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Wellness Trend Report:
Health Equity in the Workplace

Prepared by the Lawley Corporate Wellness Team

Defining Health Equity in the Workplace

In recent years, health equity has become an increasingly important point of discussion especially in relation to the workplace. According to the CDC, "Health equity is the state in which every individual regardless of race, gender or socioeconomic status, has a fair and just opportunity to achieve their highest level of health and wellbeing". This concept is equally relevant in the workplace, meaning that all employees should be provided with access to a fair and just opportunity in order to achieve an optimal state of wellbeing.

Achieving health equity at work goes far beyond offering employer-sponsored health plans and other benefits. It involves addressing systemic barriers, fostering an inclusive and supportive environment and implementing policies that cater to the diverse needs of the workforce. As the business landscape continue to evolve, prioritizing health equity not only helps to reduce disparities, but also enhances employee engagement, productivity and overall organizational success.

Barriers to Achieving Health Equity

Several factors impact the ability to improve global health equity rates, many of which extend beyond the workplace. While organizations can and certainly should take steps to address these obstacles, an individual's ability to achieve optimal health outcomes is heavily influenced by socioeconomic factors, also known as, social determinants of health. These factors include access to education, employment opportunities, safe environments, affordable housing, nutritious food, and quality care – all of which can affect a person's overall wellbeing.

In addition to these external factors, individuals are faced with other barriers in the form of healthy

behavior decisions and the undesirable impacts of their workplace. A few workplace examples at the employee-level would be, unsafe work conditions, inadequate pay to meet basic human needs, no or limited healthcare benefits and unjust discrimination or bias practices.

Often overlooked are the organizational or employer-level barriers that tend to impede an employee's ability to achieve equitable health outcomes. As a result, health equity initiatives are commonly viewed as low strategic priorities, resulting in low funding and support for such initiatives. With limited resources comes the limited ability to adequately assess the current state of health equity and measure outcomes. Additionally, there is sometimes a lack of awareness about what health equity is or how staff may be experiencing these issues both inside and outside the workplace.

The Impact of Health Inequities

Why should organizations dedicate resources to improving health equity outcomes? Simply put, it's good for business. Health inequities incur both direct and indirect costs for employers, impacting productivity, morale and overall performance rates. When employees are unable to overcome the effects of health disparities, their physical and mental wellbeing suffers, leading to increased absenteeism, presenteeism and higher healthcare costs. Similarly, toxic work environments that foster discrimination contribute to negative health outcomes, reduced performance and higher turnover. Employees who feel targeted because of their appearance or inherent traits, experience lower morale, which can drive them to leave the organization, costing businesses both time and money.

A healthier, happier workforce not only reduces these costs, but also boosts productivity and profitability. The

financial impact of health inequities is substantial and will continue to increase if little or no action is taken. A recent study revealed that 42% of Black employees, 26% of Asian employees and 21% of Hispanic employees reported experiencing unfair treatment at work. Research further indicated that employees who face discrimination at work are 54% more likely to develop high blood pressure compared to those who do not. High Blood pressure-related claims, cost U.S. employers an average of $1,920 per employee annually, leading to an estimated $52 billion in lost productivity.

Additionally, absenteeism is a significant burden, costing employers upwards of $3,600 annually per hourly employee and $2,650 annually per salaried employee. On average, poor mental health costs employers $340 per day for each full-time. When an employee quits, businesses face costs of at least 50 to 60 percent of an employee's annual salary to fill their role.

Employer Strategies in Advancing Health Equity

Employers often hesitate to prioritize initiatives related to diversity and health equity, not out of failure to recognize their value, but rather because of concerns about making mistakes or the overwhelming uncertainty of where to begin. This hesitation, highlights the need to understand why businesses play a crucial role in advancing health equity, rather than viewing it solely as a responsibility of the legal or healthcare systems. While the starting point of organizations may differ, most employers have the capability to make a meaningful impact. Investing in diversity and health equity not only enhances employee wellbeing, but also delivers measurable benefits to the organization's bottom line.

A foundational starting point, is to evaluate the rate of diversity within the organization, especially within leadership. Ensuring leadership is equitably composed

of people from diverse backgrounds that adequately represents both the larger workforce and community, demonstrates that employers value the perspectives and unique identities of employees from groups that have been historically marginalized. A leadership group that is representative of the surrounding community, also helps to guide where dollars are invested in local social needs to ensure equitable outcomes. When the workforce is witness, there is a boost in overall emotional and mental wellbeing which reduces rates of chronic stress and in turn improves physical wellbeing.

After reviewing diversity rates, employers may need to instill equitable hiring practices in order to achieve the goal of a workforce that adequately represents the surrounding community. To achieve ideal outcomes, it can be beneficial to thoughtfully create hiring campaigns catered to populations and communities of those who are underrepresented. Unfortunately, unconscious bias or implicit bias often undermines the fairness of hiring decisions. To combat this, keeping candidates anonymous during the hiring process is a commonly practiced solution as it keeps the candidate pool inclusive and equitable.

