



The Role of Social Factors in Benefit Design

Improve outcomes by addressing social needs

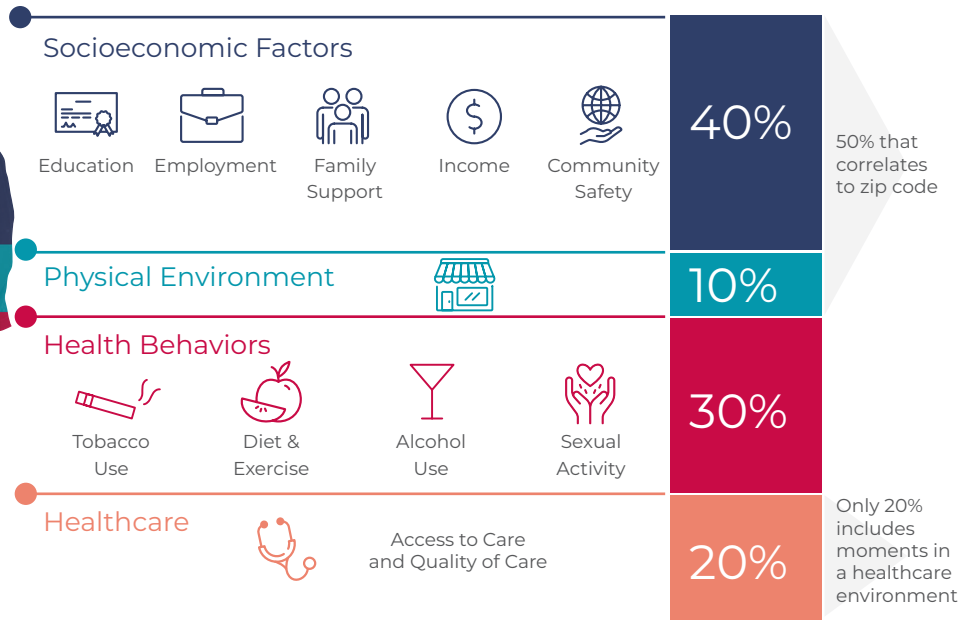
Studies estimate that social determinants of health (SDoH) — the conditions in which people live, learn, work, play, and age — can account for up to 80% of health outcomes,¹ which means that the majority of health care utilization and cost today is attributed to non-clinical causes. Social factors such as where a person lives, race or ethnicity, or level of education can make it more or less challenging for individuals to use their benefits and access the healthcare they need.

Employers and health plans are rising to the challenge by considering SDoH in employee benefits and health insurance coverage. Health benefits are often the second largest employer budget item after payroll, and designing for social factors ensures employers are

maximizing this investment. By recognizing and responding to the varied needs of individuals, we can move healthcare forward for everyone.

WHY IT MATTERS

- ▶ Employees with unmet needs are **2-3x as likely to miss 6+ days of work** and report lower productivity²
- ▶ Social determinants of health **directly account for 5% of health spending** and contribute to **38% of spending through direct and indirect means**³
- ▶ Offering **benefits that can be tailored to an employee's needs can increase retention** and reduce overall benefit spend.



Based on data from <http://www.countyhealthrankings.org>

What can you do? Seven ways you can address social determinants

1. Use data to identify unmet social needs.

Include internal data such as race, ethnicity, income, health conditions, out-of-pocket costs, HSA/401k participation. Supplement with community data based on zip codes as well as surveys and focus groups.

2. Engage individuals not eligible for medical insurance.

Add healthcare benefits, like virtual care or wellbeing programs, that prevent chronic disease and provide health advice before a concern becomes a crisis.

3. Reimburse providers for SDoH screenings.

Standardized assessments and improved data capture will identify people in need.

4. Include unmet social needs in plan sponsor reporting.

Use race, ethnicity, health conditions, out-of-pocket costs, network utilization, and public community data.

5. Incorporate unmet social needs when designing benefits.

Consider transportation, childcare, student loan repayment, supplemental insurance, legal aid, meal delivery, pest control, transportation, and copay waivers for chronic conditions.

6. Allow for flexible working arrangements.

Working remotely or with a flexible schedule supports employees addressing issues and attending appointments.

7. Follow-up on referrals.

Close the loop and ensure the person was able to successfully engage with community resources. Telling someone about a resource is not enough.

¹ <https://nam.edu/social-determinants-of-health-101-for-health-care-five-plus-five>

² <https://www.mckinsey.com/industries/healthcare/our-insights/income-alone-may-be-insufficient-how-employers-can-help-advance-health-equity-in-the-workplace>

³ <https://www.liebertpub.com/doi/10.1089/pop.2017.0199>