

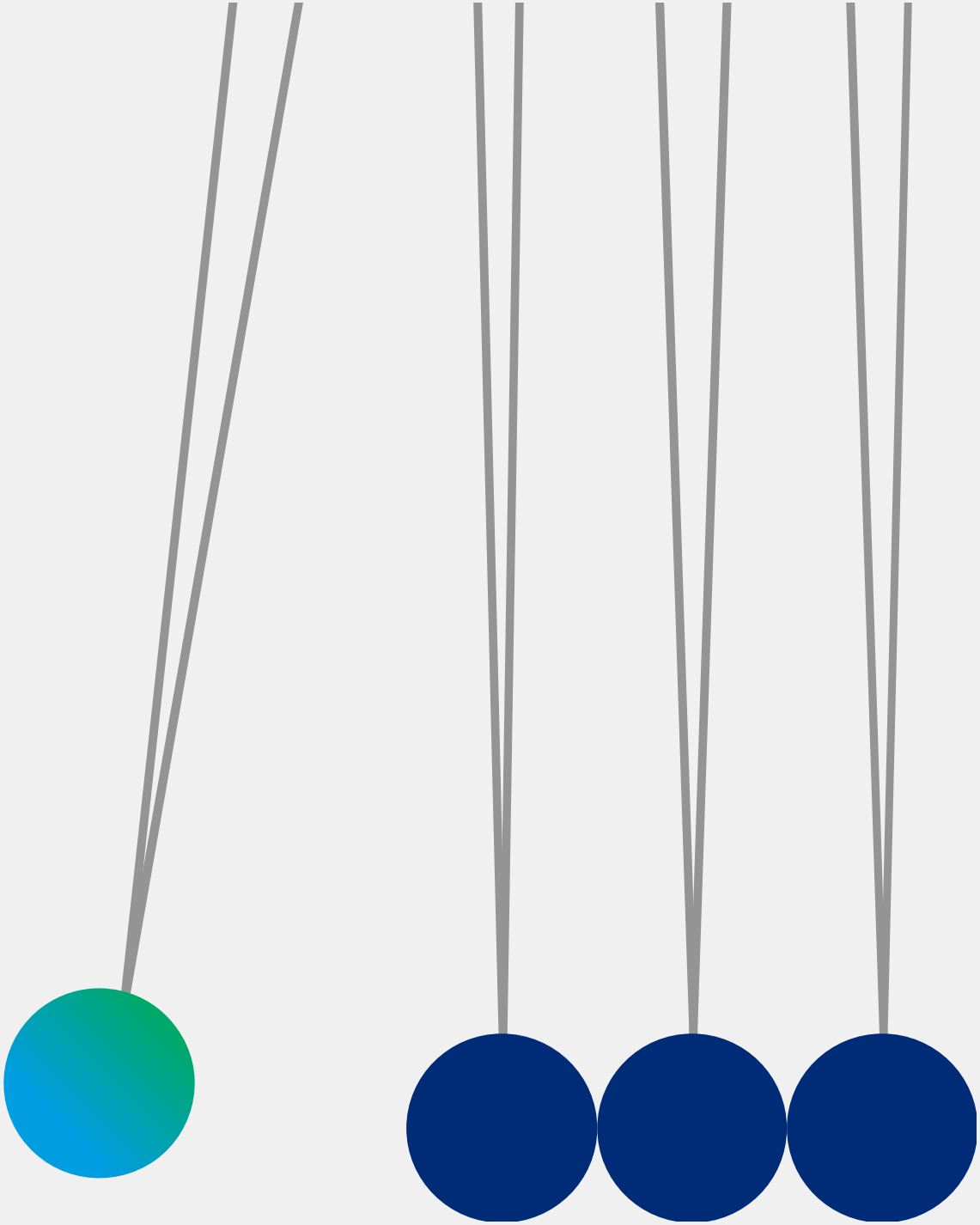
US Carrier Relations

# Carrier Diversity, Equity & Inclusion RFI Summary Briefing

January 2023



welcome to brighter



# Overview

At the request of Mercer clients and internal stakeholders, Mercer's US Carrier Relations Team conducted its third request for information (RFI) of Medical, Life, Absence and Disability (LAD) and Voluntary Benefits carriers regarding aspects of diversity, equity and inclusion (DEI), health disparities and social determinants of health (SDOH). Mercer continues to be one of the only brokers conducting this type of RFI and we appreciate the carriers for prioritizing and participating in this request.

