How healthcare payers are uniquely positioned to address social determinants of health – 6 takeaways

Social determinants of health are the structural determinants and conditions in which people are born, grow, live, work and age. Without the right data and insights, however, it's difficult for payers to understand the social factors that affect population health and health inequities, such as housing and employment.

During a February roundtable discussion sponsored by IBM Watson Health, a panel of executives from healthcare payers shared how their organizations are using analytics and strategies to reduce disparities, lower costs and improve outcomes.

Six takeaways were:

1 **Nationwide, social factors contribute to poor health outcomes.** A meta-analysis of around 50 studies found that education, residential segregation, lack of social support and poverty account for over one-third of deaths in the United States each year. Social isolation affects disease and poor outcomes the worst. Care can cost up to four times more for socially isolated people than for those who are not. According to Dr. Irene Dankwa-Mullan, chief health equity officer and deputy chief health officer at IBM Watson Health, "An important question is how the choice of data and structure of algorithms and analytics can impact health disparities."

2 **Health plans are uniquely positioned to address SDoH through data.** Health payers have quick access to administrative claims and encounter data from providers. "The data available to health plans can be used to design plans that engage individual members and drive health equity programs forward. The goal is to resonate with members' lifestyles, attitudes and behaviors. As you bring in more data, you get a broader perspective about your populations, what they are doing, how to engage them and how to get them on the right healthcare journey," said Brandi Hodor, senior healthcare analytic adviser at IBM Watson Health. Psychographic information is also valuable, since it sheds light on how individuals make healthcare decisions.

3 **Payers also must act as a trusted convener and aggregator of member data.** "Healthcare is anchored in healing and wellness, so I think health plans have more inherent trust than the Amazons of the world that have a strict profit motive. But how we handle our members' data is key. How we keep data safe speaks to questions about data and AI ethics," noted the vice president of data and analytics strategy and partnership at a Pennsylvania-based health plan. Payers need formal processes for documenting how they use member data and why. Organizations must amplify that process when talking about maintaining or building trust.

4 **Community health worker benefits are a proven way to close health equity gaps.** Some payers are including community health worker benefits in their plans for commercial clients. "I think it's important for us as an insurer to play a role in population health consulting and to leverage our data to do deeper dives into the full spectrum of populations that companies employ. If a firm has employees facing food insecurity or trouble paying the rent, they can utilize related services that would be covered by the health plan," the senior director of sustainability for population health at a Minnesota-based payer said.

Other payers also view community health workers as central to successful social determinants of health initiatives on the social care network side of their business. The director of strategic partnerships at a Pennsylvania-based payer said, "Community health workers have been the secret sauce in building trust with patients. The messenger is incredibly important. A key component is making sure that community health workers are reflective of the reality of the people they're serving."

5 **Demonstrating the ROI of programs designed to reduce health inequity can be challenging.** Finance teams want to see reductions in the cost of care, which come from preventing inpatient and ER readmissions, as well as from improving clinical outcomes. The benefits of programs intended to reduce health inequity go beyond reduced costs, however. The director of community health at a New Jersey-based payer explained, "There are opportunities for improved quality of care, greater provider accountability and increased access to both medical and behavioral healthcare." As the director of strategic partnerships at a Pennsylvania payer said, "Many times, the ROI of these programs is diffused among the payer, provider, employer and government. We still have homework to do on the longer-term ROI and longitudinal outcomes."

6 **Closed-loop referrals and better data collection on race, ethnicity and language could enhance program evaluation.** As payers refer members to social services, they must gather data to see if individuals used that help and whether it was effective. Health plans must place a higher priority on the strategic importance of closed-loop referrals. Another strategic imperative for payers needs to be data collection related to race, ethnicity and language. "Having that information would be a slam dunk. We could segment data by race, look at outcomes and demonstrate an ROI," the vice president of data and analytics strategy and partnership at a Pennsylvania-based health plan said.

In recent years, employers have taken a keen interest in their employees. By using demographics to understand their populations, organizations gain insight into the types of services that their health plans need to offer. As Dr. Dankwa-Mullan observed, "We must align our ROI with the right SDoH health outcomes, and especially around achieving equity for racial and ethnic minority populations. Annual financial reporting can sometimes obscure the indirect or nonfinancial benefits that programs offer."

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