BlueCross BlueShield Minnesota

2018

The Cost of Health Inequities in Minnesota

Minnesota is one of the healthiest states in the country, but it has some of the worst health disparities.

THE COST: $2.26 BILLION ANNUALLY

Minnesota is one of the healthiest states in the country, but it has some of the worst health disparities. All communities can experience poor health outcomes, but due to systemic inequities, they disproportionately occur in communities of color and the American Indian community.

This results in a much higher risk for health conditions like cancer, diabetes, heart disease and other preventable diseases for these communities — despite there being no biological reason for this to be the case.

IMAGINE FOUR CHILDREN BORN ON THE SAME DAY.

The American Indian babies and babies of color will face significant health challenges compared to the general population:[1]

American Indians
suffer from diabetes and chronic liver disease at

4X and 6X

the rate of the general population, respectively

Latinx
suffer from chronic liver disease at

1.2X

the rate of the general population

African Americans
suffer from diabetes and kidney disease at

1.5X

the rate of the general population

Asians and Pacific Islanders
suffer from diabetes, kidney disease and major cardiovascular disease at

3X

the rate of the general population on average

Influenza and pneumonia are among the leading causes of death among Asian and Pacific Islander children

Why? Because health is more than health care. Only 10 percent of health is influenced by clinical care, and another 10 percent by genetics. The remaining 80 percent is a result of the physical environment, health behaviors, and social and economic factors.[2] These include **income**, **community connections**, **housing**, **quality education** and **food security**. The presence or absence of these factors determines the health of a community, along with the health inequities it faces.

WHERE HEALTH HAPPENS

This doesn't need to be the case. If health inequities are addressed, 766 lives in Minnesota will be saved each year. Of these 766 lives, 22 are those of children, who are dying from things like influenza and pneumonia. Our state would also save $2.26 billion due to increased employment and less time missed at work due to illness. This translates to a savings of $407 for every person in the state. Addressing health inequities means lives saved, money saved, higher productivity for businesses and more individuals being able to support their families.

HOW HEALTH INEQUITIES COST BUSINESSES

Minnesota ranks as one of the top states in the nation for business, with the current job market approaching full capacity. Given current demographic trends, the face of the Minnesota workforce is shifting.[3] By 2035, one quarter of Minnesota's population will be people of color.[4] Baby boomers are retiring and the labor force growth rate is slowing considerably. As of the end of 2017, there are more job openings than people looking for them.[5]

Finding enough skilled workers will be a top issue faced by Minnesota businesses in the coming years. It will be essential to focus on attracting, retaining and developing the skills of younger generations, people of color and women — while also addressing the health inequities facing our state. Those strategies will improve productivity and economic vitality.

Beyond the common good of saving lives, advancing health equity increases productivity, lowers health care costs and improves the health of all employees.

A CLOSER LOOK AT $2.26 BILLION[1]

BENEFIT COMPONENT		ECONOMIC VALUE
LIVES SAVED	766 LIVES PER YEAR	$2,120,666,545
INCREASED EMPLOYMENT	1,034 WORKERS PER YEAR	$60,692,952
INCREASED PRODUCTIVITY	56,251 WEEKS PER YEAR	$82,600,000
TOTAL		$2,263,959,497

WHAT ELSE COULD $2.26 BILLION DO?

FUND
construction
OF
54 hospitals

PROVIDE
annual assisted living costs
FOR MORE THAN
47,000 people

BUILD
15 high schools

COVER
annual nursing home care
FOR MORE THAN
25,000 people

54 hospitals x $42 million = $2.27 billion
Average annual cost of assisted living ($48,000) x 47,000 = $2.26 billion
15 schools x $143.25 million = $2.15 billion
Average annual nursing home care ($90,000) x 25,000 = $2.25 billion

A CALL TO ACTION: PRIORITIZE PREVENTION AND EQUITABLE POLICIES

While the idea of addressing the vast health inequities facing our state can seem overwhelming, the results of this study suggest a few clear courses of action:

- **Health inequities are experienced differently across different racial and ethnic groups. It will be essential to work with communities facing inequities to identify solutions that address the root causes of death and disease.**
- **Business leaders and legislators should support policies that eliminate or reduce inequities and support equity-based decision making.**
- **Research is dependent on data. State data collection should include detailed, consistent data broken down by race, ethnicity and language. This will help further identify where inequities exist and where to focus resources and support.**

Through these strategies, Minnesota can begin to see a decrease in health inequities and the costs associated with them.

Blue Cross and Blue Shield of Minnesota believes that all people, regardless of race, income, ZIP code or other factors, should have opportunities to live the healthiest lives possible. Addressing health inequities in Minnesota is imperative, and doing so will positively impact people's lives and the vitality of our state's economy and businesses.

NOTES

1. Allen M, Myers S, Ahmed H, Durfee T, Kent K, Moua V, Xu M, Wilcoxon, A, Nanney MS. (2018). *Economic Benefit of Achieving Health Equity in Minnesota* (Technical Report). University of Minnesota Health Equity in Policy Initiative. healthdisparities.umn.edu/policy/hepi.
2. Generations Health Care Initiative, "Connecting Health with Communities," ghci.us/community-health; and World Health Organization, "Health Impact Assessment: The Determinants of Health," who.int/hia/evidence/doh/en/.
3. Minnesota State Demographic Center, "Boomers: Minnesota's Labor Force Outlook," 2013, mn.gov/admin/assets/in-the-shadow-of-the-boomers-labor-force-outlook-msdc-dec2013_tcm36-219251.pdf.
4. Minnesota State Demographic Center, "Our Projections," mn.gov/admin/demography/data-by-topic/population-data/our-projections/.
5. Martin Moylan, "Minnesota Has More Job Openings than Unemployed People," MPR News, Oct. 5, 2017, mprnews.org/story/2017/10/05/minnesota-has-more-job-openings-than-unemployed-people; and William Morris, "Minnesota Has More Job Openings than Job Seekers," Finance & Commerce, March 29, 2018, finance-commerce.com/2018/03/minnesota-has-more-job-openings-than-job-seekers/.

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