Carriers were asked to tailor their answers towards commercial clients' needs. While the responses received often incorporated both commercial and government capabilities, the RFI highlights commercial opportunities when possible. With this in mind, responses from the RFI allow our consultants to assist our mutual clients in identifying health disparities and implementing programs and services for their employee population.

## Survey background and goals

Mercer and our clients truly benefited from last year's responses to what carriers are doing at their own company, with our clients and in the communities they serve. Together, we were better able to support the growing number of clients who see DEI as a business imperative and are looking to partner with carriers that have a similar vision. This year, our goal was to dive deeper into the "Client" component from last year's RFI by focusing on how coverage is defined, the member experience, and how coverage is analyzed.

## Briefing distribution

- Participating carriers will receive a summary briefing of benchmarking data from the RFI.
- The raw data and summary briefing will be shared across all Marsh McLennan business units to support solution development to assist our clients in making the best benefits decisions for their employees.
- Recurring RFI trends will be shared with industry leaders to help advance the market in topics pertaining to diversity, equity & inclusion.

### **RFI Participation**

**26 Medical Carriers**

**17 Life, Absence & Disability Carriers**

**14 Voluntary Benefit Carriers**

**Representing more than 85% of  
US Mercer placements**



# Recurring themes

Carriers continue to evolve and differentiate how they help clients address DEI issues. Consistent across the majority of RFI responses were the recurring themes below:

## Increased community presence and partnerships

Across the board, carriers are focusing more on establishing local relationships with community-based organizations. Carriers are leveraging these partnerships to connect individuals with the appropriate support to improve their health outcomes and guide members to necessary resources. Carriers are narrowing their focus to target local needs by region and race to ensure their efforts reach the right demographic.

## Significant investment in social determinants of health research

Carriers are dedicating time and monetary resources to outcomes-based research to better understand community health issues. Through their foundations, millions of dollars are going towards research and investments that advance firms owned by women, minorities, and individuals with disabilities. While not specified, the financial investments are likely driven by both government and commercial needs.

## Differentiated engagement

Carriers are distinguishing themselves by creatively engaging at the local level. This is a strength, as it brings diversity of ideas and strategies to our clients and ultimately to individuals who need it the most. While social determinants of health are traditionally associated with medical carriers, it's important to note that LAD carriers play a critical part in completing the DEI story. Efforts to improve health outcomes impact the "whole" individual and not just elements that fall under the medical purview.

## Leveraging data

Not only are carriers reviewing their benefit offerings and finding ways to engage locally, they are also leveraging data to identify, target, implement, review, and improve health disparities. Carriers that are leveraging data are pairing public data sources with claims data to gain insights into actionable health outcomes. With the help of technology firms and health analytics vendors, these carriers are better able to connect demographic data to individual clinical data to better target communal need.

## Enhancing internal DEI strategy

Not only are carriers thinking about DEI from a client's perspective, they continue to evolve their internal DEI strategy to better engage their employees. Compared to last year, more carriers are refreshing their approach to DEI and establishing formal commitments by integrating DEI into hiring practices, performance management, and colleague engagement. Carriers are also creating DEI leadership councils that include employees from across their organization to help drive corporate social responsibility programs. As they reflect on their strategy, carriers are instituting enterprise-wide initiatives focused on addressing systemic racism and health inequities that affect their employees.



# Engagement

## Medical

The top recurring medical engagement themes included:

### Enhancing virtual care offering

- Carriers are expanding their virtual care to cover dermatology, behavioral health, and chronic care management programs.

### Mobile health care

- Mobile health programs allow carriers to serve those who have transportation limitations or difficulties accessing traditional health care delivery models. These programs have shown to achieve positive patient outcomes and also demonstrate an impressive return on investment.

### Food insecurity programs

- Carriers are creating new channels to help reduce food insecurity. One popular program allows members to receive a preloaded debit card to use at participating grocery retailers. From food delivery, health coaching, and programs specifically targeting those with diabetes and hypertension - carriers are stepping outside of the box to help meet the physical needs of their members.

