

How organizations can  
unlock the business  
case for health equity

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COVID-19 has demonstrated the direct correlation between the health of a workforce and the resiliency of the business.

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# Dissecting the health equity gap

As the country continues to grapple with the COVID-19 pandemic while also weighing a complex legacy of racial and economic injustice, Ernst & Young LLP has affirmed our commitment to examining and leading on these vital issues. With this in mind, Dr. Yele Aluko – EY Americas Chief Medical Officer – gathered an esteemed panel of medical and public health experts in mid-August 2020 to discuss the leadership opportunities for large employers and stakeholders at this unprecedented time. The resulting EY webcast, “The business case for achieving health equity,” included several important steps that the business community can take now to help further the cause of health equity.

Before turning to the panel, Dr. Aluko cited a few key statistics around COVID-19. For example, African Americans are 12% of the US population, but make up nearly 24% of COVID-19 deaths nationwide (see Figure 1). Moreover, according to the U.S. Centers for Disease Control and Prevention, Latino and Black communities make up 55% of COVID-19 cases, more than double their collective share of the US population (see Figure 2). And one recent study found that 72% of Latino households in the US are facing severe economic impacts due to the pandemic.<sup>1</sup> The COVID-19 pandemic has helped to expose similar disparities across the health care ecosystem, and it’s important for organizations, boards and C-suite executives to join in the pursuit of health equity – not only as a moral imperative, but also because of the compelling business case to do so.

Figure 1: COVID-19 and African Americans

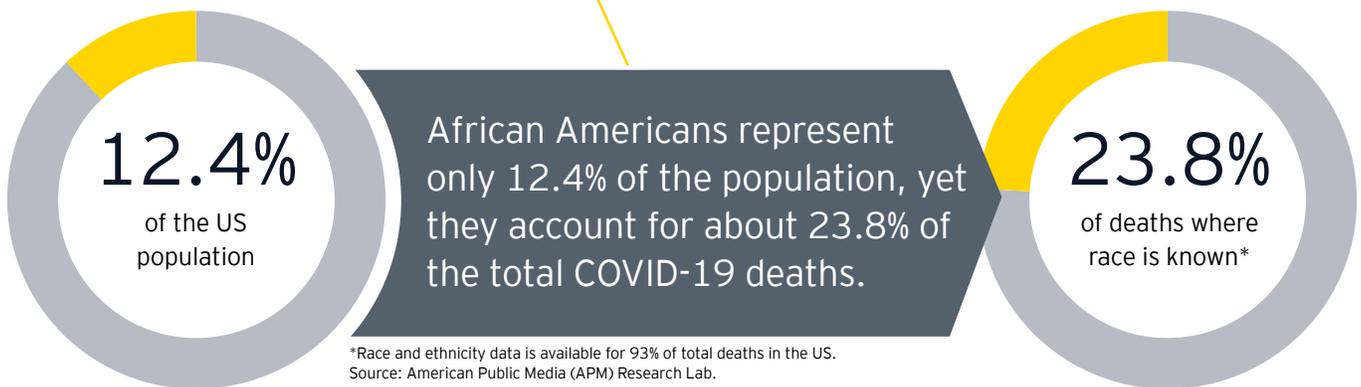
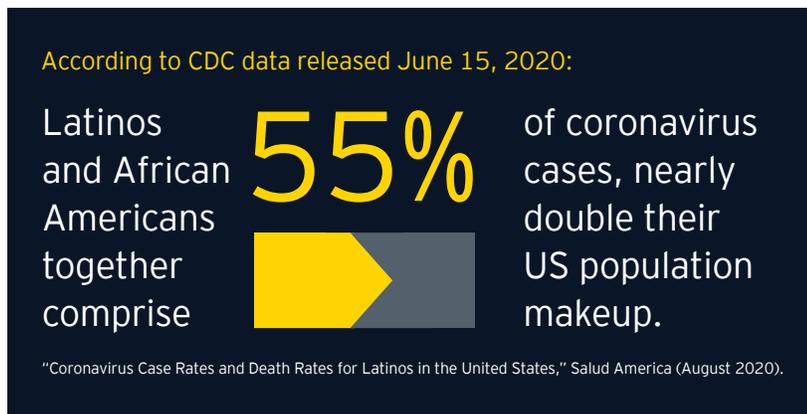


Figure 2: COVID-19: African American/Latino outcomes



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In order to get to equality, we need to eliminate all of those barriers and things that disenable us from getting to the well society that’s necessary to compete in the global economy.

