

# Health Equity: Not Just for Health Actuaries

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- The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States.

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<https://www.actuary.org/content/conflict-interest-policy-1>

# Definitions Used by the Health Equity Committee

- **Health equity:** Everyone has a fair and just opportunity to be as healthy as possible. 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.
- **Health disparities:** Differences in health or its key determinants that adversely affect marginalized or excluded groups. Disparities in health and in the key determinants of health are the metric for assessing progress toward health equity.
- **Social determinants of health:** Nonmedical factors such as employment, income, housing, transportation, childcare, education, discrimination, and the quality of the places where people live, work, learn, and play, which influence health.

Source: Braveman P, Arkin E, Orleans T, Proctor D, and Plough A. [What Is Health Equity? And What Difference Does a Definition Make?](#) Princeton, NJ: Robert Wood Johnson Foundation, 2017.

# Health Equity Impacts Us All

- Higher incidence of chronic conditions
- Lower life expectancy
- Not everyone has access to the same quality of care
- Higher cost of health care
  - Inefficient allocation of health care dollars
  - U.S. has the highest cost of health care per capita in the world

# Why Actuaries Care About Health Equity

- Key health decision-makers rely on actuaries for advice
- Unique skillset to quantify costs of health disparities to the health care system
- Commitment to identifying and addressing issues on behalf of the public interest
- Desire to explore and understand whether any actuarial practices inadvertently lead to or exacerbate health disparities and inefficient use of health care dollars
- Potential to use actuarial principles to reduce health disparities and improve health outcomes
- Equity lessons learned may be applied to other actuarial areas (life, casualty)

# American Academy of Actuaries Health Equity Committee

- Created to contribute actuarial perspective to health equity
- Focus:
  - Evaluate actuarial practices in the context of health equity
  - Educate actuaries and other stakeholders on health equity issues
  - Apply an equity lens when considering the impact of current or proposed health care policies



# 2020–2022 HEC Activities

- Five issue briefs
- Webinars
- Review comment letters with health equity lens
- Guest presenters at non-actuarial venues

# 2023 Health Equity Focus: Exploration of strategies to incorporate equity-enhancing features in health plans



- Goal: Have discussions among participants with different perspectives to discuss the successes and challenges of incorporating equity-enhancing benefit design features
- Areas of focus:
  - Process and challenges to incorporating equity-enhancing features
  - How benefit changes are evaluated
  - How to incorporate the voices of the people being served
  - Addressing implementation challenges
- Topics explored during four workshops, with subsequent release of related issue briefs, and continued at symposium on November 15, 2023.

# Workshop Series/Symposium High-Level Insights

- High levels of interest in these topics!
- Convening people to share experience is valuable
  - Break down silos
  - Opportunity for actuaries to gain broader perspective
  - Opportunity for non-actuaries to understand actuarial perspective
- Opportunity to continue the conversation and make real progress
- Key themes:
  - Data, data, data
  - Rethinking how we measure the impact of benefit changes – beyond ROI
  - Current regulatory framework may hinder implementation of equity-enhancing benefit design

# Importance of Data

- Measuring disparities and reducing them
  - Lack of consistent data format with key dimensions of equity
  - Collection and use of key data may be limited or prohibited
- Determining which benefits to offer
- Pricing benefits
- Determining the efficacy of those benefits

# Limitations of Claims Data

- Only reflects claims of those using the health care system
- For historically marginalized groups, claims understates risk, unmet needs
- Does not include key information needed to measure disparities
- Combination of data from other sources could be helpful; e.g., enrollment data and social risk indices
  - Need to understand the limitations, risks of other data sources

# Data – Other Considerations

- Need to understand the data beyond statistical measures
  - Think critically about what the data is showing
  - The use of averages may mask the underlying distributions of different populations
  - Clinical expertise may be needed to understand data
- Data empathy
  - Data elements represent people and their experiences
  - Include the perspectives of people impacted by plan changes

# Data Sampling Issues

- Sampling of populations may leave holes in our understanding and lead to wrong conclusions
- A sample may not be sufficient to understand the entire population

# Data – Bias Considerations

- All data has bias
  - Important to understand the embedded bias and determine whether it impacts results
  - Make adjustments if needed to mitigate bias
- Important to incorporate qualitative data to better understand quantitative data



# Measuring the Impact – Beyond ROI

- Current methods of evaluating programs may hinder implementation
  - One-year performance measures for programs with multiyear runway
  - Cost-only focus ignores downstream savings
  - Cost-effectiveness may be a better metric
    - Must include outcomes
    - No consensus on what that means

# Regulatory Issues

- State and federal limitations on the collection and use of data
- Federal and state laws may limit the addition of new benefits
- Laws are not designed with an equity lens

# Final Word

- The successful implementation of health equity initiatives depends on:
  - The effective collection and understanding of data
  - Understanding the larger health ecosystem
  - Breaking down the silos and learning from others
  - Consideration of the legal environment

# Thank You – Questions?

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