

**Resolved:**

Shareholders of Humana, Inc., request that the Board of Directors commission an audit analyzing the impacts of racial and ethnic disparities in healthcare outcomes on Humana's business. The report should include data on the extent of such racial and ethnic disparities, information about impediments to collecting such data, and efforts taken by Humana to eliminate such disparities by improving healthcare outcomes.

The report should be prepared at reasonable cost and omit confidential and propriety information. It should be publicly disclosed on Humana's website.

**Supporting Statement:**

As a health insurer, Humana stands to widen its margins sustainably and grow its business responsibly by improving the health outcomes of its members. When its members' health improves medical costs go down. Humana has said that it is "dedicated to improving the health of every person we serve." This focus on health outcomes can not only create sustainable success for the company, but also for the communities that Humana serves by lowering costs of care for all over time.

Deloitte recently calculated that nationally \$320 billion in annual healthcare spending is directly attributable to health disparities. Humana can contribute to reducing overall disparities in the United States by undertaking renewed efforts to reduce disparities at Humana among its own members.

Narrowing these disparities by improving outcomes may lead to significant cost savings for our company. For example, studies have shown that health outcomes can be improved in Asian, Hispanic, and Black patients by offering diabetes screening to obese individuals at an earlier age than is recommended for white patients. The CDC has noted that screening for and prevention of complications in diabetes can result in cost savings to insurers.

Humana should consider this example, and others like it, as it works to improve health outcomes for its members; this will reduce costs and therefore improve value for shareholders. Humana's CEO has recognized the importance of this issue saying: "Nationally, we are working to advance health equity and are leading by example, using our strengths to bring about lasting change."

Humana's Bold Goal program has worked to improve health outcomes by "addressing the root causes of poor health for both individuals and communities." Although this program reports on some company efforts, it does not provide transparency into whether the company's efforts are addressing perhaps the largest source of improvement: reducing racial and ethnic disparities. We believe that by building on programs like this, and by regularly reporting to shareholders about Humana's progress to eliminate racially and ethnically disparate healthcare outcomes, our company can best serve its investors' long-term goals.