> ## "A healthy workforce is the foundation for thriving organizations and healthier communities."
>
> – Surgeon General Dr. Vivek Murthy

Although it may seem obvious, the importance of providing an equitable and fair living wage should not be overlooked. Pay inequities happen at all levels of the workforce, often focusing on current earnings. These gaps can widen over time through retirement contributions and merit increases, impeding future earning potential. An equitable pay should be determined based on similar work-related responsibilities and experience, rather than previous earnings or an individual's negotiating skills. While a living wage can be defined as, the amount an individual employee must earn to sufficiently cover the cost of basic living expenses while still being self-sufficient. Both are vital in achieving employee wellbeing.

Contributing to equitable compensation, is an equitable performance evaluation of the workforce at all levels including employees, managers and leadership. Performance is typically measured by an individual's contributions to the business. Once all employees are evaluated through a standardized approach, leaders can begin to ensure evaluations are consistent and achieve the desired outcome to reward performance fairly and equitably. This ensures certain populations aren't unfairly evaluated.

An individual's financial wellbeing status directly correlates to the level of stress and worry they are likely to experience. Studies have shown that those who considered themselves to be financially stable, rated the quality of their life to be more positive than those who did not have enough money to meet their needs as well as desires. Low levels of financial wellbeing also leads to poorer health outcomes as people's ability to engage in health enhancing behaviors is limited. These behaviors include paying for health insurance costs, including premiums and copays, purchasing medications and buying healthy foods. Poorer health outcomes have a significant financial impact on employers.

To overcome financial illiteracy, employers need to do more than simply offer retirement and savings education. While programs focused on long-term

financial well-being goals can help prepare employees for future financial health, they do not address the immediate needs faced by those under financial stress. It is essential for employers offer emergency support resources that foster economic empowerment across the entire workforce.

Employee assistance programs (EAP)are a great way to address these immediate needs. Such programs ensure employee confidentiality and have been a source of crisis intervention for many decades. There are multiple EAP models, however, many have capabilities beyond mental health services. Common available services include but are not limited to, legal, financial and nutritional.

Beyond a traditional EAP, employer-sponsored health insurance is key to achieving equity for employees extending far beyond health. Due skyrocketing rates and medical costs, health insurance has become increasingly unaffordable for some employees. Health care costs have outpaced salaries leaving people underinsured. Underinsured can be defined as, "when an individual is spending more than 10% of their income on health care, outside of the amount they are putting towards monthly premiums, more than 5% for those who earn wages categorized as "low income", or having a deductible exceeding more than 5% of their income". Adults who are underinsured are more likely to lack consistent care compared to those who are adequately insured.

Additionally, they are likely to skip necessary prescriptions, routine care appointments, diagnostic and therapeutic services as a way to ensure available finances can be spent other living-related expenses, they view to be higher priority. As a result, underinsured individuals have poorer health outcomes and higher mortality rates. Employers should prioritize the importance of understanding the socioeconomic realities of their employees to ensure the health care coverage offered can affordably address health needs of the total population.

Paid family and medical leave policies are essential components of a comprehensive benefits package. As people spend close to half of their lives at work, it makes sense to offer paid time off for personal recovery and caregiving. Robust policies not only support wellbeing, but also provide a competitive edge, helping to attract and retain top talent cultivating a healthier and happier workforce.

Both the healthcare system and benefits packages tend be complex, making it difficult for employees to understand what is available to them and how to best take an appropriate action when needed. Studies have shown that limited health insurance literacy reduces utilization of both preventative and non-preventative care services, resulting in poorer health outcomes

To help tackle the issue of health and benefits illiteracy, employers must first understand the extent of the issue. A best practice is to begin with the basics, rather than assuming employees understand commonly used healthcare and benefits terms. Implementing a health literacy program can boost appreciation for the benefits provided by employers, due to an increase in employee understanding.

As organizations strive to address long-standing disparities, policy and organizational changes are often necessary to achieve success. Leaders should begin by reviewing current polices and if not already included, adopt anti-racism principles. These principles, are key in achieving equity while aligning with the organization's mission and values. Anti-racist principles should be designed to foster the equitable distribution of resources, access, and opportunity to support employee health and wellbeing.

While leaders have the power to drive change, it is crucial to include employees in the decision-making process. A workforce comprised of actively engaged employees cultivates a healthy and safe workplace where they feel free to express their unique ideas, perspectives and concerns without fear.

A few strategies to create a culture of inclusivity include prioritizing active listening, ensuring transparency,

recognizing and rewarding participation, collaborating with outside vendors to gather anonymous feedback and providing updates on actions taken in response to the feedback received.

