AT LAST!
The Health Care Bill Has Passed

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Health Care Reform?
At Last! The Health Care Bill Has Passed

An Expert Interview with
Dr. Michael O’Donnell

ABOUT DR. MICHAEL O’DONNELL

Michael O'Donnell, PhD, MBA, MPH, has directly managed three workplace health promotion programs over a 10 year span, and helped 60 other employers design and manage programs. He is founder and Editor in Chief of the American Journal of Health Promotion and founder and Chairman of the Art and Science of Health Promotion Conference. Dr. O'Donnell's publications include more than 170 articles, book chapters and columns, books and workbooks. His first book, Health Promotion in the Workplace, was published in 1984 as the first reference/textbook on workplace health promotion and the updated edition remains a standard text in colleges and universities around the United States.

ABOUT DR. DAVID HUNNICUTT

Since his arrival at WELCOA in 1995, David has interviewed hundreds of the most influential business and health leaders in America. Known for his ability to make complex issues easier to understand, David has a proven track record of asking the right questions and getting straight answers. As a result of his efforts, David's expert interviews have been widely-published and read by workplace wellness practitioners across the country.

David Hunnicutt can be reached at dhunnicutt@welcoa.org.
In this exclusive interview, Dr. Michael O’Donnell sits down with WELCOA President Dr. David Hunnicutt to discuss the impacts the recently passed health care legislation will have on health promotion. Specifically, Dr. O’Donnell covers the short and long-term benefits of the legislation as well as what health promotion practitioners and business leaders can do to prepare for the upcoming changes.

HUNNICUTT: What does the passage of the health care bill mean in terms of health promotion, and more specifically, worksite health promotion in this country?

O’DONNELL: The passage of the health care bill will provide short and long-term benefits. Let me talk about the long-term benefits first. The groundwork that we laid (and by “we” I mean Health Promotion Advocates) has exposed the health and financial benefits of worksite wellness programs on the national policy level. In the long-term, I think law makers are going to be very receptive to new ideas and program concepts. In terms of national policy, we have reached the tipping point. Health promotion is going to be part of national policy going forward.

In the short-term, there are many different benefits and they will be realized at the national, community, research, employer and clinical levels.

H: Can you further explain the short-term benefits?

O: At the national level, a National Prevention and Health Promotion Strategy will be developed. It will involve a Council consisting of the Secretaries of Agriculture, Transportation, Education and Health & Human Services, the leaders of major departments, and an advisor group of 25 non-federal employee experts. They will develop a plan that cuts across all areas of policy, including agriculture, transportation and education. So, the strategy will go beyond our classical health promotion interventions; it will look at the impact of food supply, transportation policy, education philosophy and other societal factors on health. This will really have broad, long-term benefits.

At the community level, there will be a major campaign organized by the federal government to educate the public on the benefits of a healthy lifestyle. It will have a $500 million annual budget, so it will be highly visible. The campaign will also provide specific tools aimed at helping the average person improve lifestyle behaviors. State and local health departments and community organizations will be able to apply for grants to develop comprehensive health promotion strategies at the city and county level.

Additional funding will support more intensive health promotion research and the U.S. Preventive Services Task Force Community and Clinical Preventive Services Task Forces. For employers, there are four programs that will produce long-term benefits. These include a grant program for small employers, efforts to help employers evaluate their programs, and a survey that will take place every two years to measure the prevalence and components of workplace health promotion programs. Finally, employers will have more flexibility in tying health plan premiums to health goals.

At the clinical level, health plans will be required to cover preventive services at
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H: What are the implications of this bill for small businesses?

O: Small businesses will benefit more than any other group. For the first time, small employers will finally have a financial incentive to create wellness programs. $200 million in grants will be made available in 2011-2015 to fund comprehensive health promotion programs for employers with 100 employees or less who work 25 or more hours a week. A comprehensive program must meet at least three of four components of the AMSO Framework: which are awareness, motivation, skills and opportunities.

H: How do small businesses go about accessing these funds?

O: That's actually still to be determined. Specific rules will be written on how employers can apply for these grants. My guess is that the rules will be written fairly quickly because they will begin awarding grants in 2011. By the end of 2010, we'll probably see the specific application process. However, it is important to note that the grant program is only for companies who do not have an existing program in place. So, my advice to small employers is to develop your plans now, apply for the grant and then start the program.

H: What are some of the benefits for larger employers?

O: Current HIPAA regulations allow employers to offer premium differentials of up to 20 percent for employees who meet specific health goals. These goals might include not smoking, achieving a recommended weight or fitness level, or having normal biometric levels. Until now, they were just in regulation; they weren't codified in statute, and some employers were reluctant to implement these policies because they were concerned the rules could change at any time.