**Carladenise Edwards, PhD, MS Ed**  
Senior Vice President and Chief Strategy Officer,  
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<sup>1</sup> “Covid-19’s economic impact on Latino families is ‘much worse’ than expected, poll finds,” *NBC News* (September 2020).

# The business of health care affects every industry

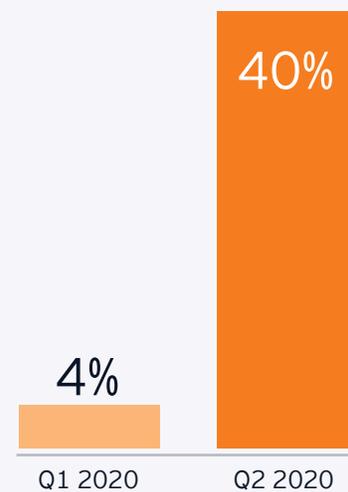
As Dr. Edwards noted at the outset, health equity is achieved through equitable access to health care and services for all, regardless of race, gender, economics, demographics, ZIP code and other factors that serve as barriers today. Those who lack equitable care naturally contribute less to the overall economy, but this challenge presents an opportunity for long-term growth across the business landscape.

So, what role can large employers play in the health equity continuum? The conversation has to begin at the top with leaders who can bring the full reach of the organization to bear. To that end, this year saw some encouraging progress, as many boardrooms have quickly awakened to the integral nature of matters of inclusion. For example, 40% of S&P 500 companies discussed diversity in their Q2 2020 earnings calls – up from just 4% in Q1 (see Figure 3).

When we consider the projected economic burden by 2050 if the status quo around health equity remains unchanged, it's no wonder that organizations have begun to take notice (see Figure 4). Dr. Enekeuchi underscored that this long-term perspective is needed to truly comprehend the business case for health equity. The dual benefits of a healthier workforce – higher productivity and lower costs of health coverage – should be top of mind for proactive employers and providers alike.

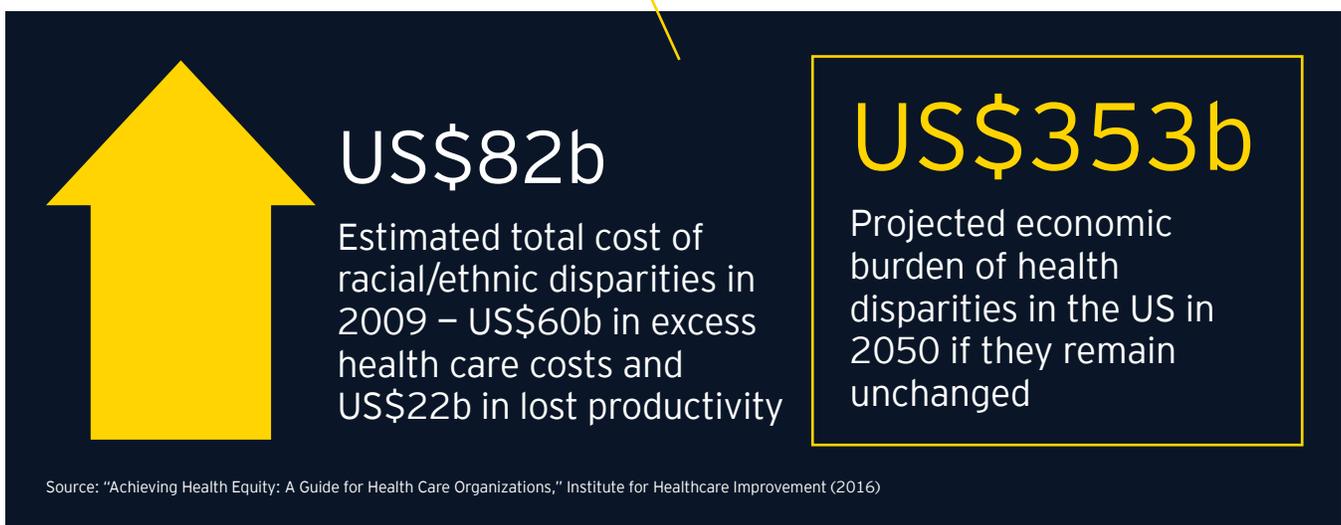
Figure 3

## Diversity discussed in S&P 500 earnings calls



Source: CNBC.

Figure 4: The cost of health disparities



As Dr. Pegus noted, every industry has a part to play in closing the health equity gap in order to achieve cost savings and other efficiencies, both within individual organizations and systemically across the US economy. By way of example, she presented three snapshot case studies to explore the types of investments companies can make to help achieve health equity.



