

HealthMatters UPDATE

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Lawmakers Reintroduce Bill to Encourage Employee Wellness Programs

Sens. Tom Harkin (D-Iowa) and John Cornyn (R-Texas) and Reps. Earl Blumenauer (D-Ore.) and Mary Bono Mack (R-Calif.) are sponsoring the reintroduction of the [Healthy Workforce Act](#), which encourages businesses to provide healthier work environments for employees, AHA News Now reports.

Originally introduced in 2007, the Healthy Workforce Act provides tax incentives to businesses that offer and promote comprehensive wellness programs for their employees. To receive the tax credit, wellness plans must include at least three of four components, including health risk assessment programs; behavioral change initiatives on topics such as obesity, tobacco use and fitness; on-site policies that promote health, such as a smoke-free workplace and nutritious food offerings; and incentives for employee participation in wellness programs. The bill was reintroduced and endorsed at the launch of the U.S. Workplace Wellness Alliance, a coalition of more than 75 businesses including the American Hospital Association, the American Heart Association and the National Business Coalition on Health

A tax credit will be available to all employers, including for profit, not for profit and state and local governments, for 50% of the cost of a qualified employer health promotion program. The credit can be up to \$200/employee for the first 200 employees and \$100/employee for remaining employees. The tax credit is paid through income tax for profit companies and payroll tax refund for local governments, tax-exempt not-for-profit organizations, sub chapter S corporations and employers who did not pay income taxes because they are not earning a profit.

Employers with existing programs can receive the tax credit for up to three years and employers who do not have programs can receive the tax credit for up to 10 years. Employers who enhance existing programs to meet the qualifying criteria may be eligible for additional years of tax credits. Employers, who receive comprehensive health promotion programs through their health plan, can receive a tax credit for the portion of health plan fees that cover the cost of the program.

The Secretary of Health and Human Services, in conjunction with the Centers for Disease Control and Prevention (CDC), will develop simple standards to determine qualifying criteria but all programs must have the following specific features:

- 1) Include at least three of the following four components
 - Health awareness
 - Behavior change
 - Employee engagement
 - Supportive environments
- 2) Use practices that are consistent with evidence based research and best practices strategies.
- 3) Focus on employee populations with disproportionate health burdens, and be culturally competent and meet employee's health literacy needs
- 4) Offer all programs to all employees who work at least 25 hours per week.
- 5) Educational Campaign

The Department of the Treasury, in conjunction with CDC and business groups, will launch a campaign to promote the benefits of workplace health promotion programs and the availability of the tax credit.

Why is this Important?

Many US employers spend more on medical care than they earn in profits. This makes it difficult for them to compete in a global market place, and is threatening the survival of some companies. The federal government struggles to cover the medical costs of its own employees. Medicare will be insolvent in a decade and Medicaid is the number one cost for most states.

Chronic diseases, including cancer, hypertension, diabetes, and heart disease are responsible for 75% of medical costs, at least \$1.8 billion/year. Lifestyle behaviors like tobacco use, insufficient physical activity and poor nutrition cause 75% of chronic disease.

Research has shown that well-designed health promotion programs not only improve health and reduce chronic disease but they often pay for themselves through medical care costs savings that exceed program costs. They often produce even greater savings by reducing absenteeism and enhancing productivity.

The workplace is the most cost-effective setting to improve people's health because people spend so much of their waking time at work, economies of scale and quality controls can be achieved, and employers will pay most of the program costs. This tax credit will stimulate investments in workplace health promotion programs by health plans and by employers, especially small employers who are not self insured and thus do not capture medical cost reductions that occur when health improves and medical costs drop. This legislation is expected to engage 28 million employees in 76 thousand workplaces in organized efforts to improve their health for the first time.

Want to help get this bill passed?

Call and/or email your Congressional and Senatorial representatives and let them know you support this bill. You can search for your Congressional representative by clicking [here](#) and your Senatorial representative by clicking [here](#).