This new law did three things. One, it codified in statute the ability to offer these premium differentials. Second, it increased the amount of the premium differential from 20 to 30 percent. Third, it gave Health and Human Services the authority to increase this amount to 50 percent if they believe it's warranted. Health and Human Services will evaluate the impact of these incentives on improving health and reducing medical costs.
I think we’ll see a large percentage of employers taking advantage of this law. I think it will become the norm. The real beauty of this is that you can actually pay for your entire health promotion program through this type of premium differential, and I think that’s what will happen.

In terms of national policy, we have reached the tipping point. Health promotion is going to be part of national policy going forward.

H: Does this offer a benefit for employees as well?

O: There are two benefits for employees. First, it provides a way for employees who are doing everything they can to improve their health to reduce their medical costs. Second, it gives employees who are not practicing a healthy lifestyle an incentive to participate in a health promotion program.

H: How does it work?

O: For example, let’s say that the total cost of an employee’s health plan premium is $10,000 per year. The employer decides to cover 70 percent of the cost and allow employees to cover the remaining 30 percent. On the average, employees will have a premium of $3,000 a year. With a 30 percent differential, employees who meet specific health goals could pay a premium of just $1,000 (10%), while the employees who don’t meet the goals would pay a premium of $4,000 (40%). That’s a huge reward of $3,000/year for people who are meeting health goals.

Equally important, it is a huge incentive for people who are not taking care of themselves to join a program and improve their health. We need to understand that financial incentives are usually not effective in motivating people to improve their health, but they are very effective in getting people to join programs. Therefore, employers should also allow a significant premium savings for people who join programs.

H: How should practitioners implement these incentives?

O: I recommend a simple approach. I am not a big fan of incentive programs that award lots of points for lots of different activities. These are good programs for people, who like to play point games, but they are confusing to most people, and they sometimes result in people doing things they really do not need to do. I recommend setting three or four goal opportunities. Two of the goals might be not smoking and meeting a weight or fitness goal. It is important to note that people who are overweight but fit have similar rates of heart disease as people who are not overweight. Fitness level is more important that fatness. If you’re overweight and fit, you shouldn’t be penalized. Additional goals could include reaching certain biometric goals, such as cholesterol level, blood pressure level or triglycerides. We might divide the premium differential into halves or thirds. For example, each in-
For the first time, small employers will finally have a financial incentive to create wellness programs.

H: Is it possible for someone to meet all of the health goals without actually participating in the program?

O: Yes, if a person is meeting the health goal, there is no reason to participate in the program. Also, the law requires a waiver be awarded to employees who have a medical condition that prohibits them from participating in a program. For example, if someone is sick and in the hospital, they could get the waiver.

H: When will the field of health promotion and American businesses start to see some of these changes occur?

O: Well, the planning efforts for the national plan start this year. The first report is actually due in 2011. The grant programs will start to be awarded in 2011. There are some additional rules that have to be written around the premium differentials, so I think that will go into effect either late this year or early next year.

H: What should professionals in our field be doing to prepare? How can they take advantage of the changes that will occur with this new bill?

O: I think professionals working with small employers should be getting ready to apply for the grants. People who work with large employers should show them how to implement the health plan premium differentials. I also think it’s critically important to be aware and involved in advocacy efforts. All the provisions I have described are law because of grassroots efforts and groups like Health Promotion Advocates. If we hadn’t gotten involved, these provisions wouldn’t be in place. So, I would say that ev-
Every professional should be prepared to get involved in advocacy efforts. I suspect that the $200 million to fund grant programs for small businesses will run out before 2015. We will need to advocate that additional funds be added to this budget.

H: What should business leaders be doing to take advantage of the changes that will occur with this new bill?

O: I think that they should be doing a couple of things. First, they should be prepared to support the developments of a national health promotion advocacy effort. Our efforts to date have been grassroots, and we’ve made great progress with almost no resources. However, if we want to sustain this and continue to be successful, we need to hire a staff based in Washington, D.C.

So, they should be prepared to financially support that type of effort.

They should also make sure that the right people get appointed to the Advisory Group for the National Prevention and Health Promotion Strategy.

It’s also extremely important that our nation’s leaders remain focused on societal level change. We are going to have to change the food supply, the way we build communities and the way we educate our kids if we want to improve the health of our nation. We must achieve a national consensus that these changes are absolutely necessary and good for our well-being. This plan will affect trillion dollar industries. The natural reaction of these industries, which include agriculture, education and transportation, is going to be to maintain the status quo. I think one of the big mistakes we made on health care reform was that little effort was devoted to achieving a national consensus that these changes were necessary.