## Health care

One simple data point that can reveal areas for improvement is the number of in-network providers within a given ZIP code. This is important because people tend to seek out care near their homes. Without viable options nearby, they're more likely to forgo care for longer periods. In this scenario, a medical issue that may have required a simple \$100 preventive treatment if addressed earlier can easily become a serious condition requiring a \$10,000 procedure. Collecting provider data by ZIP code to improve access to health care is one cost-effective way to begin shoring up these disparities in order to improve clinical outcomes.

Similarly, opportunities exist in areas where providers' demographics don't match the communities they serve. Studies show that racial, gender and other types of concordance between patient and clinician can have a measurable impact on health outcomes – in part because patients are more likely to seek care earlier from practitioners who look like them.<sup>2</sup> Improving provider diversity is thus another means for health systems to address systemic bias and effect change.

One stark example of racial imbalance in the health care system was revealed in a *Circulation: Heart Failure* article that focused on patients of different ethnic backgrounds who all had a serious heart condition and similar levels of insurance coverage.<sup>3</sup> However, the data showed that the White patients within this group were much more likely to be admitted to a heart failure center for specialty care than their Black and Latino peers. This data enabled the health system to identify and begin to close a measurable gap in care.

For health systems across the care continuum, the takeaway is not only that data provides a pathway to evaluate disparities using demographic variables, but also that publishing this data helps to establish that your organization is looking at these vital issues with an eye toward developing solutions that can help improve cost outcomes. The increasing utilization of electronic health records (EHRs) in the last decade provides an efficient pathway to collect this data.

<sup>2</sup> "Disentangling Evidence and Preference in Patient-Clinician Concordance Discussions," *AMA Journal of Ethics* (June 2019).

<sup>3</sup> "Identification of Racial Inequities in Access to Specialized Inpatient Heart Failure Care at an Academic Medical Center," *American Heart Association* (November 2019).

## Automotive manufacturing



There are also opportunities for change in the auto manufacturing industry, where one automaker has estimated that health care costs for its employees add approximately \$1,500 to the price of every new vehicle.<sup>4</sup> Enabling timely access to care for employees is one approach that has proved successful. For example, an automaker that sponsored an on-site health clinic for preventive care for its employees saw a 33% reduction in specialty care costs after just one year – along with a downward trend in costs for insurance premium payments.<sup>5</sup>

## Medical device manufacturing



Equitable patient access to medical devices is also a key challenge for minority patient populations. Dr. Pegus posited that outreach and education on the efficacy of life-saving medical devices can both improve health outcomes and provide a financial windfall for companies in this space. To illustrate this point, she used the innovative transcatheter aortic valve replacement device as an example. The rate of implementation for this device, which provides a vital lifeline for inoperable patients who suffer from aortic stenosis, is skewed along racial lines much in the same way that admission to the heart failure center was skewed in the example above. When we consider that the collective societal value of this procedure is expected to be nearly \$50 billion over the next decade, the business case for improving access to this and other similar devices becomes quite clear.<sup>6</sup>

<sup>4</sup> "Healthcare Costs and U.S. Competitiveness," Council on Foreign Relations (March 2012).

<sup>5</sup> "The Toyota Health Care Story," Catalysis (November 2013).

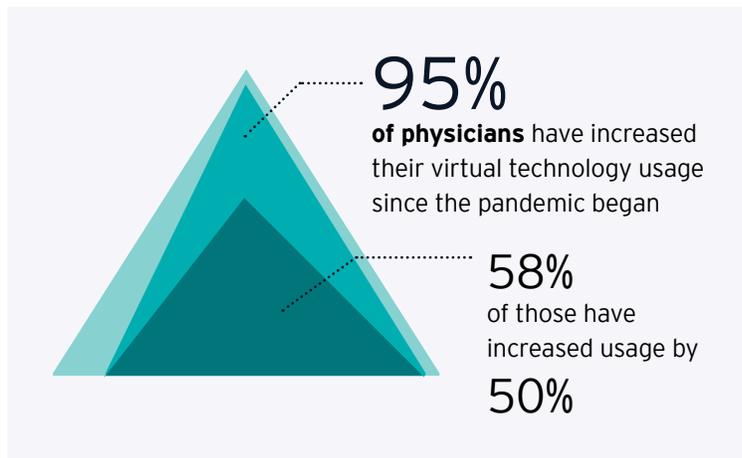
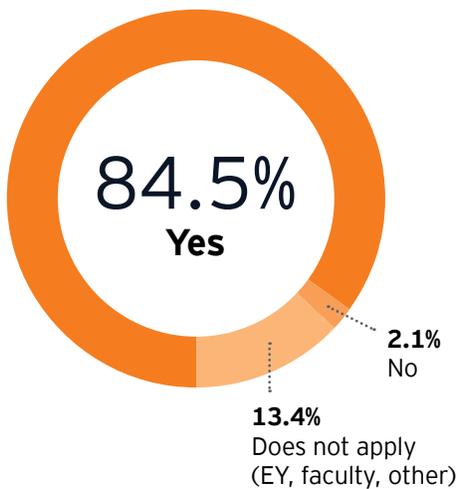
<sup>6</sup> "Economic Value of Transcatheter Valve Replacement for Inoperable Aortic Stenosis," American Journal of Managed Care (February 2020).

