EMPLOYEE BENEFITS

The Impact of Social Determinants of Health on Your Medical Plans

By Marilyn Schlein Kramer, *Partner*

Social determinants of health (SDoH) are environmental conditions that affect people's health and well-being.[1] They can include violence, unsafe water, older housing stock, air/noise pollution, access to education, healthcare services and nutritious foods. People in employer-sponsored health plans technically have – through their insurance cards – access to healthcare services. The question is, does this impact the negative effects of SDoH factors?

Unfortunately, the answer is no. SDoH factors appear to be closely associated with utilization patterns and health outcomes, especially among lower-income workers and individuals from historically marginalized groups. Additionally, analyses on behalf of our customers have shown that negative SDoH factors are associated with the following:

- Higher rates of Metabolic conditions, including obesity, diabetes and hypertension

- Higher rates of substance abuse treatment

- Higher rates of hospitalization and use of Emergency Departments (ED) and lower use of preventative services (See Figure 1)

- Fewer days supplied for diabetes maintenance medications

Larger employers can assess if SDoH factors are impacting their employees and, in turn, their health plans. Some claim data warehouse vendors have added SDoH indices based on employee addresses into their reporting. If these indices are unavailable, salary-band information can be a reasonable proxy for SDoH. Additionally, the relatively new Z-diagnosis codes[2] capture SDoH in claims. Ask your carrier for reports if you do not use a claims data warehouse. Most large carriers have invested in building SDoH indices and reporting for their employer customers. Regardless of the source of information, investigate if there are specific job sites where the negative impact of SDoH is particularly evident.

1. https://www.shrm.org/resourcesandtools/hr-topics/benefits/pages/consider-social-determinants-of-health-when-offering-benefits.aspx.
2. https://www.icd10data.com/ICD10CM/Codes/Z00-Z99.

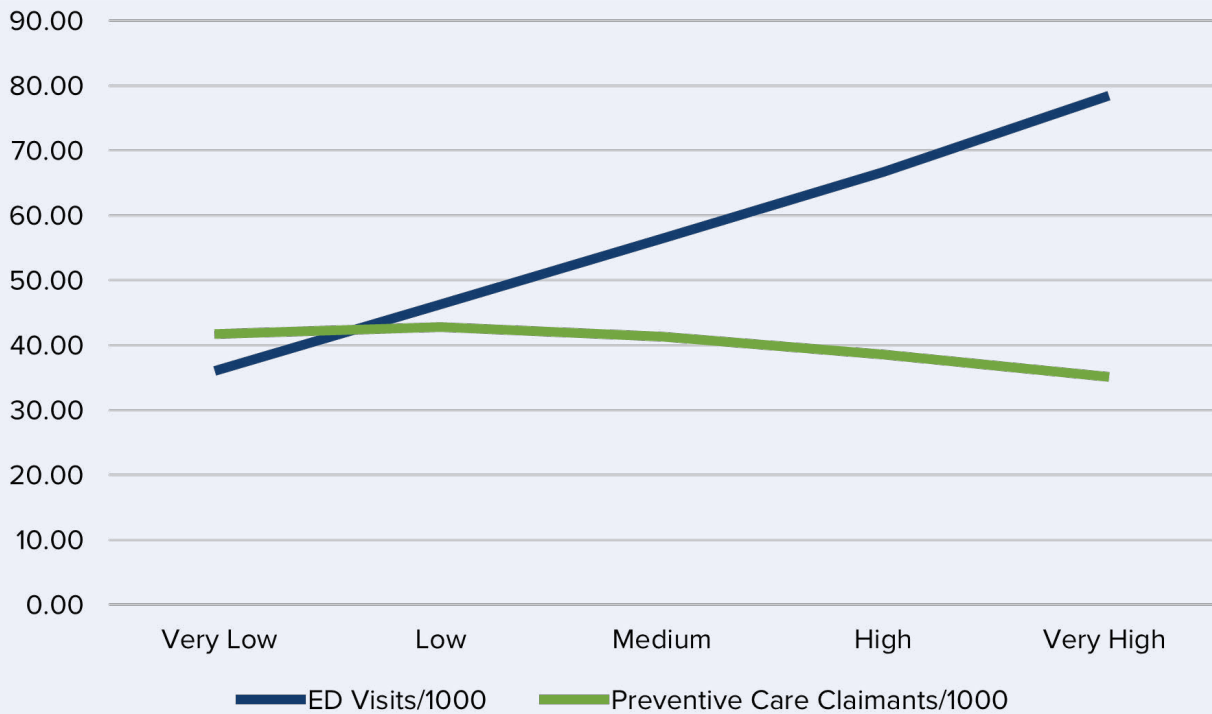## Use of ED and Preventive Care by High Risk SDoH Members

Figure 1. Members more at risk for SDoH visit the ED more and receive less preventive care.

Source: Brown & Brown Claims Data Warehouse

There are several SDoH strategies that employers, regardless of size, can use to help mitigate the impact of SDoH. Examples include:

- Promote healthcare literacy, particularly if you have significant enrollment in a high deductible health plan among lower-wage workers
- Consider plan design changes to make preventive care services and medications, such as insulin for diabetics, more affordable (or even free)
- Launch targeted communication campaigns to emphasize less costly alternatives to high-cost points of care, particularly Emergency Departments
- Introduce farmer's markets or other on-site/delivery programs to promote healthy food choices, particularly in areas where there are concentrations of high-risk SDoH employees
- Reach out to local healthcare providers, social welfare agencies and/or your carrier to see if Community Health Workers[3] are available to work with your employees and their families

These possible actions are some ways employers can assess the impact of SDoH factors on their health plan and work with their carriers and local agencies to mitigate their negative impact.

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3. *A community health worker is a frontline public health worker who is a trusted member of and/or has an unusually close understanding of the community served. This trusting relationship enables the worker to serve as a liaison/link/intermediary between health/social services and the community to facilitate access to services and improve the quality and cultural competence of service delivery. See: https://www.apha.org/apha-communities/member-sections/community-health-workers.*

About the Author

Marilyn Schlein Kramer, *Partner*

An economist by training, Marilyn leads Brown & Brown's Analytic team and oversees its data warehouse. Marilyn has more than 20 years of experience consulting with employers. Prior to Brown & Brown, Marilyn was Senior Vice President of Customer Experience at HDMS, a unit of Aetna/CVS Health, that provides analytic tools and services to more than 100 employers, health plans and risk bearing provider groups. Earlier in her career, Marilyn was President/CEO of DxCG, a pioneer in healthcare predictive modeling and risk adjustment. Marilyn received her MBA in Healthcare Administration and Finance from the Booth School of Business at the University of Chicago. She received her BA magna cum laude in Economics from Harvard University where she was elected to Phi Beta Kappa.

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