

Editor's Notes

Federal Grants to Small Employers for Comprehensive Wellness Programs: Passed as Part of Health Care Reform

Health care reform legislation includes provisions to fund grants to help small business develop comprehensive wellness programs. Section 10408 of the Patient Protection and Affordable Care Act, titled "Grants for Small Businesses to Provide Comprehensive Workplace Wellness Programs," authorizes appropriations of \$200,000,000 for the period of 2011 through 2015 to provide grants to help small business implement comprehensive wellness programs.¹ I will briefly describe the provision details, importance, legislative history, conceptual framework history, and next steps required before grants become available to employers.

Provision Details

Employers are eligible for these grants if (1) they have no more than 100 employees who work at least 25 hours per week, (2) they do not have a program in place when they apply for the grant, and (3) they use the funds to offer a comprehensive program.

Programs are considered comprehensive if they meet two criteria. First, they must have the following four components: "(A) Health awareness initiatives (including health education, preventive screenings, and health risk assessments). (B) Efforts to maximize employee engagement (including mechanisms to encourage employee participation). (C) Initiatives to change unhealthy behaviors and lifestyle choices (including counseling, seminars, online programs, and self-help materials). (D) Supportive environment efforts (including workplace policies to encourage healthy lifestyles, healthy eating, increased physical activity, and improved mental health)."¹ Second, they must follow additional guidelines to be developed in the future by the Secretary of Health and Human Services that are "based on and consistent with evidence-based research and best practices, including research and practices as provided in the Guide to Community Preventive Services, the Guide to Clinical

Preventive Services, and the National Registry for Effective Programs."¹

To receive grants, employers will be required to submit an application, including "a proposal for a comprehensive workplace wellness program that meets the criteria"¹ above. The protocols to submit applications have not yet been developed by the Secretary of Health and Human Services.

The legislation does not specify the amount of grant per employer or employee, or any requirements for employers to provide matching funds.

Why Is This Grant Program Important?

Health promotion programs offered in small business settings have a very high likelihood of success because the small number of employees makes it is easy to reach and engage all employees, and the close-knit nature of the work setting makes it possible to create a culture of health. Furthermore, as of 2004, 70% of all firms that employ people in the United States were small businesses with fewer than 100 employees; those firms employ nearly 42 million people, which represents 36% of all employed people.² It will be difficult to improve the health of the nation through workplace health promotion if people who work in small business settings are systematically excluded, so it is important to develop strategies to motivate small employers to develop programs.

Unfortunately, very few small businesses offer health promotion programs. There are three basic reasons. First, most small businesses do not save any money on medical costs when they offer wellness programs. This is because many small businesses do not provide health insurance for their employees, and most of those that do are too small to be self-insured. If they are not self-insured, the savings are accrued by the insurance provider, not the employer. Second, most small businesses do not have a human resources department to manage the complex process of developing a health promotion plan, selecting vendors, and managing an ongoing program. Third, small businesses do not have the size necessary to negotiate volume-based pricing discounts ... so they pay top dollar for services.

This legislation addresses one of the three barriers ... the lack of financial motivation to reduce medical costs caused

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by not providing insurance or not being self-insured. It does not address the two other barriers ... lack of a central human resources department and lack of purchasing power. It is possible that health promotion vendors, brokers, or trade associations will be able to create mechanisms to provide the human resources function necessary to develop and manage programs and to bundle multiple employers in such a way to secure volume discounting. If not, this might need to be addressed in future legislation.

Legislative History

These provisions to provide grants to employers for comprehensive wellness program were inspired by the Healthy Workforce Act (S 803 and HR 1897),^{3,4} which was introduced in the Senate by Senators Harkin, Cornyn, and Udall and in the House of Representatives by Representatives Earl Blumenauer and Mary Bono Mack on April 2, 2009. The Healthy Workforce Act provided a tax credit to cover 50% of the cost of a comprehensive health promotion program, up to \$200 in credit per employee per year for the first 200 employees and \$100 per year for additional employees. Funding could be provided for up to 10 years for employers who did not have an existing program and for up to 3 years for employers with an existing program. Special provisions required focusing on health literacy and disparities, and at least three of the four program components (awareness, engagement, lifestyle change, and supportive environments). The Healthy Workforce Act emerged from the S 2558: Healthy Lifestyles and Prevention American Act⁵ introduced by Senator Harkin June 22, 2004. The Healthy Workforce Act did not pass the Finance Committee in the Senate or the Ways and Means Committee in the House because its estimated annual cost of 1 billion dollars was deemed too expensive. Fortunately, the concept was restored by Senator Carper's amendment (CI), which was added to the Chairman's Mark in the Senate Finance Committee on September 22, 2009. The language from that amendment resulted in Section 10408, which was included in the final health care reform bill.⁶