When selecting outside vendors, employers should selectively partner with businesses who are actively committed to advancing equity. Although the total list vendors departments work with may not be on leadership's radar, routinely reviewing contracts can help to ensure more equitable outcomes. Employers do have the leverage to change market practices through their partnership expectations.

There is no 'perfect' time to offer a diversity, equity and inclusion (DEI) training for employees. While some may believe it's best to wait until policies are refined or gaps are addressed, the reality is, the sooner the better. DEI training can include a wide variety of activities, but the key is to ensure that the workforce gains a strong understanding of related concepts, cultural awareness and the skills to navigate difficult dynamics. Effective trainings can significantly reduce or eliminate stress and anxiety caused by racism, discrimination, bias and microaggressions, leading to a healthier and more positive workplace.

> **"The essence of global health equity is the idea that something so precious as health might be viewed as a right."**
>
> – Paul Farmer

Implementing Workplace Wellness Programs to Promote Equity

Today, most workplaces, both large and small, offer wellness programs dedicated to improving employee health and reducing overall health care costs for employers. While these programs can be a win-win for employers and employees alike, if not thoughtfully designed, they may inadvertently exacerbate health disparities and exclude certain groups.

To successfully achieve health equity, wellness programs should include the following key components:

- **Leadership Commitment:** Prior to launching a program, it is crucial to ensure leadership backing. Without visible support, engagement tends to remain low and can limit program effectiveness. Leaders should model healthy behaviors, emphasize the importance of participation and prioritizing health.

- **Inclusive Access:** All employees should have an equal and fair chance to participate. This includes individuals of all abilities, work schedules and income levels. Program initiatives should be designed to be inclusive and accessible to all and should not exclude any individual or group of people. Program communications should also be distributed in a way that is representative of the workforce. As not all have the same access to technology, ensure communications are made accessible to all. Additionally, materials should be readily available in languages aside from English, based on the needs of your workforce, to ensure clear understanding. Offering no-cost wellness initiatives are also a key way to ensure program accessibility.

- **Employee Feedback:** When employees feel their voice matters in the implementation of any new program or policy, adherence rates typically increase, ultimately leading to better outcomes. As the needs of both individuals and the workplace are ever changing, regular check-ins offer the opportunity for feedback, keeping programs relevant.

- **Supportive Environment:** Support can be provided in a number of ways. For starters, the "wellness champions" of the program should be approachable and willing to assist fellow employees who may experience difficulty in participating. Similarly, those dealing with chronic conditions may require additional resources to overcome specific health-related needs. The work environment itself should also reflect the notion that wellness is a priority. A few examples include, flexible work schedules, ergonomic desk assessments or simply encouraging lunchtime walks.

Measure and Monitoring Progress Toward Health Equity

The work required to reduce gaps and achieve health equity is no easy feat. In fact, this is a long-term process that may take several years to recognize any success. As a result, the impact of all efforts requires continuous monitoring and evaluation to ensure positive outcomes.

Prior to goal setting and program implementation, it is most crucial to for organizations to first assess their current status. Once there is an understanding, the steps needed to work toward health equity can be rolled out thoughtfully using a systematic approach.

Next, employers should identify what it is they are trying to achieve. This will help with setting SMART goals. These are realistic yet specific attainable goals to be measured. Using a series of measures is helpful to align data outcomes with the stages of implementation.

Process metrics provide data and insights to evaluate the effectiveness of business processed and alignment with organizational goals. While outcomes metrics provide specific data to assess to which degree expected outcomes have been achieved. Examples of expected outcomes include, behavior changes, attitudes and knowledge. According to the American Heart Association, there are five process metrics and five outcomes metrics that serve as a great starting point in measuring health equity within an organization.

Moving Toward a Future of Health Equity

Although there may be hesitation around addressing culturally sensitive topics, employers must take the lead in advancing health equity. Health equity benefits both employees and employers as equitable outcomes are linked to healthier, more productive employees, resulting in a reduction of healthcare costs for employers and higher profitability rates

Process Metrics Include:

- Percentage of strategic goals related to driving health equity
- Percentage of workforce enrolled in an employer-sponsored health plan
- Percentage of leaders with health equity measures attached to their performance
- Percentage of paycheck paid to health benefits
  - Payroll and living wage data

Outcomes Metrics Include:

- Employee perception of health and wellbeing
- Employee sentiment on diversity, equity, inclusion and belonging
  - Promotion and pay parity data
- Employee feedback on satisfaction with health benefits
  - Health benefit utilization

Collecting data from all ten of the above metrics provides a comprehensive review that can be used to continually monitor the process of achieving health equity.

While the goal of achieving health equity is commonly shared, the starting point may vary for employers given the unique perspectives and needs of their workforce. What should remain consistent is the dedication to inclusion, leadership and accountability. With the growing awareness of systemic inequities, there is an increasing demand to improve the social justice. Organizations have the unique ability to support this mission by advancing the health equity of their employees, families and surrounding communities.

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