

Senator King – Workplace Wellness Policy Proposals

Background

The U.S. spends over \$3.3 trillion each year on healthcare, by far the most per capita in the world. According to the [Centers for Disease Control and Prevention](#) (CDC), avoidable chronic diseases account for 75 percent of this spending, and their effects on the workforce lower economic output by another \$260 billion annually. Preventing chronic diseases, or managing symptoms when prevention is not possible, can reduce these costs.

American adults are spending increasingly larger portions of their waking hours at work, and poor employee health comes at a cost to employers. The rising cost of health care has put a strain on family budgets, but also employer budgets. The majority of adults get their health insurance coverage through their employer; U.S. employers paid nearly [\\$880 billion](#) in health care benefits for employees and dependents in 2017. However, illness-related lost productivity costs them another \$530 billion per year. Although the short term return on investment of workplace wellness programs for an individual employer has been questioned, a 2010 [study](#) found that medical costs are reduced by approximately \$3.27 and absenteeism costs are reduced by approximately \$2.73 for every dollar spent on these programs.

While employers are required to provide a safe workplace, they also have an opportunity to create a healthy environment and promote healthy behaviors through workplace wellness programs. The CDC's [Workplace Health Promotion Resource](#) maintains that the use of effective workplace programs and policies can increase employee productivity, reduce health care expenditures, improve employee retention, and improve the health of the workforce. The annual [HERO scorecard](#) to assess employers' health and well-being programs found that companies had better stock performance, lower employee turnover, and lower medical cost trends the more they did to promote employee well-being.

Legislative Proposals

1. Create a tax credit for employers for the costs of implementing wellness programs
 - a. Amount of the credit is equal to 50 percent of the costs paid or incurred by the employer in connection with a qualified wellness program during the taxable year. Not to exceed \$200 per employee up to 200 and \$100 per employee over 200.
 - b. Eligible programming includes those aimed at tobacco use, overweight and obesity, stress management, physical activity, nutrition, substance abuse, depression, and mental health promotion (including anxiety).
2. Establish an [Office of Workplace Health and Wellness](#) in the Small Business Administration (SBA) to serve as a resource for small employers in building a healthy workforce. The Office would be charged with activities such as: assisting employers in navigating health insurance coverage options, implementing workplace wellness and/or health promotion programs, complying with federal and state law, providing best practices and technical assistance related to health and wellness, conducting trainings and educational seminars, and connecting employers with financial resources for health and wellness activities.

Please submit any feedback, suggestions or questions for these two legislative proposals to Prevention_King@king.senate.gov by **Friday, November 15**.