



# *Pursuing* Equity in Healthcare

Historically marginalized populations faced significantly higher rates of infection, hospitalization and mortality<sup>1</sup> during the COVID-19 pandemic. These statistics not only highlighted long-standing disparities in healthcare, but also drew greater attention to – and investment in – equity in healthcare.

## Highlighting Inequalities in Healthcare

Achieving health equity means reducing barriers to access, especially for people with disabilities and historically marginalized communities. For example, several studies tie systemic racism to disparities in healthcare and inadequate social support systems that further contribute to poor health.<sup>3</sup> The pandemic revealed that not all have equal access to healthcare, innovation and education. The CDC has found that hospitalizations, death rates and access to care fell unequally along racial and ethnic lines,<sup>4</sup> in particular:

- Hispanic patients were more than 2.5 times more likely to test positive for COVID-19, and Black and Asian patients were nearly twice as likely to test positive compared with white patients. Black and Hispanic patients accounted for a larger share of COVID-19-related hospitalizations (48.6%) compared with white patients (38.8%).<sup>5</sup>
- Indigenous Americans died at the highest rate (as a share of their population), followed by Pacific Islanders and Black Americans.<sup>6</sup>

Outside of race and ethnicity, economic inequalities left the poorest communities overwhelmed by COVID. Many of these communities already lacked access to quality healthcare services but were made to bear more of a health burden as the pandemic’s repercussions widened inequality.

### *What Is Health Equity?*

The Centers for Disease Control and Prevention (CDC) defines health equity as “the state in which everyone has a fair and just opportunity to attain their highest level of health.”<sup>2</sup> The CDC considers any disparities in this a result of the disadvantages owing to “social or economic status, geographic location, and environment.”

## The Role of Climate Change

Climate change has encouraged new migration, which has its own consequences for equity in healthcare as populations move in response to the effects of climate-related events. Immigrant communities often face xenophobia, discrimination and poor housing and working conditions, factors that contribute to inadequate access to health services. The chilling effects of the Public Charge Rule<sup>7</sup> from 2020 have many immigrant families nervous to access safety net programs such as Medicaid out of fear that it would impact their visa status. In fact, immigrant populations are less likely to have health insurance and use healthcare; those who do often receive a lower quality of care than U.S.-born populations.<sup>8</sup>

Many disadvantaged communities face direct threats to their health as a result of environmental factors:

- Living in areas vulnerable to climate change.
- Inhaling and ingesting higher doses of pollution, compounding issues like asthma.
- Working to understand and engage in the local language.
- Recovering poorly from a disaster, owing to a limited ability to relocate or rebuild.

## Challenges for Incorporating ESG

Limiting access to affordable, high-quality care for underserved populations can have a substantial impact on both health outcomes and spending. Besides lower life expectancies, higher instances of certain diseases and a poorer quality of life, health inequities account for approximately \$320 billion in annual healthcare spending in the U.S. and roughly \$42 billion in lost productivity per year,<sup>9</sup> not including additional economic losses due to premature deaths.

According to a 2022 World Economic Forum (WEF) report, health equity is a priority for many companies. A number are finding financial or business motivations for supporting health equity by, for example, providing a healthier, more productive workforce. The report argues that businesses should invest in and design goods or services that help eliminate health inequities, “not only because their consumers will demand offerings that eliminate inequities but also because the livelihood and sustainability of their business’s revenue depends on a steady stream of healthy consumers and workers.”<sup>10</sup>

The report cites a majority of businesses agree that an environmental, social and governance (ESG) strategy is effective to advance health equity, although significant barriers exist, including a lack of standardized measurement and a clear business case.<sup>11</sup> Further, to achieve health equity as an outcome, all businesses, not just those in the healthcare and life sciences industries, must take action. Nor is it the sole responsibility of government to advance health equity. The private sector has the resources and reach to make an impact by prioritizing health equity and sustainability. This could be done, for example, by providing a livable wage, health insurance and other benefits to ensure employees’ access to the social determinants of health.

