

US Carrier Relations

2023 Carrier Diversity, Equity & Inclusion RFI Summary Briefing

In 2023, 60 insurance carriers representing Medical, Life, Accident and Disability (LAD), and Voluntary Benefits (VB) responded to Mercer's fourth annual request for information (RFI) regarding aspects of diversity, equity and inclusion (DEI), health disparities and social determinants of health (SDOH). Since its inception, Mercer continues to lead the industry by soliciting this type of information from insurance carriers. We appreciate participating carriers for their continued prioritization of this annual request.

Key Findings from This Edition:

- While carriers still find value in DEI and health equity efforts, there is a slight year over year decline in focus and investment.
- There is still wide variation among carriers in how they support clients and improve employees' health and financial outcomes. There are also variations between government and commercial investments and capabilities.
- Increasingly, carriers are collecting, analyzing, and leveraging data to promote health and financial equity.
- Result-based health equity strategies can certainly benefit individuals and also deliver positive financial impact for employers and carriers.
- Mercer consultants and specialty practices utilize carrier RFI responses to appropriately match a carrier's capabilities with the needs of their clients.

Overview

Mercer's research shows that while the topics of DEI, SDOH and health equity are still a priority among major carriers, this year's RFI results showed a slight decline as it pertains to focus and investment. However, collecting and leveraging employee data is a key area where many carriers have increased their attention. While there is great variation on the best ways to address health disparities across carrier and line of business, Mercer continues to use the RFI responses to partner with carriers that best match client needs.

Mercer's brokerage and sales teams use the DEI RFI data to determine which carriers might be a good fit for a certain employer. Our strategy is to "compare the employer's goals and objectives when it comes to their overall benefits as well as through the DEI lens and alignment of core values. Then, client teams identify certain carriers that would be a good fit for the RFP and further expand upon the carrier/vendor partners' capabilities, plan designs and rates as well as how all of that aligns with the DEI objectives of the employer".¹ This strategy allows Mercer to improve our current client relationships as well as strategize with prospective clients to stand apart from our competitors as a leader in this space. When brokers and carriers invest in health equity it not only benefits individuals but demonstrates fiscal responsibility and long-term business acumen.

"In our conversations with clients, we consistently hear about the necessity for carriers to actively collaborate with employers to address health inequities across race, ethnicity, persons with disabilities, veterans, families, LGBTQ+, gender, age/life stages and rural communities. This partnership is essential in improving health outcomes and ensuring that health benefits are inclusive and equitable for all employee populations. Such a collaborative approach is fundamental in crafting a healthcare environment that not only betters outcomes but also demonstrates a dedicated effort to comprehensively address health disparities." -Vikki Walton, Health Equity Leader MercerWELL

80%

As the labor market evolves and new employees enter the workforce, Mercer's latest "Inside Employees' Minds" study found that 80% of younger workers deem it important that their employer clearly and strongly support diversity, equity and inclusion.²

Carrier Equity Areas of Focus

Medical Carriers

- Cardiovascular Diseases
- Colorectal & Breast Cancer
- HIV
- Maternal Health
- Mental Health
- Sickle Cell

LAD Carriers

- Diversified Absence Strategies
- Financial Wellness
- Mental Health

VB Carriers

- Financial Wellness
- Legal Wellness
- Legacy Planning



A focus on data



Data emerged as a prominent and recurring theme in this year's RFI. Carriers highlighted their efforts and experience in collecting, utilizing, and leveraging data to improve member experience. It is important to note that carriers are on a spectrum in their abilities to collect data to identify disparities in health outcomes, analyze claims based on demographic groups, and employ innovative strategies so timely interventions can be made for their members.

Identification

Carriers are using data to identify health disparities through various strategies. One common approach involves overlaying Healthcare Effectiveness Data and Information Set (HEDIS) quality measures into their membership data, allowing carriers to measure and evaluate their performance on a wide range of markers. This enables carriers to identify where racial and ethnic disparities exist by market and line of business. They can then analyze disparity trends and conduct a segmented review based on demographic and socioeconomic characteristics such as gender, race/ethnicity, housing status, rural-urban residence, community health conditions, and geographic areas.

To further enhance their efforts, some carriers establish Health Equity Steering Groups comprised of experts who specialize in identifying disparities among their members and prioritizing measures for intervention. While demographic self-identification is low, these groups often launch virtual and in-person campaigns to encourage higher response rates of self-reported data. By gaining a comprehensive understanding of where disparities exist, these committees can develop targeted programs that cater to the specific needs of their diverse membership.