### Behavioral health provider networks

- Carriers are partnering with vendors to diversify their behavioral health provider network.

## Life, Absence and Disability

The top recurring LAD engagement themes included:

### Reducing the medical debt disparity gap

- For some, out-of-pocket expenses may exceed the financial allowance an individual has after medical insurance ends. In light of this, carriers are crafting Leave initiatives to address this issue that disproportionately impacts racial minorities and those in low-income communities.

### Benefits interconnectivity

- To increase the efficiency and effectiveness of claims administration, many LAD carriers are developing technology that allows their system to interface seamlessly with an employers' medical carrier, disease management program and/or EAP platform. This technology enhancement benefits both clients and their employees as it increases transparency and makes data sharing and claims resolution seamless to the employee.

## Voluntary Benefits

Voluntary Benefit carriers are taking steps to support diversity and inclusion initiatives in the following ways:

- Providing affordable access to legal services
- Increasing minority and LGBTQ+ representation in legal provider networks
- Creating marketing communications in multiple languages
- Developing internal diversity & inclusion advisory councils.

**85%**

of carriers are combating vaccination hesitancy by waiving member cost-sharing related to COVID-19 vaccinations

**79%**

of carriers are setting ESG targets and goals

**98%**

of carriers have a leader whose dedicated role is diversity and inclusion

**67%**

of carriers reviewed or are reviewing benefit plans for gender neutral and people first language

**37%**

of carriers are considering hospital ESG practices when forming their networks

**71%**

of carriers are publicly reporting on ESG commitments

**71%**

of carriers track COVID-19 prevalence by race, ethnicity and gender



To improve health equity among their employees and communities, businesses will need to invest in a multiyear effort and equip themselves with the right leadership, resources, and processes.<sup>1</sup>

<sup>1</sup> Shantanu Nundy, Lisa A Cooper, and Ellen Kelsay, *Employers Can Do More to Advance Health Equity*. Harvard Business Review. January–February 2023.



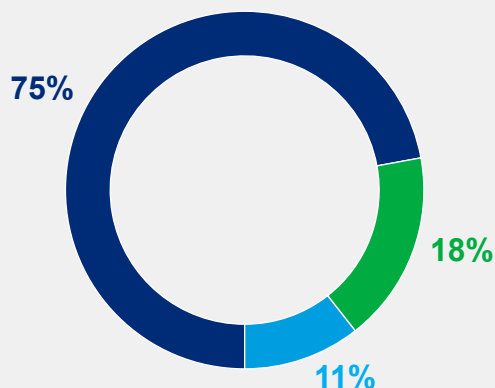
## Mercer’s 2022 “Inside Employees’ Minds” study asked the following question:<sup>2</sup>

How important is it to you that your employer clearly and strongly supports, through internal/external statements and tangible actions, any of the following?

### Diversity, equity and inclusion

(hiring, promoting and supporting a diverse workforce)

■ Important   ■ Neutral   ■ Not important



<sup>2</sup> Mercer’s 2022 Inside Employees’ Minds Study

# Benefit design

## Benefit design innovation

The one-size-fits-all approach to employee benefits no longer meets the needs of the American workforce. Clients are adjusting as employees desire benefits that meet their individual and familial needs. The summary below highlights the benefit design changes medical and LAD carriers are making or considering to be more inclusive and accommodate a changing workforce.

The RFI results indicated that in general, medical carriers are not using benefit design as their primary vehicle to address social determinants of health. However, for the medical carriers who are modifying their design they are focused on:

- Creating an income tier plan to reduce the cost of out-of-pocket expenses for high risk members
- Offering free or reduced glucose monitors and test strips
- Providing an optional travel and lodging benefit rider
- Creating a flexible allowance (via a prepaid debit card) that offers the ability to pay for other essentials such as utilities, rent, out-of-pocket dental, vision and hearing costs at participating providers

While there may be less innovation on the medical side, LAD carriers are exploring creative benefit options to help individuals historically impacted by financial hardships.

