inspire other companies and show them how they can move to action.

Although this paper is framed in terms of the competitive advantage of racial equity for profit-making companies, we note that ProMedica and Kaiser Permanente are nonprofit integrated health care systems.[b] It is likely that these organizations are more advanced because their nonprofit mission has created a stronger orientation toward social impact and because they are primarily accountable to the communities they serve rather than to shareholders. These organizations also have significant "community benefit" budgets that they are required to spend as a condition of their nonprofit status, giving them a ready pool of funds to address social determinants of health. As a result, ProMedica and Kaiser Permanente are able to pursue the strategy of strengthening their business environments by improving community conditions more proactively and directly than Cigna or United Health Group. As nonprofits operating in a concentrated geographic region, these integrated health systems recognize themselves as anchor institutions[c] that share a common economic destiny with the communities in which they operate. Commercial insurers are equally affected by the social conditions in the communities in which their members live, but their members are often less geographically concentrated and these companies have no legally-required community benefit obligation.

Nevertheless, even nonprofit providers must work to control their costs and often find themselves seeking a competitive advantage against their for-profit peers, and commercial insurance companies like Cigna and United Health Group are beginning to discover compelling economic reasons to improve the conditions of the communities they serve by partnering with local stakeholders. Ultimately, nonprofit and for-profit health care providers compete in the same marketplace, provide essentially the same services, face the same cost pressures, and aim for equally positive health outcomes. Despite their differences, we believe that each group can learn from how the other is improving performance through strategies that help to overcome racial inequities.

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b. Integrated health systems are organizations that assume clinical and financial responsibility for defined populations while aiming to provide a coordinated continuum of services. This definition comes from America's Essential Hospitals in the 2012 publication "Integrated Health Care: Literature Review."

c. Democracy Collaborative defines anchor institutions as "enterprises such as universities and hospitals that are rooted in their local communities by mission, invested capital, or relationships to customers, employees, and vendors. As place-based entities that control vast economic, human, intellectual, and institutional resources, anchor institutions have the potential to bring crucial, and measurable, benefits to local children, families, and communities."

Strategy #1: Redesign the ways in which core services are provided

All health care companies want to promote clinical excellence. To do so effectively, it is essential, at minimum, to pay attention to and respond to health inequities that manifest during service delivery in a clinical setting or when individuals utilize health insurance. Leading health care companies adopt this strategy to combat the effects of structural racism by intentionally reducing the risk of unconscious bias in service delivery and by including non-clinical services that promote health, such as access to a food bank to address food insecurity. These actions contribute to the reduction of inequities in care quality, access, and utilization. Specific actions that health care companies can take to implement this strategy include:

Anchoring actions in disaggregated data. Racial and ethnic health inequities can only be eliminated with high-quality information that tracks immediate problems and underlying social determinants and guides the design and application of culturally specific medical and public health approaches.[42] Leading companies are beginning to collect and track data on patient race, ethnicity, and language so that they can disaggregate clinical performance and make adjustments to improve health outcomes. Data can also be a starting point for identifying what drives inequities. Technology and data analytics capabilities are essential for surfacing and tracking disparities across communities of color and understanding the opportunities to solve those inequities and create business impact. Cigna, for example, uses geographical information system (GIS) software to overlay its provider network and customers with other variables such as education, food access, and infrastructure with the goal of understanding opportunities to improve health outcomes based on the quality of those variables.

Understanding social factors in addition to clinical factors. Companies that understand the link between race and health systematically screen patients to identify their social needs with a goal of understanding how race shapes those needs and how those needs affect patient care and recovery. For example, ProMedica embeds its screening process in clinical workflows and highlights race as a potential contributing factor to adverse birth outcomes. With that understanding, patients are then provided with both clinical and non-clinical solutions. Integrating such practices into core operations enables these companies to create impact in a sustainable, scalable way.

Embedding cultural humility in service delivery. Leading companies understand the deep link between their employees' implicit bias and the quality of service delivered to the patient. Implicit bias cannot be addressed by one-off diversity trainings or by cultural competency trainings alone. Cultural competency provides a starting point by encouraging physicians to be respectful and responsive to the health beliefs, practices, and cultural or linguistic needs of diverse population groups. However, cultural humility goes beyond that. It acknowledges people's authority over their own lived experiences and encourages self-reflection.[43] For example, Kaiser Permanente emphasizes cultural humility with its physicians to help them constantly learn from patients and respond appropriately. Research shows that cultural humility leads to patient satisfaction, better medical adherence, and improved health outcomes.

Expanding core services to include non-clinical solutions. Companies that recognize the role of both race and place are exploring ways to better understand and address social determinants of health by offering non-clinical services (such as transportation, housing, financial assistance, and food), either directly or through referrals and partnerships with external organizations. By doing so, these companies are bridging the deep divide between the clinical care setting and community-based services and support. UnitedHealth Group forms community partnerships to connect its members with non-clinical solutions such as social services, housing, and job coaching.

