Health Equity in the Business Sector:
Focus on Racial/Ethnic Minorities and Socioeconomic Status
Racial and ethnic minorities currently represent one-third of the population. The US Census Bureau predicts that they will become a majority in 2042.

Racial and ethnic minorities and people with low socioeconomic status have higher morbidity and mortality rates.
Higher Morbidity and Mortality Rates

- African American infant mortality rate is more than twice that of whites.
- African American men are more likely to die from heart disease than white men.
- African American adults are more likely to have a stroke than white adults.
- African American women have higher death rates from heart disease, breast and lung cancer, and stroke.

Sources: CDC, NHLBI, HHS Office of Minority Health
Native Americans have diabetes rates more than two times the white rate.
Mexican Americans are two times more likely than whites to be diagnosed with diabetes.
Asian/Pacific Islanders are three times more likely to develop liver cancer.

Sources: CDC, HHS Office of Minority Health
Socioeconomic Status and Mortality/Morbidity

- Low socioeconomic status is associated with higher mortality and morbidity.

- Rates for incidence and morbidity from cardiovascular disease are high for people with low socioeconomic status.

- Cancer outcomes and treatment differ greatly for people with low socioeconomic status.
Economically segregated neighborhoods are more likely to have:

- Limited economic opportunities.
- Unhealthy options for food and physical activity.
- Environmental hazards.
- Substandard housing.
- Lower performing schools.
- Higher rates of crime and incarceration.
Disparities in health and health care exist, even among employees with equal benefits.

“Even when they have the same health insurance benefits and socioeconomic status, and when comorbidities, stage of presentation, and other confounding variables are controlled for, members of racial and ethnic minority groups in the United States often receive lower quality health care than do their white counterparts.” (Unequal Treatment, Institute of Medicine 2002)
Inequities in health and health care result in lower quality of health care and worse health outcomes for minority workers and people with low socioeconomic status.
Lower Quality Care Results in Worse Health

- Why? Language barriers, physician bias, treatment of conditions at a later stage of disease, shortage of minority physicians.
Health Literacy

- One in five people in the US speaks a language other than English in the home.
- A patient’s inability to understand and process medical information often results in poorer health outcomes.
Unequal Treatment

- African Americans, Asian Americans, Hispanics and Native Americans are less likely to receive advanced medical treatments, such as angioplasty or bypass surgery for heart disease, and are more likely to receive less-desirable procedures like lower limb amputation for diabetes.
Lack of Medical Home

- African Americans, Hispanics, Asian Americans, and people with low socioeconomic status are less likely to have a regular source of health care.
Health Care Workforce Less Diverse than US Population

- Racial and ethnic minorities are grossly under-represented as health care professionals: roughly 7 percent physicians, 3 percent nurses, 3 percent medical school faculty, and 2 percent senior level executives in health care management.
Increased Direct and Indirect Health Care Costs
Rising health care costs are a growing burden for businesses. A Kauffman Foundation report revealed that companies with 25 or fewer employees saw their health care costs rise 30 percent between 2000 and 2005.
Excess health care costs linked to racial and ethnic health inequities cost $229 billion between 2003 and 2006. (Joint Center for Political and Economic Studies)

Treating chronic conditions in African Americans and Hispanics cost the US health care system $24 billion in 2009. (Urban Institute)
Rising health care costs erode profits and threaten the ability of employers/businesses to offer health insurance coverage/health benefits to their employees. Rising costs may also force some companies to raise prices for their products. General Motors estimated that providing health insurance for their employees and retirees added $1400 to the cost of every vehicle built in the US in 2004.
Rising health insurance premiums leave less money for businesses to invest in new equipment, better facilities, research or expansion, according to an Associated Press report.

Health Inequity is Costly for Businesses
Decreased Productivity
Decreased Productivity

- When employees receive inadequate health care services, increased rates of absenteeism and presenteeism and decreased productivity result. (American Hospital Association *TrendWatch* 2007)
Disparate Use of Corporate Health Care Dollars
Health disparities result in employers investing health care dollars in a system that does not administer services equally to diverse workforces. Employers’ dollars are not paying for the same health care for all of their employees.

- In many cases they are paying for inappropriate or inadequate care.
- Some employees may be underserved while others are overserved.
Business Benefits of Comprehensive Health Equity Strategy
According to the Kaiser Family Foundation, two out of every three Americans with health insurance receive their insurance from large employers. Large employers are poised to leverage their collective resources to drive the health care marketplace and ensure that necessary changes occur in how services are delivered.
According to *Health Affairs*, for every dollar spent in worksite wellness programs, the employer saves more than the dollar spent.

Eighty-one percent of American businesses with 50 or more employers have some type of health promotion program. ([www.wellcoa.org](http://www.wellcoa.org))
At DuPont, each dollar spent in workplace health promotion yielded $1.42 over two years in lower absenteeism costs.

At the Traveler’s Corporation, each dollar invested in workplace health promotion yielded $3.40 in savings.

At Union Pacific Railroad, where health care costs were two times the national average, worksite health promotion yielded savings of $1.26 million.

- Employees also lowered their risk of high blood pressure by 45 percent, high cholesterol by 34 percent, and 21 percent stopped smoking.
In addition to reduced overall medical costs, employers working to reduce the burden of chronic health conditions among employees enjoy benefits such as:

- Reduced disability benefits.
- Avoiding the cost of hiring and training new employees.
- Avoiding added stress on remaining workforce.
Recommendations
What Employers Can Do at Their Own Worksites

- Ensure that all employees know that reducing health disparities is a priority for the employer.

- Launch culturally and linguistically competent health awareness initiatives.
  - Health fairs.
  - Health information to employees.
Employers can leverage their influence as purchasers of health care to select health plans that:

- Offer cultural competency training to their providers and employees.
- This is critical to reduce racial and ethnic stereotyping and ensure the equitable administration of health care services to all populations.
Leveraging Resources to Improve Quality

Employers can select health plans that have a more diverse workforce.

- Racial and ethnic minorities are grossly under-represented as health care professionals.
- Racial and ethnic minorities may be more comfortable seeing a provider of a similar racial and ethnic background.
- Provider more likely to be culturally competent.
- Communication may be improved.
- Patient-provider relationship is strengthened.
- Biased-care/stereotypes/assumptions less likely.
Leveraging Resources to Improve Quality

- Systematically collect and use data on race, ethnicity and primary language to improve the quality of care for diverse populations.
  - Helps identify specific health care needs of specific populations and helps plan targeted interventions.
Follow federal Standards for Culturally and Linguistically Appropriate Services including sufficient language assistance services (including bilingual staff and interpreters) for patients with limited English proficiency.


References


References

References


References

- Kaiser Family Foundation. Employee Health Benefits 2000. [Link]
References

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