- A lifestyle spending account that an individual can use to reimburse themselves for expenses related to childcare, food, transportation, etc.
- A wellness benefit that covers all preventative screenings and tests to ensure any covered population has access to the necessary treatment or testing
- A dependent parent rider across critical illness, accident, and hospital indemnity. This benefit allows for dependent parents of employees and their spouses to receive benefits because of an accident, diagnosis of a critical illness, or in the event a dependent parent is hospitalized
- A medical travel and lodging reimbursement benefit
- A benefit that provides members with a personal advisor who helps individuals navigate the best course of treatment for their medical needs. This benefit is similar to “concierge medicine” but is offered to all employees at every level

# ESG

## Environment, Social, Government (ESG)

In [Marsh McLennan's 2021 ESG report](#), Martine Ferland, President & CEO of Mercer and Vice Chair, Marsh McLennan, stated, "Healthy societies start by promoting the health of the individuals within that society. That means providing beneficial environments for people to live and work, as well as access to affordable healthcare, jobs that provide financial security and inclusive spaces for everyone — all through sustainable means that protect people and the planet." Mercer looks forward to collaborating with carriers who promote sustainable environments and model behaviors that support social, environmental, and other public policy initiatives. Collectively we can help provide individuals with the resources that promote healthy communities.

Last year, ESG was a newer concept to some carriers. However, this year the RFI showed substantial awareness and improvement in the following areas:

- Setting ESG targets and goals (up 15 percentage points)
- Publicly reporting on ESG commitments (up 10 percentage points)
- Linking ESG expectations to executive compensation plans (up 8 percentage points)
- Evaluating reserve/capital investments through an ESG lens (up 9 percentage points)
- Carriers receiving accreditations for their ESG program (up 28 percentage points)

A new question added to the RFI asked medical carriers if they were considering hospital ESG practices when forming their network. Thirty-seven percent of medical carriers confirmed they were considering hospital ESG practices.

This year's ESG results truly reflect the carriers' commitment to creating a sustainable future and helping to build healthy societies.

## Which of the following ESG actions is your company currently taking?



### Setting ESG targets and goals



### Publicly reporting on ESG commitments

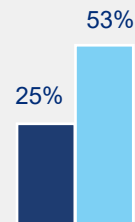


### Evaluating reserve/capital investments through an ESG lens



### Linking ESG expectations and metrics to executive incentive compensation plans

■ 2021 ■ 2022



Of the carriers surveyed received an accreditation or rating as it relates to their ESG program

37%

Of medical carriers surveyed are considering hospital ESG practices when forming their network

New question in 2022

# Looking Ahead

Below are notable metrics that show the forward momentum carriers are taking to provide the best experience for our mutual clients.

Year over year comparison	2021	2022
Carriers who have a leader whose dedicated role is diversity and inclusion	94%	98%
Carriers who provide navigation tools to help members access social services from community-based organizations	69%	87%
Carriers who have regular trainings for the member service teams to increase cultural competency and inclusion	84%	87%
Carriers would be able to provide client specific health disparity reporting if a client provided race and/or ethnicity data	68%	67%

**Recognizing  
change  
over  
time**



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*Mercer's US Carrier Relations team would like to thank each carrier that participated in this year's RFI. It is exciting to see how so many carriers have prioritized DEI – not just at a benefits level, but also within their own organization's culture. Collectively we can drive change and influence the market to improve health outcomes for our clients and their employees. Mercer looks forward to the continued partnership on this topic in the years to come.*





## About Mercer

Mercer believes in building brighter futures by redefining the world of work, reshaping retirement and investment outcomes, and unlocking real health and well-being. Mercer's approximately 25,000 employees are based in 43 countries and the firm operates in 130 countries. Mercer is a business of Marsh McLennan (NYSE: MMC), the world's leading professional services firm in the areas of risk, strategy and people, with 86,000 colleagues and annual revenue of over \$20 billion. Through its market-leading businesses including [Marsh](#), [Guy Carpenter](#) and [Oliver Wyman](#), Marsh McLennan helps clients navigate an increasingly dynamic and complex environment. For more information, visit [mercerc.com](https://www.mercer.com). Follow Mercer on [LinkedIn](#) and [Twitter](#).