Strategy #2: Improve community conditions that affect health

Complementing the strategy above, a handful of leading health care organizations are working to alter the underlying conditions that perpetuate inequities in communities of color in ways that strengthen the business environment. They recognize the inherent role that structural racism plays in worsening the social determinants of health for specific communities of color and in causing health inequities. Although many companies use community benefits dollars to pursue such efforts, few leaders actively connect these efforts to the bottom line with the recognition that improving the business environment conditions will help manage internal costs or create a competitive advantage for their organization. These strategies require business leaders to engage in systems change *work—a concept used by social sector organizations to shift the conditions that hold a problem in place.[44] Actions that health care companies can take to implement this strategy include:*

Changing local public policy. Some public policies continue to perpetuate structural racism by explicitly or inadvertently affecting people of color. Other policies can improve conditions for people of color. For example, research has found that Section 8 housing assistance programs and the Earned Income Tax Credit that are meant to alleviate poverty among low-income families have also helped reduce the disparities in mental health experienced by people of color as compared to their White counterparts, since people of color are overrepresented in the populations that these policies affect.[45] It is important for companies to identify the effects of existing polices and commit to advocating for new policies that move the entire health care field forward. For example, ProMedica successfully advocated for local policy change to improve the quality and safety of local housing and to prohibit predatory lending.

Strengthening economic vitality. Research indicates that, due to America's discriminatory history, race, place, and opportunity intersect in important ways. For example, cities with more segregation and those with larger Black populations tend to show lower upward mobility.[46] Leading health care organizations, particularly anchor institutions, are creatively leveraging a variety of channels—including impact investing, comprehensive community revitalization, and supplier diversity—to build community health and wealth and drive local business success. For example, ProMedica is shepherding a multimillion dollar community revitalization effort in Toledo with the expectation that improved community health will reduce avoidable health care spending.

Internal Catalysts

Leading health care companies featured in this report demonstrate four internal catalysts that support the implementation of innovative strategies to improve health outcomes for people of color. Though these organizational catalysts have limited direct impact on the health outcomes themselves, they are core to the successful implementation of strategies which have direct health impacts.

Organizational culture that recognizes that race matters. Leading health care companies continually seek to understand and respond to the influence of race on health, recognizing that *both* place and race matter. These companies proactively aim to counter racial inequities inside and outside of their organization. They recognize that health equity cannot be achieved without addressing the effects of racism. This mindset shift needs to be accompanied by a supportive culture as well as by supporting policies and practices. For example, ProMedica recognizes the potential for mistrust between communities and large institutions, often the result of the legacy of structural racism. To minimize the risk of such power imbalances, ProMedica has begun intentionally gathering inputs from local community leaders before beginning any community revitalization efforts.

Strong diversity and inclusion practices. Leading health care companies recognize that having diverse talent is necessary to advance racial equity. It is also essential to have the *competencies and full inclusion* needed to understand how the complex and varied systemic factors that contribute to inequities intersect with the day-to-day operations of a health care company. For example, ProMedica staffs its social determinants of health department with employees from fields as diverse as retail and urban planning to explicitly connect the dots between place, race, and its own operations.

Leadership support and accountability for advancing racial equity. Leading health care companies have senior leaders who are responsible for spearheading health equity and have accountability to the C-suite. Accountability structures in these companies ensure that the new cultural mindset is embedded and that silos across departments and functions are busted to connect business goals to the equity agenda. For example, at Kaiser Permanente, executive leaders at the National Office of Equity, Inclusion, and Diversity bring rigorous business acumen in performance improvement, operations, and compliance to ensure success.

Innovative cross-sector partnerships: To provide non-clinical services as described above or invest in economic vitality efforts, it is essential for health care companies to develop external partnerships with other companies, nonprofits, and government agencies. For example, Cigna partnered with a local health care system in Memphis, Tennessee, to promote breast cancer screening among its Black customers living in neighborhoods with limited access to screening facilities.

Case Study #1

PROMEDICA

ProMedica is the 15th largest integrated health care delivery system in the United States. It serves communities in 30 states with more than 55,000 employees and 2,700 physicians and advanced practice providers. Headquartered in Toledo, Ohio, ProMedica operates 13 hospitals in Ohio and Michigan and more than 450 senior care facilities around the country. ProMedica also offers insurance to commercial, Medicare, and Medicaid subscribers through a locally-owned insurance company, Paramount.[47]

As an anchor institution, ProMedica focuses on the health and well-being of its communities by actively addressing the unique barriers facing communities of color in order to promote health equity while creating business value.[d] This entails acknowledging and addressing the legacy of structural racism, including the potential for mistrust between communities and large institutions and between these institutions and the people that they employ. This mistrust can build over decades. As Kate Sommerfeld, President, Social Determinants of Health, notes, "Change happens at the speed of trust—trust is foundational to our work."