Many business leaders are increasingly focused on ESG management, measurement and reporting, according to the WEF report. Since some ESG issues have a direct

relationship to health equity, better management, action, investment and performance on ESG-related issues could drive health equity as an outcome. “Embedding health equity measurement and reporting standards in ESG frameworks can create a shared approach for business leaders to assess, measure and activate health equity.”<sup>12</sup>

There is also a role for ESG investors, including supporting organizations working specifically on health equity, advocating for government policy efforts and pushing for private organizations to incorporate health equity measurement and reporting standards into ESG frameworks. In addition, they can invest in companies that support health equity.

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## How to Support Health Equity in the Future

There have been increased efforts to support equity in healthcare in the aftermath of the pandemic, with new health policy initiatives developed to address disparities in healthcare. For example, the Global Health Equity Network was established with the mandate “to shape a healthier and more inclusive world through mobilizing executive leadership and commitment across sectors and geographies to prioritize health equity action in organizational strategy and purpose.”<sup>13</sup>

Other initiatives to address health equity include those of medical technology association AdvaMed, which issued a set of principles to guide the industry and individual companies in promoting equitable healthcare.<sup>14</sup> On the public side, many promote value-based payment models as a way to address and fund social healthcare needs. More direct avenues include supporting organizations such as the Health Equity Initiative, a nonprofit organization dedicated to building a global community that engages across sectors and disciplines to advance health equity.<sup>15</sup> Similarly, the National Collaborative for Health Equity aims to equip historically marginalized and excluded communities with the tools to improve the conditions that shape their health.<sup>16</sup>

- <sup>1</sup> Van Beusekom, M. "Income Inequality Tied to More COVID-19 Cases, Deaths." University of Minnesota, May 4, 2021.
- <sup>2</sup> "What Is Health Equity?" Centers for Disease Control & Prevention. <https://www.cdc.gov/healthequity/whatis/index.html#:~:text=Health%20equity%20is%20the%20state,health%20and%20health%20care%3B%20and>.
- <sup>3</sup> Bailey, D., et al. "Structural Racism and Health Inequities in the USA: Evidence and Interventions." Science Direct, April 2017.
- <sup>4</sup> What Is Health Equity? CDC.
- <sup>5</sup> Rubin-Miller, L., et al. "COVID-19 Racial Disparities in Testing, Infection, Hospitalization, and Death: Analysis of Epic Patient Data." September 20, 2020. <https://www.kff.org/coronavirus-covid-19/issue-brief/covid-19-racial-disparities-testing-infection-hospitalization-death-analysis-epic-patient-data/>.
- <sup>6</sup> Gawthrop, E. "The Color of Coronavirus: COVID-19 Deaths by Race and Ethnicity in the U.S." APM Research Labs, March 21, 2023. <https://www.apmresearchlab.org/covid/deaths-by-race>.
- <sup>7</sup> According to Immigration Help.org, a public charge is anyone who would become dependent on the U.S. government after gaining immigrant status. In 2019, the Trump administration proposed a new Public Charge Rule, which began in 2020, and made it tougher for immigrants to get permanent resident status.
- <sup>8</sup> "Immigration, Healthcare and Health." Robert Wood Johnson Foundation, September 12, 2017. <https://www.rwjf.org/en/insights/our-research/2017/09/immigration-status-and-health.html>.
- <sup>9</sup> Davis, A., et al. "U.S. Health Care Can't Afford Health Inequities." Deloitte Insights, June 22, 2022. <https://www2.deloitte.com/us/en/insights/industry/health-care/economic-cost-of-health-disparities.html>.
- <sup>10</sup> "Investing in Health Equity: Why Strong ESG Strategies Help Build a Healthier, More Inclusive World." World Economic Forum, April 2022. [https://www3.weforum.org/docs/WEF\\_Investing\\_in\\_Health\\_Equity\\_2022.pdf](https://www3.weforum.org/docs/WEF_Investing_in_Health_Equity_2022.pdf).
- <sup>11</sup> Investing in Health Equity.
- <sup>12</sup> Investing in Health Equity.
- <sup>13</sup> "Shaping a More Equitable World for Health and Wellbeing." World Economic Forum. <https://initiatives.weforum.org/global-health-equity-network/home>.
- <sup>14</sup> <https://www.advamed.org/health-equity/>.
- <sup>15</sup> <https://www.healthequityinitiative.org/>.
- <sup>16</sup> <https://www.nationalcollaborative.org/>.

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