



# 2009 Health Reform Policy Brief Workplace Wellness

## The Problem

Employee wellness programs are proven to reduce chronic disease risks from smoking, obesity, substance addictions and more, as well as to promote healthy habits. Despite evidence of such programs' cost effectiveness for employers through savings in employee medical insurance costs, employee absenteeism and other productivity costs, many employers of our nation's 135 million workers have been reluctant or unable to institute these programs, mainly for financial reasons. As a result, a prime opportunity to improve adult health and to reduce medical spending is being lost. <sup>i</sup>

## The Solution

Congress should enact tax incentives for employers that provide their workers with a healthy workplace and encourage employees to practice healthy habits. <sup>ii</sup>

**Healthiest State Reform Themes:** *Prevention*

**Healthiest State Measures:** *Use of Proven Preventive Care, Nutrition, Physical Activity, Smoking, Binge Drinking*

## Discussion

As we have learned that daily behaviors involving physical activity, diet, smoking and other substance addictions are the leading risk factors for more than half of all deaths (from cardiovascular illnesses, cancers, diabetes and more), changing daily routines where adults spend the bulk of their time has become a national health priority. A healthy workforce is necessary if America wishes to lower health care costs and to improve the health of the nation. Additionally, numerous studies support that employee wellness efforts result in a more healthy and productive workforce, saving employers and the health care system money.

The Partnership for Prevention's 2007 landmark study, [Priorities for America's Health: Capitalizing on Life-Saving Cost-Effective Preventive Services -- Employer's Guide](#), gives employers fundamental principles on which to craft their medical plans and employee wellness programs. <sup>iii</sup>

Additionally, a 2005 study on [Employment Based Prevention on Chronic Disease in Washington State](#) conducted by the University of Washington's Health Promotion Research Center recommended steps for expanding on existing efforts to

promote and support health promotion activities in Washington's workplaces. <sup>iv</sup> The recommendations are focused on reaching the largest amount of insured working Washingtonians through large employers that offer health insurance and smaller firm's intermediaries. <sup>v</sup> In order to leave no employee uncovered and foster accountability, the study also recommended that disadvantaged populations be included in all employer health promotion assistance and that an Employer's Health Promotion Resource and Evaluation Center be created to provide tracking and evaluation. <sup>vi</sup>

The Healthiest State Campaign has worked for several years with Washington's small employers and non-profits to develop our [Healthiest State Employee Wellness Program](#). It is a free and comprehensive program that provides employers and employees with numerous resources to establish, implement, and sustain an effective employee wellness program. In conjunction with the wellness program, the Campaign sponsors a [Healthiest Business Challenge](#) which pits various Washington businesses against each other in healthy competition. This allows employers to engage employees in healthy behaviors at work and in the home.

One significant barrier the Campaign has encountered in this work has been some struggling small employers' and non-profit organizations' inability to engage in some higher cost employee wellness strategies like changes to their physical plants to encourage biking or other exercise proximate to the work day, or extensive health assessments, screening and health behavior related coaching. For this reason, the Healthiest State Campaign [proposed state legislation](#) this year to focus on small businesses and non-profits wishing to intensify employee wellness programs. The proposed legislation would provide employers with tax incentives for two levels of qualified employee wellness programs. Participating businesses and organizations must also maintain records of the results and effectiveness of their programs and when requested provide those records to the Department of Health. The two levels of qualified programs are:

#### *Level 1 Qualified Employee Wellness Program*

The criteria for Level 1 program must include a structure, incentives and other programmatic elements aimed at increasing employees' positive health behaviors, such as physical activity, better nutrition, sleep, hydration, stress management and other accepted healthy living factors.

#### *Level 2 Qualified Employee Wellness Program*

The criteria for Level 2 must include the elements of Level 1, and it must also incorporate incentives to assure that employees use proven preventive care clinical services, based on the recommendations of the U.S. Clinical Preventive Services Task Force. <sup>vii</sup>

## **Proposal**

Congress should provide tax credits to businesses offering qualified comprehensive employee wellness programs. Qualifying programs would include four main components: Health awareness, employee engagement, behavioral change, and the establishment of a supportive environment. A health awareness component would encompass the aspects of health education and screening. Employee engagement would include the creation of a wellness committee to actively engage employers in

worksite wellness as well as reporting and tracking of employee participation in the program. The behavioral change component would include a program for altering employee lifestyles to encourage healthy living through various media and relating to issues including tobacco use, obesity and nutrition, physical fitness and mental health promotion. The final component is that of a supportive environment. This would include such opportunities as an on-site gym or subsidized gym membership, a healthy foods option making various healthy foods available in the workplace, participation incentives for employees and an opportunity for employees to participate in the design and management of the program itself.

In addition to establishing tax incentives for qualified wellness plans, the Healthiest State Campaign believes employers should provide first dollar coverage for preventive services in all employee provided insurance plans.

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- <sup>i</sup> <http://harkin.senate.gov/blog/?i=4d931ef6-d529-4d45-920e-1e4f7eb82655>  
<sup>ii</sup> <http://harkin.senate.gov/blog/?i=4d931ef6-d529-4d45-920e-1e4f7eb82655>  
<sup>iii</sup> <http://www.prevent.org/images/stories/clinicalprevention/employersguide.pdf> pg 1  
<sup>iv</sup> [http://depts.washington.edu/hprc/docs/re\\_wa\\_emp\\_05.pdf](http://depts.washington.edu/hprc/docs/re_wa_emp_05.pdf) 119  
<sup>v</sup> [http://depts.washington.edu/hprc/docs/re\\_wa\\_emp\\_05.pdf](http://depts.washington.edu/hprc/docs/re_wa_emp_05.pdf) 113  
<sup>vi</sup> [http://depts.washington.edu/hprc/docs/re\\_wa\\_emp\\_05.pdf](http://depts.washington.edu/hprc/docs/re_wa_emp_05.pdf) 113  
<sup>vii</sup> [http://whf.org/Policy/2009-1-9\\_Employee\\_Wellness\\_Tax\\_Credit.pdf](http://whf.org/Policy/2009-1-9_Employee_Wellness_Tax_Credit.pdf)