On this foundation of trust, ProMedica is aiming to drive tangible business and social value by redesigning care delivery and strengthening the business context in which it operates through improved community conditions. Its efforts range from using data to understand and respond to racial disparities to implementing comprehensive community revitalization and reinvestment strategies aimed at improving community-level health outcomes and reducing health care spending. While ProMedica is still building the evidence base for its work, early business results are promising. For example, the health care costs of individuals who received a prescription to ProMedica's food clinic (a service provided to patients who screen positive for food insecurity) dropped by 15 percent. In addition to reduced health care costs, the

Industry: Integrated Health System

Strategy 1:

- Anchor actions in disaggregated data
- Understand social factors in addition to clinical factors
- Expand core services to include non-clinical solutions

Strategy 2:

- Change local public policy
- Strengthen economic vitality

Internal Catalysts:

- Organizational culture that recognizes that race matters
- Leadership support and accountability for advancing racial equity
- Strong diversity and inclusion practices

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d. See Oostra (2018) "**Embracing an Anchor Mission: ProMedica's All-In Strategy**" written in partnership with Democracy Collaborative for more details on ProMedica's strategy.

company has also seen a 3 percent reduction in its emergency department usage, a 53 percent reduction in its readmission rates, and a 4 percent increase in its primary care usage due to its efforts described in greater detail below. Further, ProMedica believes that healthier patients help create healthier, more economically stable, and more attractive communities, which in turn improves the health and diversity of the company's talent pool. Finally, its focus on the social determinants of health, including racial equity, distinguishes the organization as a workplace of choice, especially when recruiting high-quality physicians.

HOW PROMEDICA IS MOVING TO ACTION

Anchoring actions in disaggregated data

ProMedica is using data to examine and respond to the role that race might play in healthy birth outcomes. Consistent with national-level data,[e] ProMedica observed a striking disparity in infant mortality rates between Black babies (17.5/1,000 births) and White babies (6.7/1,000 births) in Lucas County, Ohio, where Toledo is located. After investigating internal clinical and financial data in partnership with community organizations, ProMedica found that race is an independent risk factor for low birth weight or preterm delivery. Guided by this data, ProMedica redesigned its model of care. ProMedica now automatically refers Black expectant mothers to the Northwest Ohio Pathways HUB, a multisector collaboration that follows moms regardless of provider and offers a support system to improve the likelihood that babies are born full term and at a healthy weight.[48] ProMedica found that nine of out every ten women who delivered in the program had babies born at a healthy birthweight.[49]

ProMedica

Actively addressing the unique barriers facing communities of color.

Understanding social factors in addition to clinical factors

Understanding that factors outside of clinical care influence patient health, ProMedica added a new step in service delivery by screening patients and employees for ten SDOH indicators, including food insecurity, housing safety and security, financial strain, child care, and transportation challenges. Although most hospitals screen their patients to better understand how social determinants of health affect their patients,[50] ProMedica distinguishes itself from many of these hospitals through the consistency that it brings to the process. Screening is embedded into the clinical encounter workflow. ProMedica screens all patients in primary care practices and in the inpatient setting for food insecurity and depression and is now expanding screening into the specialty care setting (starting with oncology).

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e. See Smith, Cain, and Kanyagia (2018) "**Healthy Birth Outcomes through Cross-Sector Collaboration**," FSG, for more information, including on the role of race and racism as determinants of birth outcomes.

Screening all patients by directly asking the patients what they need rather than relying on assumptions can reduce biases. Screening all patients also allows Pro-Medica to treat the whole patient. Kate Sommerfeld adds, "Our providers are often surprised by the patients who screen positive; sometimes even if you have cared for a patient before, this process may help you find out the underlying problem of food insecurity or domestic violence issues." Once a patient screens positive for an SDOH indicator, the provider and team resolve issues through steps like writing a prescription for food, connecting the patient to free financial coaches, or identifying community resources and services such as a community health worker or housing.

Expanding core services to include non-clinical solutions

As an extension of its commitment to clinical excellence, ProMedica developed direct-delivery and referral models for connecting patients with resources to address SDOH. This network of providers, operating similarly to an in-network managed care delivery system, enables patients to access non-clinical health-promoting resources. For example, ProMedica:

- **Operates a food clinic**, providing a three-day supply of food to patients who screen positive for food insecurity to help them get through tight spots like the final days of the month when financial resources tend to be most strained;

- **Built, owns, and operates** a grocery store in Toledo called Market on the Green, which is filling a void in a former food desert in a neighborhood with a population of 63% people of color. The store, initially funded by philanthropic funding, is now a sustainable full-service market that serves about 50,000 customers a year, many of whom are on federal supplemental nutrition programs such as WIC;[f]

- **Established a Financial Opportunity Center** (FOC) in Toledo to provide financial coaching to community residents, driving improvements in credit score and income among individuals who receive five or more coaching sessions; and

- **Refers patients** who screen positive for housing insecurity to housing resources to ensure they have access to safe and stable shelter.[51]

Changing local public policy

To combat the legacy and ongoing effects of structural racism, ProMedica successfully collaborated with community partners to advocate for local policy change that

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f. The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) provides federal grants to states for supplemental foods, health care referrals, and nutrition education for low-income pregnant, breastfeeding, and non-breastfeeding postpartum women, and to infants and children up to age five who are found to be at nutritional risk.