Conceptual Framework History

Health Promotion Advocates, a nonprofit policy group created to integrate health promotion concepts into national policy,⁷ worked with members of Congress to develop these provisions and build support in the professional community and Congress from 2000 to 2010. The legislative staff of Senator Tom Harkin contacted Health Promotion Advocates in early 2004 for ideas on how to stimulate workplace health promotion through national policy. In turn, Health Promotion Advocates contacted several dozen of the leading experts in workplace health promotion to ask for suggestions, and these ideas were used to develop the legislation. For example, the idea of a tax credit for high-quality programs was suggested by Dr. Ron Goetzel of Emory University and Thomson Reuters. The idea for four components (awareness, engagement, lifestyle change, and supportive environments) was based on the awareness, behavior change, supportive environment framework I first articulated in 1988.⁸ The

engagement component was added based on a suggestion from staff at the Centers for Disease Control and Prevention (CDC) after Senator Harkin asked CDC to comment on the pending legislation. Hundreds of other organizations reviewed these concepts and formally endorsed them. Because of this broad support, concepts from this bill were incorporated into several other workplace health promotion bills and amendments introduced in the Senate and House.

Next Steps to Make Grants Available to Employers

Two things must happen before grants can be awarded to employers. First, funds must be appropriated to support this grant program. It is not clear if funds will come from the newly created Prevention and Public Health Trust,⁹ discretionary funds of the Department of Health and Human Services, or if they will be secured through the usual appropriations process. Hopefully, grants will be available in 2011 as planned. Second, additional guidelines must be developed by the Secretary of Health and Human Services to (1) clarify the types of programs "based on and consistent with evidence-based research and best practices..." that will qualify for funding, (2) specify any requirements for matching funds, limits on grant amounts per employer or employee, and (3) describe the specific protocols employers must follow to apply for programs. These guidelines might take the form of regulations written by the Department of Health and Human Services, or by more flexible guidelines developed over time by an implementing agency, such as CDC.

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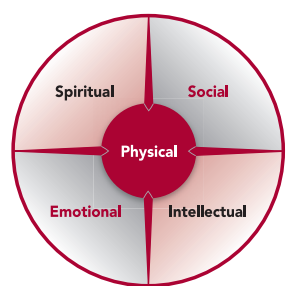
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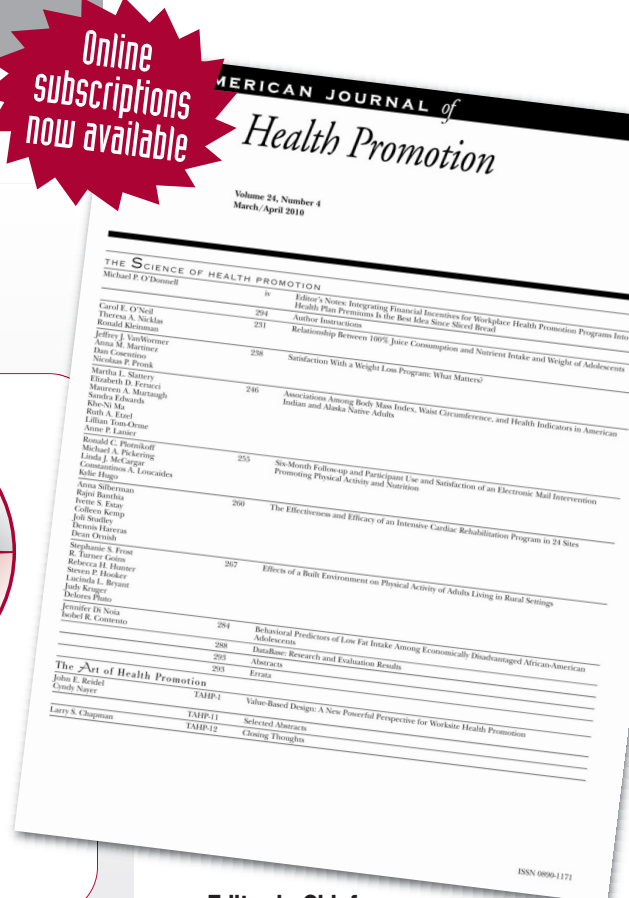
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