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The ACA and workplace wellness programs

Small businesses can benefit

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With 58 percent of Colorado adults overweight or obese and health care costs rising, employers face many concerns for their employee's health. Our business, which specializes in developing and executing corporate wellness programs, is seeing an upsurge in corporations pursuing corporate wellness programs. The Affordable Care Act (ACA) has also placed importance in these programs by including several provisions to encourage businesses to employ wellness programs at the plan, employer and individual levels.

Wellness programs exist in many forms, all designed to encourage people to exercise, eat right and generally take care of their bodies. The main objective is to help people improve their lifestyles and health by creating incentives for healthy behaviors. These programs have proven to reduce absenteeism, employee turnover, and insurance premium costs ([American College of Sports Medicine](#)).

ACA Provisions

For any small business, understanding how the ACA provisions will affect you and your employees is crucial. At the start of the year, \$200 million was made available for wellness grants for small businesses like ours (fewer than 100 employees that work 25 hours or more per week). Provisions state that programs must promote healthy living and/or disease prevention for employees. These programs allow the employer to offer up to 30 percent of the cost of the employee-only coverage under the plan.

For programs that encourage reducing the use of tobacco, that coverage could go up as much as 50 percent. This coverage comes from the small business health care tax credit, which is available for qualified small employers who are a part of the Health Insurance Marketplace called the [Small Business Health Options Program \(SHOP\)](#).

In addition to the tax credit provision, your business could obtain better access to higher quality coverage for employees by participating in the SHOP program. Generally, small businesses with up to 50 full time employees are eligible. Individuals eligible for employer-provided health coverage no longer have to wait more than 90 days to begin coverage. Employers should also know that transitional reinsurance program fees are tax deductible if the employer provides major medical coverage, including retiree programs to employees. For more information on key provisions under the ACA for employers with fewer than 25 employees, [go here](#).

Where to Start

Despite the growing need for more corporate wellness programs, many HR departments and others responsible for launching these programs don't necessarily know where to start. Our company recommends three starting points to get your health program off the ground: internal marketing, establishing program planning and evaluation methods, and involving top leadership to support its execution.

It is important to promote your company's health program internally by letting employees know what health improvement opportunities are available through the business. From the new hire process to using bulletin boards and e-blasts, your small business can kick start its health program by informing employees about it.

Structure your program by including the following components: a needs assessment of your workforce; database to measure, track and store program impacts; and involvement by all levels of the organization.

Program Differences

There are two different types of wellness programs that can benefit a small business under the ACA rules. The new rules still support current participatory workplace wellness programs such as discounts, reimbursements or sponsored memberships to gyms, rewards for going to educational seminars that are typically hosted at the workplace or even completing a health risk assessment. These examples do not require the participants to change their health and wellness behavior.

There are also "incentive-based" wellness programs that require participants to meet a specific standard related to their health to obtain a reward. Some examples are using biometric screens to measure tobacco, BMI or blood pressure.

The "health-contingent" program would reward those who do not use tobacco and those who reduce their tobacco use. It would also reward those who lower their BMI and blood pressure. These programs also support the participant who actively engages in programs to support the healthy change even if the biometric target isn't obtained.

Both types of wellness programs have benefits. Increasing the culture, camaraderie and community of wellness within the workplace is just as important as observing specific changes in behavior. A combination of both types of wellness programs is ideal.

Given these differences and opportunities for your business, it is important to understand how a corporate wellness program will benefit your business. Some of these questions include:

- What kind of program will our business pursue?
- How will we motivate employees to participate?
- How will we communicate information about the program?

What's Next?

Although experts have had difficulty estimating small business uptake of workplace wellness programs, the benefits of doing so at the small-business level are equally important as they are at the corporate level.

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