bans predatory lenders from re-entering Toledo. In May 2017, with the help of multiple community partners including Advocates for Basic Legal Equality (ABLE), which provides legal services and advocates for low-income Ohioans, Toledo's City Council unanimously passed a new zoning ordinance limiting predatory payday lenders from opening up new branches in an already oversaturated market. This ordinance remains in effect to date.[52]

Strengthening economic vitality

Recognizing that place also matters, ProMedica is investing $10 million in a community development financial institution (CDFI) to create a $25 million impact investing[g] loan pool to improve physical infrastructure such as housing and enhance economic opportunity for minority- and women-owned businesses in Toledo and the surrounding region. ProMedica aims to not only recoup its principal investment but also gain a financial return. ProMedica and its CDFI partner are using a customized screening and assessment system to understand and monitor the health impact of projects financed by the loan pool.

In concert with the loan pool, ProMedica is directing $50 million in philanthropic dollars towards community development (such housing, jobs, and transportation). By aligning its philanthropic and business goals, ProMedica is pioneering a model through which comprehensive, long-term community revitalization is linked to improving health outcomes and reducing avoidable health care spending. This work is focused initially in Toledo's UpTown neighborhood,[53] which is a majority-Black neighborhood. The company is adopting a long-term view, as the work is expected to unfold over the course of ten years.

ProMedica

Direct-delivery and referral models to help patients address poor social determinants of health.

INTERNAL CATALYSTS

Organizational culture that recognizes that race matters

Consistent with its mission to explore and respond to the effects of structural racism, ProMedica is building on its internal commitment to diversity, equity, and inclusion and fostering authentic engagement with the community. Understanding the legacy of disadvantage that has caused some employees to be unbanked or have unequal access to financial institutions, ProMedica waived the direct deposit requirement for new employees in their job training program and provided those employees access to a credit union.

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g. Impact investments are investments made with the intention to generate positive, measurable, social and environmental impact alongside a financial return.

Additionally, ProMedica has made a concerted effort over recent years to ensure that its governance structure is inclusive, diverse, and representative of the populations they serve. From 2017 to 2018, ProMedica saw a 3 percent increase in female board members; a 2 percent increase in board members under age 40; and a 1 percent increase in minority board members.

Beyond its own walls, ProMedica recognizes the risk of harmful power differentials and dynamics between the community and the organization, particularly as it implements philanthropic efforts in local communities. While going through a comprehensive community revitalization process, ProMedica worked from the beginning with other community organizations, including the Arts Commission of Greater Toledo and resident leaders, to ensure that community support was secured before additional institutions were enlisted to contribute to the effort to improve community conditions. These partnerships represent efforts to build trust and reflect cultural humility.

Leadership support and accountability for advancing racial equity

ProMedica signals and operationalizes its commitment to addressing SDOH through its leadership structure. The organization created the position of President, Social Determinants of Health—an executive-level role. The President has a reporting relationship to the CEO, reflecting the importance of addressing SDOH while advancing clinical excellence. The President oversees three critical functions: clinical integration (i.e., care redesign); comprehensive community revitalization (i.e., community benefit and impact investing); and research and analytics. Aligning its community benefit activities with the core business has enabled the company to maximize impact for both patients and the community. For example, high rates of positive screens for housing insecurity have contributed to investment in the creation of affordable home ownership options utilizing former single family Low-Income Housing Tax Credit rental properties because the company increased its understanding of community-wide need, by zip code, for stable housing.

Strong diversity and inclusion practices

ProMedica takes a multidisciplinary approach to addressing SDOH, hiring across sectors and experiences to staff its SDOH department. For example, staff members include community health workers, an urban planner, a physician with data analytics expertise, an epidemiologist, and a grocer. This multidisciplinary approach is further reflected in ProMedica's openness to partnering with diverse institutions to execute its strategies.

Case Study #2

KAISER PERMANENTE®

Headquartered in Oakland, California, Kaiser Perma-nente employs 213,000 individuals and serves 12.2 million members across eight regions. The company operates 39 hospitals and 680 medical offices. Its 2017 operating revenue was $74.7 billion.[54]

Kaiser Permanente aims to promote equity for all people through a comprehensive, integrated equity, inclusion and diversity strategy that encompasses three interdependent frameworks: the workplace, care delivery, and the community. The organization recognizes that equity matters in providing high quality care. As part of its core business, Kaiser Permanente aims to attract, retain, and support the advancement of diverse, high-quality providers that reflect the communities they serve. Kaiser Permanente implements a comprehensive diversity and inclusion strategy while also striving to embody cultural competence and humility through engagement in ongoing learning and discovery around culture and race to minimize the biases, lack of trust, and miscommunications that could drive racial disparities in the clinical setting. Kaiser Permanente's commitment to promoting equity goes beyond the walls of its facilities. Understanding that place and race matter in promoting "health and wealth" in communities, Kaiser Permanente intentionally does business with certified minority-owned businesses in all eight regions where it operates.

