SOCIETY OF ACTUARIES

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HEALTH DISPARITIES AND INEQUALITIES IN THE UNITED STATES: A ROLE AND OPPORTUNITY FOR ACTUARIES

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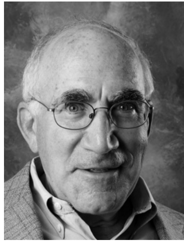

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On Jan. 14, 2011 the Centers for Disease Control and Prevention (CDC) published a report titled "CDC Health Disparities and Inequalities Report — United States, 2011." The Foreword of the Report starts as follows:

> Since 1946, CDC has monitored and responded to challenges in the nation's health, with particular focus on reducing gaps between the least and most vulnerable U.S. residents in illness, injury, risk behaviors, use of preventive health services, exposure to environmental hazards, and premature death. We continue that commitment to socioeconomic justice and shared responsibility with the release of *CDC Health Disparities and Inequalities in the United States – 2011*, the first in a periodic series of reports examining disparities in selected social and health indicators.

Actuaries will probably react that the Report's findings are generally expected and consistent with what we have learned from our training and observed from our daily activities.

The purpose of this article is to briefly outline the findings of the CDC and to "throw down the gauntlet" to the actuarial profession. If the actuarial profession believes in serving the public as stated in Precept 1 of the Actuarial Code of Conduct and to be advocates in the public interest, we now have an ideal situation to fulfill these objectives by demonstrating our knowledge and creativity to find ways to break many of the repetitive problems the CDC has identified.

CDC'S REPORT

The CDC's Report is more than 100 pages (including many tables). Its key findings are as follows:

- The correlation between poor health and health inequality at the state level holds at all levels of income.
- Racial/ethnic minority groups, who are more likely to live in urban counties, continue to experience a disparately larger impact from air pollution-related disparities associated with fine particulates and ozone.
- Infants born to black women are 1.5 to three times more likely to die than infants born to women of other races/ethnicities.
- Men of all race/ethnicities are two to three times more likely to die in motor vehicle crashes than are women, and death rates are twice as high among American Indians/Alaska Natives (AIs/ANs).
- Men of all ages and race/ethnicities are approximately four times more likely to die by suicide than females. AIs/ANs share the highest rates with Non-Hispanic whites who in contrast account for nearly five of six suicides. The suicide rate among AIs/ANs and non-Hispanic whites is more than twice that of blacks, Asian Pacific Islanders and Hispanics.
- Rates of drug-induced deaths increased between 2003 and 2007 among men and women of all race/ethnicities, with the exception of Hispanics, and rates are highest among non-Hispanic whites. Prescription drug abuse now kills more persons than illicit drugs, a reversal of the situation 15–20 years ago.
- Men are much more likely to die from coronary heart disease, and black men and women are much more likely to die of heart disease and stroke than their white counterparts.
- Rates of preventable hospitalizations increase as incomes decrease.

- Racial/ethnic minorities, with the exception of Asians/Pacific Islanders, experience disproportionately higher rates of new human immu¬nodeficiency virus diagnoses than whites, as do men who have sex with men (MSM).
- Hypertension is by far most prevalent among non-Hispanic blacks (42% v. 28.8% among whites), while levels of control are lowest for Mexican Americans. Uninsured persons are only about half as likely to have hypertension under control than those with insurance, regardless of type.
- While rates of adolescent pregnancy and childbirth have been falling or holding steady for all racial/ethnic minorities in all age groups, Hispanics and non-Hispanic blacks are three and 2.5 times those of whites, respectively.
- The prevalence of binge drinking is higher in groups with higher incomes and higher educational levels, although people who binge drink and have lower incomes and less educational attainment levels binge drink more frequently and, when they do binge drink, drink more heavily. American Indian/Native Americans report more binge drinking episodes per month and higher alcohol consumption per episode than other groups.
- Smoking rates decline significantly with increasing income and educational attainment.

Based on its findings, the CDC concluded that while the United States "… has made substantial progress in improving residents' health and reducing health disparities" there are "… ongoing racial/ethnic, economic, and other social disparities in health [which] are both unacceptable and correctable." Herein lays the challenge and opportunity for the actuarial profession: how can actuaries contribute their expertise to finding ways to help correct some of the problems identified by the CDC?

NEXT STEPS

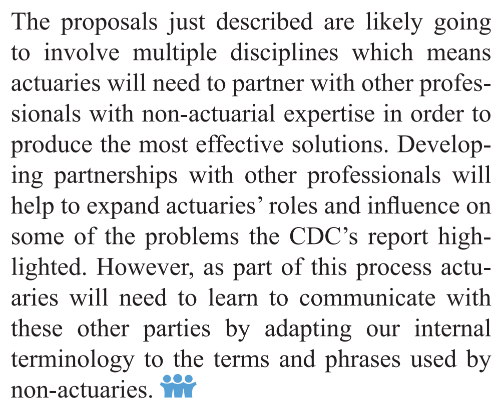
Any actuary who has an interest in using his or her talents to help address the problems described by the CDC should start by reading the report. The Report can be obtained at *http://www.cdc.gov/mmwr/pdf/other/su6001.pdf*.

The next step might be for actuaries to have discussions within the profession about the problems discussed in the CDC report. One outgrowth of these conversations may be to furnish our expertise to help quantify the cost of particular situations versus the expense to fix the problems. In some of the situations described by the CDC it may not only be good public policy, but also good economics to fix a problem because corrective actions in the United States are very often in response to economic opportunities.

For example, data from the Agency for Healthcare Research and Quality indicate that eliminating preventable hospitalizations would eliminate approximately 1 million hospitalizations and save $6.7 billion in health care costs each year. Since actuaries are involved in pricing of medical programs (both private and public), we should be anxious to find ways to reduce preventable hospitalizations to improve the financial well being of health plans and/or to be able to use funds for other health services (which, in turn, should provide dividends either in terms of costs or better health.)

Another approach that has been followed in law and some other professions is the creation of public interest professional firms. There have only been a few actuaries who have devoted their careers to these types of activities, but maybe there is now a need and opportunity for actuarial firms dedicated to public interest work.

The proposals just described are likely going to involve multiple disciplines which means actuaries will need to partner with other professionals with non-actuarial expertise in order to produce the most effective solutions. Developing partnerships with other professionals will help to expand actuaries' roles and influence on some of the problems the CDC's report highlighted. However, as part of this process actuaries will need to learn to communicate with these other parties by adapting our internal terminology to the terms and phrases used by non-actuaries.



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