

HEALTH CARE: State rewards for effective worksite wellness

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As health care reform under the Affordable Care Act becomes a reality, small businesses in Massachusetts may want to take a second look at the state's Wellness Tax Credit for the potential financial savings in implementing a worksite wellness program and improving employee health.

The SCBB asked Debra Wein, MS, RD, NSCA-CPT, CWPD, a nationally recognized expert on health and wellness, to clarify how the tax credit can benefit small businesses. Wein has designed award-winning programs for both individuals and corporations and is president and founder of Hingham-based Wellness Workdays, a leading provider of worksite wellness programs. She has nearly 20 years of experience working in the health and wellness industry.

Q: How can the Massachusetts Wellness Tax Credit motivate small businesses to start wellness programs?

A: The tax credit is meant to be an incentive for small companies of less than 200 employees to start wellness programs, of which 25 percent of the total cost can be reimbursed. The total credit is a maximum of \$10,000 per business in a taxable year.

The benefits of workplace wellness programs are not limited to large companies and the tax credit is designed to encourage smaller companies across the state to implement worksite wellness programs.

The tax credit will enable smaller businesses to adopt wellness programs that might not otherwise see cost benefits for several years. In addition, fully insured employers can use this tax credit as savings.

Q: What return on investment is possible for businesses that have a program in place?

A: The credit received from the government in conjunction with the decrease in health care paid for employees due to a successful wellness plan will provide a substantial return on investment. According to the Wellness Council of America, a 2012 literature review of workplace wellness programs determined that a realistic ROI is between 2-3:1 ROI over three

years. This means that for every \$1 spent, \$2-\$3 were saved in the form of decreased health care costs and absenteeism.

Q: What can businesses do to qualify for the credit?

A: The business must consist of 200 employees or less, with the majority of these employees working within Massachusetts. Employers must provide health benefits to employees, there must not be willful or repeat OSHA violations in the last 5 years, and any existing or proposed wellness program must be certified by receiving a Seal of Approval from the Massachusetts Department of Public Health.

In order to receive this certification, the program must include the following components:

1. An annual budget;
2. A designated Wellness Champion;
3. Formal communication to all employees about the program and its options;
4. Education for employees about their personal health risks;
5. Collected information on employee interest in various topics;
6. Identified most important health issues and/or interests of the employees;
7. Program development based on these most important health issues and/or interests; and,
8. Participation from a minimum of one-third of employees in at least one element of the program;

Q: What are some tips for those starting out or those who are looking to take an existing program to the next level?

A: For companies with existing wellness programs that have not been certified or are in need of improvement, following the eight guidelines listed above will help.

Looking at the needs of an organization via surveys and review of health care spend, along with an implementation plan to address these areas, can help an organization develop a strategic wellness initiative that maximizes employee engagement. Tracking participation is key in order to effectively evaluate any program. Utilizing available resources from the insurance carrier and/or outside vendors can enable a small business to develop a program that improves the lives of its employees. If you don't know how or where to get started, which could be the case for an HR executive new to the wellness arena, ask for help!

For more information, check out the New England Employee Benefits Council Nov. 20 conference, co-chaired by Wein, called "Leveraging Vendors and Local Resources for Wellness Programs." Visit www.neebc.org for details.