Kaiser Permanente recognizes that its efforts will drive down costs as healthier people will require less care, which will ultimately help make care more affordable for everyone. For example, due to its intentional efforts, it has made progress on closing disparities in hypertension management for Black members, cancer screening for Latinx members, and diabetes management for both groups.

Industry: Integrated Health System

Strategy 1:

Embed cultural humility in service delivery

Expand core services to include non-clinical solutions

Strategy 2:

Strengthen economic vitality

Internal Catalysts:

Leadership support and accountability for advancing racial equity

HOW KAISER PERMANENTE IS MOVING TO ACTION

Embedding cultural humility in service delivery

For years, Kaiser Permanente has worked to eliminate health disparities by advancing clinical excellence. Recognizing the unique needs and socio-economic challenges of some members

of color, clinical quality teams provide care with cultural competence and humility. For instance, Kaiser Permanente provides funding to physicians who seek "cultural immersion," paying for language training and the demonstrated ability to provide care in that language. Members with low English proficiency are paired with physicians from similar cultural backgrounds with the understanding that cultural and language concordance enables trust between the patient and provider and leads to better care delivery. This practice is bolstered by cultural training and increased sensitivity to the socio-economic challenges some communities of color face.

While these approaches reflect promising practices that have emerged within some of its care environments, Kaiser Permanente is now aiming to integrate and institutionalize culturally competent practices across all regions.

Expanding core services to include non-clinical solutions

Kaiser Permanente clinicians commit to ongoing discovery and engagement with the language, culture, and experiences of members of color. For example, physicians receive clinical quality reports with key performance metrics such as readmission and mortality rates. Where disparities in health outcomes might exist by race or ethnicity, physicians work with quality and equity officers to explore tactics for not only providing culturally competent care, but also finding ways to close the gaps, whether they are caused by internal or external factors. For example, Kaiser Permanente teamed up with a car-sharing service to bring members to their appointments when they could not afford the cost of transportation to their diabetes management appointments.

Strengthening economic vitality through procurement

Recognizing that the economic future of the organization and the communities it serves are deeply linked, Kaiser Permanente seeks to improve the economic vitality of communities of color through its supplier diversity strategy. Kaiser Permanente leverages its position as an anchor institution by placing a combined total of more than $1 billion in procurement spend with certified minority- and women-owned businesses across its service areas. This strategy comes with high degree of accountability—all departments in all regions with procurement requirements work to place at least 10 percent of their purchasing power with small, certified minority- and women-owned businesses, and businesses owned by veterans and people with disabilities. Kaiser Permanente's senior leadership team utilizes a monthly report to monitor performance.

Kaiser Permanente

Physicians work with equity officers to find ways to close health disparity gaps.

Kaiser Permanente's procurement strategy began in 2011, motivated by the realization that investment in these small businesses would ultimately improve the economic vitality of communities of color and thus reduce health care disparities associated with economic insecurity. Kaiser Permanente's commitment to this strategy makes it the first health care organization to join the Billion Dollar Roundtable—a group created to recognize and celebrate corporations that achieved spending of at least $1 billion with minority- and woman-owned suppliers. Kaiser is currently working to develop an analytical model that demonstrates the effectiveness of its supplier diversity strategy.

INTERNAL CATALYSTS

Leadership support and accountability for advancing racial equity

As noted above, Kaiser Permanente aims to promote equity for all people through a comprehensive integrated equity, inclusion and diversity strategy based on three interdependent frameworks: the workplace, care delivery, and the community. Our research showed that in most companies across sectors, internal diversity and inclusion efforts are entirely separate from business efforts to expand to new markets or provide quality service, and even more isolated from local community development efforts. Kaiser Permanente, on the other hand, sees the strong connections between these different objectives and has a cohesive strategy to ensure that these efforts are aligned. Executive leaders at the National Office of Equity, Inclusion, and Diversity bring rigorous business acumen in performance improvement, operations, and compliance to ensure success.

Case Study #3

Cigna

Cigna,[55] a global health services and insurance company headquartered in Bloomfield, Connecticut, serves approximately 13.9 million members enrolled in commercial employer plans and 433,000 members enrolled in Medicare Advantage plans. With more than 45,000 employees, Cigna's revenue in 2017 was $41.6 billion.[56]

Cigna recognizes and articulates the importance of addressing the unique barriers faced by individuals and communities of color in promoting health equity. The company is continually examining and discovering how race and place affect health. As Peggy Payne, Director of Health Equity, notes, "When we talk about health equity, we have found it important to clarify that while we certainly look at racial disparities, we also consider the expanded definition which includes other factors (e.g., language, age, gender, geography). Our employee [affinity group] members are especially willing to step up and volunteer to support our efforts in under-resourced communities." With a particular focus on data and community partnerships that address SDOH, Cigna aims to ensure that strategies to promote racial equity are not disconnected from efforts to promote broader health equity, as discussed in greater detail through the following examples.

Although proving return on investment (ROI) is not a prerequisite for executing its health equity strategy, Cigna is taking steps to understand and quantify business impacts. For example, Cigna is calculating the savings per life-year gained from breast cancer screenings and the resulting impact on per-member, per-month spend. Additionally, the company believes that its health equity strategy will contribute to the retention and growth of its customer base and its physician network, thus improving revenue and competitiveness.

