

# Health Equity: What it means for Actuaries

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## Definitions of Key Terms

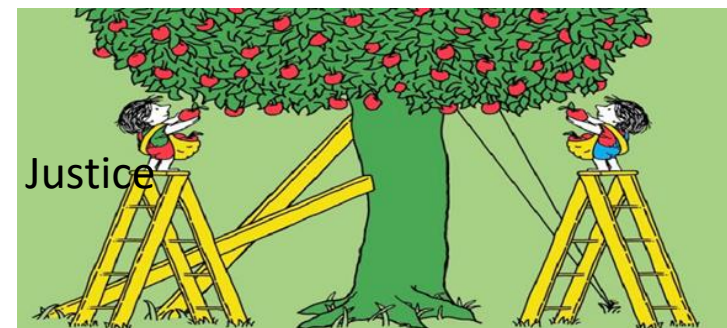
**Health equity** means that everyone has a fair and just opportunity to be as healthy as possible.

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.

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.

# Equity vs. Equality

- Equality: providing the same resources (access) to everyone
  - Treating everyone the same may not be fair
- Equity: allocating resources to achieve a fair and just outcome in an unbalanced system
- Justice: Fixing the system for long-term equitable access



## Definition—Health Disparities

**Health disparities** are 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 metrics for assessing progress toward health equity.

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.

# Dimensions of Health Disparities

- Race and ethnicity
- Age
- Socioeconomic status
- Geographic location
- Disability
- Language
- Gender
- Citizenship status
- Sexual orientation and gender identity
- Others

# Definitions – Social Determinants of Health

**Social determinants of health** are 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.

Social Determinants of Health



Social Determinants of Health  
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Healthy People 2030

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.



# Practical Implications of Social Determinants of Health and Health Disparities

- Under-utilization of healthcare services by marginalized groups
- Cost not indicative of risk/need for groups experiencing disparities
- Predictive models based on cost can exacerbate health disparities and lead to misallocation of resources

# Why Actuaries Care About Health Equity

- Key health care 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 help reduce health disparities and improve health outcomes
- Equity lessons learned by health actuaries may be applicable to other actuarial areas

# Opportunities for Actuaries

- Unique position to affect health outcomes
  - Is benefit design aligned with needs of specific populations?
  - Does risk stratification penalize populations facing social risks?
  - How do population health management programs impact health equity?
  - Are provider incentives aligned with health outcomes?

# Challenges for the Actuarial Profession

- How to incorporate health equity into health work and avoid unintended consequences
  - Better understand the health eco-system, policy and real-world implications
- Availability and reliability of data needed to evaluate and monitor health disparities
- Identifying and mitigating data bias
- May need to develop new ways to collect, analyze and use data
  - Use of averages vs. distribution

# Academy Health Equity Committee (HEC)

- Primary goal:
  - Seek solutions to health equity and health disparities by first evaluating current actuarial practices in the context of health equity
- Committee's health equity focus is broader than race and ethnicity
- Six issue briefs published to date
- Two publications in process
- Several research projects are in the works
- 2023 health equity workshop series and symposium

# HEC: November 15, 2023, Symposium

## ***Theme: Health Benefit Design Innovations for Advancing Health Equity: Removing the Barriers to Successful Implementation***

- Following the Annual Meeting, in Washington, D.C., and live-streamed
  - Focus on Employer Sponsored Insurance
  - Audience: Actuaries, policymakers, other interested parties
  - Convening of expert multidisciplinary voices to discuss challenges and solutions
  - Culmination of four-part expert workshop series (June to September)
    - Equity-improving elements and current health insurance benefit design
    - What is known about what does or does not improve health equity and ways to overcome any challenges
    - Incorporation of historically marginalized consumer perspectives
    - Overcoming implementation constraints

# Thank You—Questions?

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