H: There is a common notion that this bill will be repealed. What are your thoughts on that?

O: Poppycock! First, repealing the bill is not feasible from a legislative perspective. President Obama would veto any effort to repeal the bill, and opponents would need a 67% majority of the Congress to overrule a veto. It won’t happen. Second, it would be political suicide to try to repeal this bill because it has too many tangible benefits that will be very popular as soon as the rhetoric stops and people learn the truth about the bill. In addition to the health promotion enhancements we just talked about, the bill prohibits insurance companies from canceling policies because a person gets sick, makes it possible for the 39 million people who have “pre-existing” medical conditions to be able to purchase medical insurance and not pay a higher premium, allows 25 million adult children to remain on their parents’ health insurance policy until age 27, provides free preventive services and better drug coverage for 38 million seniors through Medicare, provides tax credits to help four million companies with 25 or fewer employees buy health insurance for their
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A National Health Promotion Plan
At the national level, a National Prevention and Health Promotion Strategy will be developed. It will involve a Council that will work on developing a plan that cuts across all areas of policy, including agriculture, transportation and education.

Small Businesses Will Benefit
Small businesses will benefit more than any other group. For the first time, small employers will finally have a financial incentive to create wellness programs. $200 million in grants will be made available in 2011-2015 to fund comprehensive health promotion programs for employers with 100 employees or less who work 25 or more hours a week.

Benefits For Employees
There are two benefits for employees. First, it provides a way for employees who are doing everything they can to improve their health to reduce their medical costs. Second, it gives employees who are not practicing a healthy lifestyle an incentive to participate in a health promotion program.

Planning Starts This Year
The planning efforts for the national plan start this year. The first report is actually due in 2011. The grant programs will start to be awarded in 2011. There are some additional rules that have to be written around the premium differentials, so I think that will go into effect either late this year or early next year.

What You Can Do
Health promotion professionals working with small employers should be getting ready to apply for grants. People who work with large employers should show them how to implement the health plan premium differentials. Also, it’s critically important to be aware and involved in advocacy efforts. All the provisions I have described are law because of grassroots efforts and groups like Health Promotion Advocates.

Thoughts On Repeal
I think the word “repeal” will fade away as information about the actual components of the bill becomes well known. However, I do think we will see continued efforts from both parties to improve the bill.
employees, subsidizes 24 million low and middle income people to buy coverage, and provides $338 million in 2010 alone for scholarship and student loan forgiveness programs for the health care workforce. This is in addition to benefits that are less visible to the average person. These include $11 billion to build more community health centers, provisions that strengthen primary care and the “medical home” approach to medical care, adding 10 years of solvency to Medicare (it would have gone bankrupt in 2017), reducing the federal deficit by $1.3 trillion over two decades, and the creation of a health care insurance exchange to provide more open access to insurance plans.

The unfortunate reality of the debate around this bill is that the Democrats failed to explain the truth about the current situation to the American people, that the U.S. already spends twice as much on health care as almost every nation in the world, has the worst health status among all major industrial nations (about the same as Cuba), is the only major industrial nation that does not provide health coverage for all of its citizens, was on track to have Medicare go bankrupt by 2017, and would have seen many employers drop their employee health insurance coverage to remain profitable. Failure to tell this story allowed political opponents to fill people’s minds with misinformation about “death panels,” “socialized medicine” and other distortions of the bill.

So…I think the word “repeal” will fade away as information about the actual components of the bill becomes well known. However, I do think we will see continued efforts from both parties to improve the bill.

It would be political suicide to try to repeal this bill because it has too many tangible benefits that will be very popular as soon as the rhetoric stops and people learn the truth about the bill.

ABOUT HEALTH PROMOTION ADVOCATES

Health Promotion Advocates is a group of committed individuals who have formed an advocacy group to integrate health promotion concepts into national health policy. Their work is executed by four standing committees and supported by contributions from organizations and individuals who support the vision to promote healthy lifestyles among all Americans and thereby reduce medical costs and utilization, improve quality of life and enhance productivity. Health Promotion Advocates has worked with members of Congress to introduce bills that enhance health promotion research and planning (S866 & HR5835: Health Promotion Funding Integrated Research, Synthesis and Training (FIRST) Act) and provide tax credits to employers who provide comprehensive workplace health promotion programs (S1753 & HR3717: Healthy Workforce Act).