HOW CIGNA IS MOVING TO ACTION

Anchoring actions in disaggregated data

Cigna uses data science to identify and track disparities among Cigna customers. For example, Cigna created a disparities dashboard to track several quality measures by race and gender at the

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Industry: Commercial Insurance Company

Strategy 1:

Anchor actions in disaggregated data

Expand services to include non-clinical solutions

Internal Catalysts:

Organizational culture that recognizes that race matters

Leadership support and accountability for advancing racial equity

Strong diversity and inclusion practices

Innovative cross-sector partnerships

state and county level. The data collected and analyzed in the dashboard informs the development of targeted clinical interventions such as a colon cancer screening campaign culturally tailored for Latino and Black men and a breast cancer screening campaign designed to close screening gaps for Black women. Additionally, Cigna uses geographical information system (GIS) software to map its provider network, customers, and community organizations to ultimately understand opportunities to connect within communities to improve health outcomes.

Expanding core services to include non-clinical solutions

To Cigna, health care means more than healing the sick or managing chronic conditions. It encompasses the whole person, integrating many dimensions including emotional, physical, social, financial, and environmental health. As a result, Cigna is working to identify and address the social determinants of health that impact its customers' health status, engagement, and outcomes. For example, Cigna is including variables such as economy, education, and food access in its predictive modeling to identify needs, partners, and solutions.

The company's collaboration with stakeholders such as providers and community-based organizations to address identified disparities is a cornerstone of its strategy. For example, Cigna recently collaborated with the Institute for Health Equity and Diversity, an affiliate of the American Hospital Association, to sponsor training for hospitals and health systems on how to implement strategies to identify and address disparities, increase cultural competency, improve diversity and inclusion, and strengthen community partnerships.

Its relationships with health care providers allow Cigna to connect and support customers at multiple touchpoints in their lives and in the communities where they live and work, not just when they connect with the company. Cigna builds networks of providers focused on delivering competitive costs while still providing customers with access to evidence-based care. Cigna also works closely with providers to provide information that improves health care quality, efficiency, and affordability. For example, Cigna partnered with a local health care system in Memphis, Tennessee, to promote breast cancer screening among Black customers living in neighborhoods with limited access to screening facilities. To address barriers like transportation, childcare, and office hours, Cigna promoted mobile mammography van events held at local churches on the weekends and in the evenings. A breast cancer screening rate gap for Black patients, originally identified in 2012 and 2013 data, has been eliminated, and in fact screening rates are now actually higher than for White customers in both Shelby County and the state of Tennessee.

INTERNAL CATALYSTS

Organizational culture that recognizes that race matters

Cultural humility is the guiding principle of Cigna's efforts to provide culturally competent service and ingrain principles of equity and inclusion into the company culture. Employees receive baseline and ongoing training in cultural competency through interactive online training modules, diversity forums, and "cultural coffee breaks." Employees subsequently gain an understanding of unconscious bias, cultural health beliefs and practices, and skills in communicating across cultures. In addition, colleague resource groups provide employees with culturally relevant leadership training programs throughout the year. For example, the "Let's Keep Talking" series, sponsored by the African American Colleague Resource Group provides participants with a comfortable setting to engage in conversations that examine physical, mental, and environmental matters that impact their overall health.

Leadership support and accountability for advancing racial equity

Cigna has multiple strategies for measuring and ensuring accountability for health equity. For example, the enterprise scorecard tracks health equity metrics such as HEDIS gap closure rates, value and affordability, expanded relationships and partner of choice, and community health impact. The CEO has visibility into the scorecard and executive performance is assessed based on the results those metrics show. Metrics include process-oriented and qualitative results (such as progress on a pilot evaluation) as well as quantitative outcomes (which Cigna will develop and measure in 2019). Peggy Payne suggests that "raising health equity to this level of importance on the enterprise scorecard helps to drive innovation and resources to advance our objectives."

Accountability is also ensured by several councils. The Health Equity Council, a group of Cigna's business leaders, drives annual action toward the goals in the organization's health equity strategic plan, which focuses on five pillars: 1) leadership; 2) data, research, and evaluation; 3) health services; 4) social determinants of health; and 5) cultural and linguistic competency. Further, a Client Health Disparities Advisory Council, comprised of some of Cigna's government and education clients, helps execute elements of the plan aimed at reducing health disparities among Cigna members. A Language Service Governance Council oversees efforts to provide linguistically competent services.

Finally, with the intention of ensuring that health equity is integrated into each department's priorities, the Director of Health Equity leverages dedicated staff and employee volunteers to build relationships with a wide range of internal business stakeholders, increasing interaction and collaboration among departments such as human resources, quality, data science, and marketing to heighten Cigna's prioritization of equity.