Analytics and Intervention

In addition to using HEDIS, carriers are actively leveraging social determinant of health indexes to identify gaps in outcomes for key clinical focus areas. This analysis plays a crucial role in determining targeted interventions that can effectively bridge these gaps. The insights gained from this analysis are then integrated into the carriers' population databases, enabling a comprehensive understanding of member and population health outcomes.

Addressing disparities is a top priority for many, but not all carriers, particularly in areas such as maternal and mental health, cancer screening, immunizations, behavioral health, affordability, and access. When disparities are identified, progressive carriers are taking action to increase provider education and develop a multi-channel communication plan to reach the desired population. Through such implementations, these carriers aim to reduce disparities in critical clinical areas.

Innovation

Carriers are utilizing data to improve their customer care experience and develop innovative approaches to better serve their members. By incorporating social determinants of health information into their care management systems, nurses gain a broad perspective of challenges members may face. This enables care teams to engage with members in a personalized manner and deliver tailored interactions.

Given the wide variation in how carriers collect, analyze and leverage data to promote health equity, Mercer consultants utilize the raw RFI data to best match clients with the appropriate carrier to meet their health equity needs. Mercer will continue to push the carrier community to close gaps and take actions that benefit our mutual clients and their employees.

67%

Carriers who analyze claims data by different demographic groups

1. Jessica DePhillips, Voluntary Benefits, Co-Chair Voluntary Benefits DEI Committee
2. Mercer 2022-2023 Inside Employees' Minds Survey

Bridging the gap

Wellness is not exclusively a health carrier issue. Progressive LAD and VB carriers are bridging the physical and financial gap to reduce wellness disparities as well.

The RFI results shed a distinguishing light on LAD carriers who have an expansive understanding of health and wellness compared to those who only see DEI through a narrow “health benefit only” lens. Looking only to medical carriers to rectify health and wellness disparities limits the potential impact carriers can have in solving this problem. LAD carriers can create meaningful impact in the areas of financial wellness (often birthed from high medical debt) and mental health (often a result of chronic physical conditions).

While some LAD carriers are deferring health equity to medical carriers, others are leaning into a broad wellness definition and supporting their members in a myriad of ways. These carriers understand the relationship between physical and financial health, and some innovation examples are noted below:

Financial Wellness:

- Tailoring engagement strategies to target a multi-generational workforce and identify possible health care disparities within a client’s workforce
- Partnering directly with funeral homes to pay fees and relieving the beneficiary of this stressor
- Providing financial wellness education

Mental Health:

- Expanding benefits to support mental health care
- Including group critical illness products with additional riders to support short term disability and hospital products related to mental health and substance abuse disorders
- Contracting with new and additional EAP vendors

Equity in Absence Benefits

Absence management remains a top challenge and priority for employers, regardless of size, location, and industry. As employers seek to demonstrate greater flexibility and creative solutions to time off benefits, carriers can support and create more equitable offerings that reflect the changing definitions of family, ability status, and return-to-work options. Also, employers are increasing resources to comply with state and local paid leave laws as they support employees through every stage of life. Mercer encourages carriers to understand how social determinants of health impact the future state of Absence benefits and how they will best support our client’s time off eco-system with administration, expertise, and technology.

Influence of AI



Carriers utilizing artificial intelligence (AI) and machine learning demonstrate a strong commitment to addressing bias, ensuring equity, and maintaining responsible AI practices. To mitigate potential bias, some carriers conduct mandatory equity audits of the results from machine learning algorithms. Some also establish a dedicated team responsible for a comprehensive governance program focused on the model’s equity. Overall, carriers note the prioritization of ethical and unbiased analytics and AI development.