How else can organizations help change the equation? One clear solution lies in tech (including smartphones), which according to the group serves as a gateway to affordable health care for all. As stated by the Pew Research Center, the rate of smartphone ownership among Black and Latino communities is about 80%, which is similar to that of the overall population.<sup>7</sup> When we consider this in relation to the rapid growth of telehealth

during the COVID-19 pandemic,<sup>8</sup> the opportunity to lower the access point and enable earlier entry into the health care system for a significant number of patients is clearly undeniable. The affordability and privacy that smartphones provide make a compelling case to fast-track widespread smartphone use across the health care system. It is important for employers and providers to not only invest in these options, but also to view tech as an essential tool in their health equity toolkit. And as demonstrated by audience responses to our polling question on this topic, corporate buy-in for this notion is already beginning to take flight (see Figure 5).

Figure 5

Can technology be leveraged to help achieve health equity?



Source: EY survey data

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Large employers, large payers, large integrated delivery systems have a huge set of levers [...] where they can push and pull to help us really do more than proof of concept, but really move the needle when it comes to health equity.

**Adaeze Enekwechi, PhD, MPP**  
 President, IMPAQ LLC  
 Associate Professor, George Washington University School of Public Health

<sup>7</sup> "Mobile Fact Sheet," Pew Research Center (accessed on September 1, 2020).

<sup>8</sup> "HHS Issues New Report Highlighting Dramatic Trends in Medicare Beneficiary Telehealth Utilization amid COVID-19," U.S. Department of Health and Human Services (accessed on September 1, 2020).

# Using data and analytics to drive accountability

Another key theme in the health equity discussion is the leadership considerations within organizations and society at large. Early treatment lowers costs, and the webcast panel reiterated that a data and analytics approach is key. Organizations must utilize data to guide them on the health equity journey. By evaluating measurable outcomes by race, gender and similar factors, they can identify gaps and implement or support programs to close them. In today's landscape, where electronic medical records are used ubiquitously, there is an opportunity for efficient, data-driven analysis if systems are designed to do so.

Dr. Enekwechi closed by offering a call to action for boards and executives alike, stating that health equity is not merely a hiring-and-retention or diversity issue. She and the other public health experts on the panel urged business leaders to move the needle by rethinking their organizational missions and apportioning resources to analyze and act quickly on this vital issue. At its core, health equity is a matter of best positioning an organization to be lean and competitive – and now is the time to solicit sustainable corporate buy-in around the notion that health equity should be a paramount business concern across the working world.

## 5

### action items for leadership:

- 1 Implement strategic and operational governance that includes appropriate diversity representation and cultural awareness to achieve the health equity agenda
- 2 Designate a C-suite executive to lead your company's health equity efforts (e.g., selecting a health plan, developing health equity-related benchmarks and cost-saving solutions, aligning company resources, identifying external partners/collaborators) and socialize these principles among the board and C-suite
- 3 Expand your diversity and inclusion efforts beyond recruiting and retention to include a commitment to improving health equity awareness among your workforce
- 4 Begin by utilizing EHRs and other data collection tools to gather health and wellness data about your employees using measurable demographic metrics, including race, gender, ZIP code and other relevant social determinants of health
- 5 Evaluate this data to find optimization opportunities that improve your organization's profitability by developing chronic care management programs that eliminate waste and optimize care

# Related articles

“The exact relationship between economic prosperity and racial inclusion is varied and complex, but the two forces are likely to contribute to a virtuous circle: that inclusive regions are able to more effectively leverage their human capital to generate economic vibrancy, and this in turn creates greater opportunities for historically disadvantaged populations.”

**Amy Holloway**, EY US Economic Development Advisory Services National Director



The COVID-19 pandemic has exposed structural flaws in economic, political and social systems. It's also a chance to build greater equality of opportunity.

“The time is now to act to create a world that is equitable for all.”

**Julie Teigland**, EY EMEA Area Managing Partner and EY Global Leader - Women. Fast forward



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