Strong diversity and inclusion practices

Colleague Resource Groups (CRGs) also help to advance Cigna's health equity strategy. CRGs are affinity groups comprised of employees and allies from diverse backgrounds, such as women, people with differing abilities, veterans, multicultural ethnic groups, and people of varying ages. Collectively, they possess skills and community expertise that Cigna leverages to help guide its health equity strategy. CRG participants are equipped with the knowledge and resources needed to identify specific community needs.

Innovative cross-sector partnerships

Cigna's commitment to diverse perspectives and partnerships extends beyond the organization, as reflected in its external partnership with clients, providers, and community-based organizations. Peggy Payne sees this trend continuing, with potential for increased collaboration with other health plans: "Driving change within our communities will require localized efforts and committed partnerships. This work requires non-competitive collaboration in order to help communities to thrive."

Cigna

Driving change within communities through non-competitive collaboration.

Case Study #4

UNITEDHEALTH GROUP®

UnitedHealth Group (UHG) is a diversified health care company headquartered in Minnetonka, Minnesota. The company offers a broad spectrum of products and services through two distinct platforms: UnitedHealthcare, which provides health care coverage and benefits services, and Optum, which provides information and technology-enabled health services. UnitedHealthcare serves 27 million people in commercial insurance plans, 6.7 million in Medicaid Managed Care, and 4.4 million in Medicare Advantage plans. As one of the largest health and well-being companies in the world, UnitedHealth Group earned over $201 billion in revenue in 2017.

Industry: Commercial Insurance Company

Strategy 1:

Anchor actions in disaggregated data

Expand services to include non-clinical solutions

Internal Catalysts:

Leadership support and accountability for advancing health equity

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UHG aims to promote health equity across dimensions including racial equity, gender equity, and geographic equity. This approach is deeply rooted in careful data analysis aimed at identifying where differences in health access, utilization, and outcomes might exist for its members and responding to those differences. As U. Michael Currie, SVP and Chief Health Equity Officer (CHEO) notes, "It's never a matter of if health disparities exist, but where and at what magnitude they exist."

UHG recognizes that these differences impact health care costs—both in terms of avoidable health care spending and the member experience. For an enterprise of this size, it is understood that savings will come from reducing avoidable utilization and health care complications through a health equity strategy. The strategy supports market positioning and competitiveness. Namely, the health equity strategy helps optimize company performance on fundamental health insurance business metrics, such as HEDIS[h] and CMS Star Rating (Medicare Advantage program). These metrics distinguish the quality of the company's services and drive business success. Additionally, UHG has witnessed rapid member growth. Since the launch of the company's health equity strategy in 2010, UHG's insurance business has organically added more than 11 million new members, a pace of growth unrivaled by many health care companies.[57]

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h. The Healthcare Effectiveness Data and Information Set (HEDIS) is one of health care's most widely used performance improvement tools. **https://www.ncqa.org/hedis/**

HOW UNITEDHEALTH GROUP IS MOVING TO ACTION

Anchoring actions in disaggregated data

UHG starts by examining claims data along dimensions such as diagnosis, procedure, and patient demographics (including race when available) to determine differences in health access, utilization, and outcomes among members and customers in its core benefits business lines (Commercial, Medicaid, and Medicare). Once these differences are identified, targeted programs, services, and/or interventions are put in place.

UHG is leveraging its core business competency in data and health information to promote health equity. UHG understands that accurate and timely data are crucial to surfacing and eliminating disparities and providing personalized services. The health equity strategy promotes the collection of self-reported member data on race, ethnicity, and language (REL), which complements standard enrollment data. Through its REL collection and use efforts, UHG can improve its tailoring and personalization of member outreach. UHG is also leading efforts to expand the ICD-10 coding system (the tool the health care industry uses to classify diagnoses and procedures) to standardize data collection for social determinants within the health care setting and make it easier to connect the people it serves to local community resources that can have as much influence on their health and well-being as medical care.

UnitedHealth Group

Examines claims data along various dimensions, including race, when available.

Expanding core services to include non-clinical solutions

The CHEO works with local market quality and clinical leaders to identify effective tactics to address disparities. Strategies include tailoring and personalizing outreach to support members in improving their health behaviors and partnering with care providers to expand and personalize member engagement. The organization is also addressing social determinants of health by establishing community partnerships to facilitate trusting relationships with plan participants and help them access additional services such as transportation, housing, financial assistance, and food.

For example, seeking to eliminate health disparities in Navajo Nation, Shiprock, New Mexico, local market leaders incorporated personalized member outreach and increased access to clinical and non-clinical services in a rural community. They established a local resource center where members (most of whom are Medicaid beneficiaries) can access information about their health benefits and sign up for social services. Care coordinators also work one-on-one with members to help

them navigate clinical and non-clinical services.[58] As a result, UHG narrowed access and utilization disparities for these members and is presently exploring HEDIS data and outcomes measures to determine the effect on member health.

In other markets, including Arizona, Michigan, New York, and North Carolina, UHG is deploying its myConnections platform. Described as a "first-to-market solution for addressing social determinants of health," myConnections enables members to access community and government social services. For instance, members can visit physical locations called "myCommunity Connect" centers to work with navigators who can provide rapid rehousing services or job coaching.[59] Data from other countries and UHG's own experiences indicate that investments in addressing social determinants of health reduce health care costs by supporting non-clinical patient needs that impact health outcomes.