Expanding Virtual Care

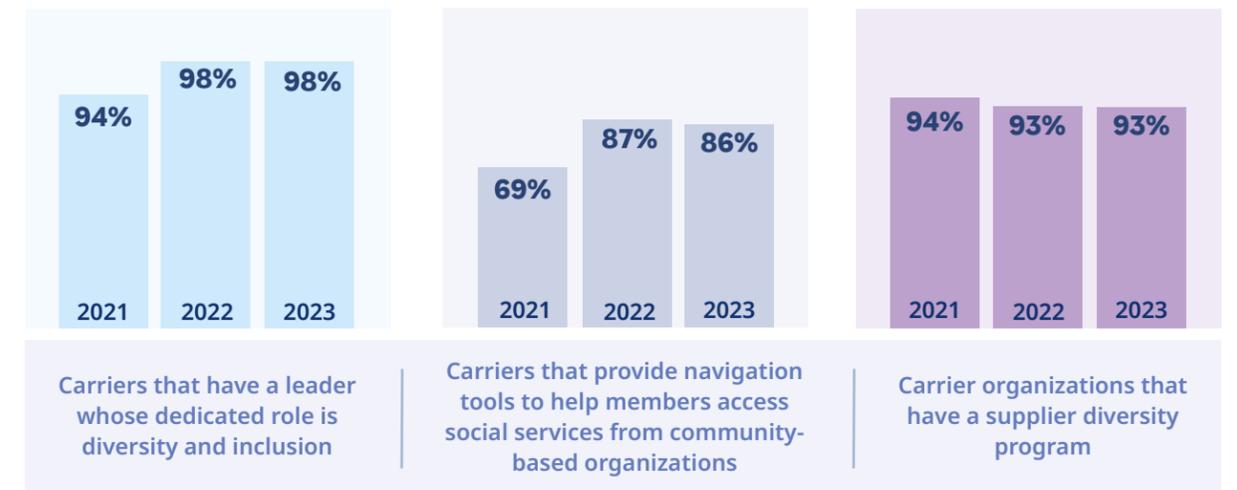


Medical carriers are increasingly expanding their virtual care options and more seamlessly integrating virtual care into their care management ecosystems. This year, more carriers reported partnering with vendors like Teladoc or MDLive to enhance their primary care services and provide navigational support to members. Additionally, carriers are introducing virtual access to dermatologists, musculoskeletal specialists, sleep specialists, as well as additional in-network behavioral health providers. To optimize virtual member care, carriers are leveraging technology and using AI to assist with data input and integration, enabling them to match members with the most appropriate interventions based on their risk factors, interests, and engagement preferences.

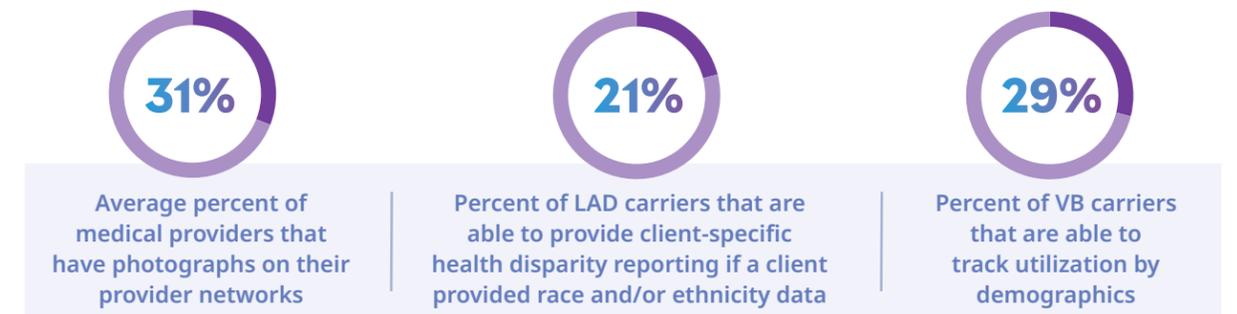
Diversity, equity and inclusion is not a vertical; instead a horizontal thread, interwoven into every aspect of the benefits tapestry.

Looking ahead

An original goal of this RFI was to acknowledge carriers’ progress in addressing health and wellness disparities over time. Items such as having a dedicated DEI leader, the use of z-codes and carriers having a supplier diversity program have remained consistently high among most carriers over the years. It is important to note that carriers who account for the majority of Mercer placements continue to report high involvement and investment in DEI. However, there are opportunities for all carriers, across business lines, to continue to help clients improve their employees’ overall wellbeing.



While carriers are making great strides in key areas, there are still opportunities to positively impact members’ health outcomes. Below are a few examples, across business lines, of actions that would benefit employers and their employees:



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Mercer’s US Carrier Relations team would like to thank each carrier that participated in the 2023 Carrier Diversity, Equity and Inclusion 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.