**Family Friendly New Mexico – Business Toolkit**

**Healthcare**

**Definition: Employer paid or subsidized health insurance, dental insurance, and/or vision insurance.**

**Healthcare policies could include:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Health Insurance** |  | **Dental Insurance** |  | **Vision Insurance** |

**What are the benefits of offering Health Insurance?**

Healthy employees benefit employers. Creating a positive, safe and healthy working environment increases morale, improves employee’s work-life balance and positively impacts business (White House Council of Economic Advisors, 2014). Healthier employees are absent less, are motivated to stay in a job, and often recover from sickness quicker. Healthcare benefits are optional for most employers, but are critically important to most employees.

* A benefits package that offers good health insurance coverage (including dental and vision) helps attract and retain quality employees.
* Businesses get the tax advantage of deducting plan contributions, including health insurance, life insurance, and pension plans.
* Employees often will accept better benefits in lieu of higher salary, which can be a savings to the business.
* Offering benefits to employees can be advantageous to a business owner, who may be able to get personal benefits for less money than if he or she purchased them privately.
* Offering health insurance has been shown to decrease absenteeism and improve employee health and morale; those with coverage are more likely to seek preventative care and live overall healthier lives.
* This type of support helps protect employees from financial peril.

SOURCE: <http://smallbusiness.findlaw.com/employment-law-and-human-resources/pro-and-cons-offering-employee-benefits.html>

**What is the Law?**

**Health Insurance:** The Affordable Care Act requires employers with 50 or more full time employees to offer adequate health coverage or be subject to assessment if their employees receive premium tax credits to buy their own insurance.

**Health Savings Accounts**

Some employers have turned to health savings accounts or flexible health spending accounts in lieu of insurance. These are accounts to which employees can contribute pre-tax earnings, and can be spent on insurance premiums, prescriptions, and medical visits, services, and equipment. With uncertainty in the healthcare industry and increasing costs of healthcare over the past decade, health savings accounts have become more widely offered. In 2016, 25% of U.S. employers offered health savings accounts compared with only 5% in 2005. Flexible healthcare spending accounts also increased from 31% in 2005 to 43% in 2016 (Bureau of Labor Statistics – National Compensation Survey, 2016). These are a less costly options for employers and do provide some support for workers. However, there are limitations on the maximum amount that employees can contribute, usually around $2,500, which is insufficient for most annual premiums and deductibles. This option is far less comprehensive than employer subsidized insurance and still requires the employee (not the employer) to set aside the contributions.

**Business Testimony for Healthcare Policies**

Who?

|  |  |
| --- | --- |
| **Sample Healthcare Policies** | |
| **Healthcare** | * <https://www.humana.com/individual-and-family/products-and-services/medical-plans/sample-policies> * <http://www.mass.gov/edu/docs/eec/licensing/technical-assistance/guide-health-care-policies.pdf> |

**Business Checklist**

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| --- | --- |
| What are our next steps? | Who is taking the lead? |
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**Citations & Resources:**

Bartick, M., Reinhold, R., (2010). The Burden of Suboptimal Breastfeeding in the United States: A Pediatric Cost Analysis. Journal of Pediatrics. March 2010.

Economics of Paid and Unpaid Leave – White House Council of Economic Advisors (June 2014) <https://www.whitehouse.gov/sites/default/files/docs/leave_report_final.pdf> (retrieved 10/25/16)

Should you offer Employees Health Care Benefits? (2014) Business Owner’s Toolkit <http://www.bizfilings.com/toolkit/sbg/office-hr/managing-the-workplace/offering-health-care-benefits.aspx>

U.S. Bureau of Labor Statistics. (2005) Division of working mother. Labor Force Statistics, Washington, D.C. Available at: <http://www.bls.gov/ncs/ebs/benefits/2016/ownership_tab.htm>

National Immunization Survey. (2013). Centers for Disease Control and Prevention. Available online at: www.cdc.gov/