INTERNAL CATALYSTS

Leadership support and accountability for advancing health equity

To ensure strategic alignment between UHG's business goals and its goal of promoting health equity, the company established a senior-level role to lead health equity efforts across the enterprise—SVP and Chief Health Equity Officer (CHEO). Doing so has elevated health equity as a business priority since the role was created in 2010. Working through the Medical Affairs Office, the CHEO ensures that health equity priorities infuse the entire multibillion dollar enterprise, including its Commercial, Medicaid, and Medicare lines of business. The CHEO partners with local market leaders to develop tactics to address disparities. These local leaders own implementation, while the CHEO reviews, monitors, and advises on tactics to ensure continued strategic alignment. This alignment is important in the execution of the organization's overall efforts to help its members live healthier lives and make the health system work better.

"It's never a matter of if health disparities exist, but where and at what magnitude they exist."

— U. Michael Currie, SVP and Chief Health Equity Officer, UHG

CONCLUSION

Health care companies are increasingly prioritizing *health equity* by stating it as a goal in their external communications or hiring C-suite level business leaders with that focus. These actions alone, however, are not sufficient to deliver results. Fewer organizations have recognized the fundamental role that structural racism plays in health inequity or understood the bottom line impact and competitive advantage of addressing the issues of racial equity that contribute to dramatically different health outcomes for people of color.

The leaders of the companies featured in this report—ProMedica, Kaiser Permanente, Cigna and UnitedHealth Group—are taking on the essential challenge of advancing racial equity and creating business value. They are doing so by asking strategic questions and developing innovative business strategies to advance racial equity in ways that improve the economic performance of their companies. These questions include:

- How can we disaggregate data by race to proactively track inequities faced by people of color?
- How could our work be informed by the voices of those impacted the most by racial inequity?
- How might we design our core services and practices to respond to health inequities experienced disproportionately by people of color? To what extent and in what ways can these services differentiate us from competitors, help us provide superior quality of care, and reduce unnecessary medical costs?
- How might our incentive and accountability structures institutionalize the shift to a culture that prioritizes health equity, addresses the effects of structural racism, and takes responsibility for improving outcomes for people of color?
- Who are the credible, experienced partners we need to work with to help us improve and influence the social conditions in communities of color?

These companies are adapting two key strategies to move forward. First, they are redesigning how they provide care. They are institutionalizing new and innovative business processes to gather and analyze data on how their patients or members are affected by social factors in addition to clinical factors. They are also addressing the needs of more vulnerable patients and members by offering non-clinical solutions such as access to transportation, food, and housing. Second, they are going outside their four walls and exploring ways to change the adverse conditions and social determinants of health that are caused by structural racism. They are rethinking their obligation to fund community benefits and support public policies that align better with their strategic goals of reducing costs and promoting health equity.

Each of these health care companies has found that focusing on race and advancing health equity, particularly for people of color, has led to a competitive edge through reduced costs, better quality of care, and a better reputation. Commercial insurers have begun to recognize that advancing health equity is an essential component of preventive care. Yet this thinking is still very new. The vast majority of health care providers and insurers have not even begun to recognize the financial and competitive costs of continuing past practices that perpetuate racial inequities. Even the companies featured in this report have only just begun to invest in the data analytics and systems necessary to measure and manage the consequences of racial inequity on health.

It is the essential unfinished business of this nation to build a healthy and vibrant society where everyone can participate, prosper, and reach their full potential. These four case studies demonstrate how health care companies can take steps to improve their business in ways that promote health and racial equity. This imperative will only become more urgent as demographic shifts continue to transform the country. Health care companies that wish to thrive in the 21st century would be wise to embrace the strategies described in this report and build upon them by innovating new approaches to promoting health equity and equal care for all.

METHODOLOGY

The analysis by FSG and PolicyLink is the result of a review of more than 40 articles (grey literature and peer-reviewed articles), interviews with subject matter experts, and detailed primary and secondary research on four companies: ProMedica, Kaiser Permanente, Cigna, and UnitedHealth Group. This research included multiple interviews with senior leaders at each company and review and validation of their strategies.

INTERVIEWEES

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California Health Care Foundation
Founding President and former CEO

Lori Peterson
Collaborative Consulting
Founder

Robin Hacke
Center for Community Investment
Executive Director and Co-founder

Aswita Tan-McGrory
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Yvette Radford
Kaiser Permanente, Northern California Region
Regional VP for External and Community Affairs

Jason Gromley, Esq.
The Root Cause Coalition
Vice President of Operations (at time of interview)

Marshall Chin, MD
University of Chicago Medicine
Professor; Director, Finding Answers: Solving Disparities Through Payment and Delivery System Reform

Disclaimer: All statements and conclusions, unless specifically attributed to another source, are those of the authors and do not necessarily reflect those of any individual interviewee, advisor, or funder.

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