



2

A GUIDE TO
**HEALTH
SUPPORT**



FAMILY FRIENDLY
NEW MEXICO
**BUSINESS
TOOLKIT**

NMFAMILYFRIENDLYBUSINESS.COM

HOW DO EMPLOYERS BENEFIT FROM FAMILY FRIENDLY POLICIES?

Creating a positive, safe and healthy workplace increases morale, improves employee 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. Offering health insurance, other support such as breastfeeding locations and reasonable accommodations for conditions arising out of pregnancy, or wellness programs helps businesses attract and retain the most qualified employees. Healthy employees benefit employers.

Family Friendly New Mexico Recognizes Four Health Support Policies	
POLICY TYPE	DEFINITION
Healthcare	Employer subsidized health and / or dental and / or vision insurance
Wellness Programs	This could include wellness assessments, screenings, education, health coaching, organized wellness activities, onsite preventative care like immunizations, interventions such as smoking cessation, incentive and /or paid time off for wellness activities.
Breastfeeding / Lactation Support	This could include a designated area for pumping / breastfeeding. Since 2010, federal law requires that employers provide reasonable break time for an employee to express breast milk for her nursing child for one year after the child's birth. New Mexico has had similar laws in place since 1978.
Reasonable Accommodations	This is designed to help accommodate employees who have special needs arising out of pregnancy or illness (avoiding heavy lifting, staying off ladders, etc.).

What are the costs of offering health support policies or programs?

Research continues to show that there is a clear return on investment for offering certain health support policies (wellness programs), or the costs level out over time (subsidized insurance) (Harvard Business Review, 2010).

- Providing benefits costs more for small employers than for large ones, both in terms of higher prices because of lesser buying power, and because of relatively higher costs of administration.
 - \$6,200 is the estimated annual cost of comprehensive health insurance for an individual (Kaiser Family Foundation, 2016). However, costs are anticipated to rise. The good news is that companies can often get better group plan rates.
 - \$100-\$400 is the estimated cost per employee for a comprehensive wellness program. *Research shows an estimated \$3 return on investment for every dollar spent.*
 - \$685 is the estimated cost per employee, per month, for an employer-sponsored clinic. One study found that employers recovered costs within three years of opening the clinic (WeCare TLC, 2016).
- Willis Towers Watson – National Business Group on Health reports over the past several years (2013-2016) identified offering on-site care as one of the top ten tactics for managing health care costs (21st Annual Willis Towers Watson Report).
- The more benefits a business offers, the more it must pay for administrative overhead.
- The cost of health insurance has steadily risen, making it less and less affordable to employers, and making financial planning difficult from year to year (although the small business provisions of the ACA have altered this balance by incentivizing employer-funded benefits).
- Offering benefits creates concerns regarding legal compliance, which in turn causes a company to incur legal fees.
- Mistakes made in benefit plans can lead to costly lawsuits or regulatory fines.



What do businesses say about adopting health support policies?

Health Insurance:

"We needed IT staff and programmers, and we knew that in our area, we'd have to take them from larger companies," says April Kunzelman, human resources director for the Beloit, Wis.-based company (FatWallet). Kunzelman also knew that to lure talent from more established companies, FatWallet would have to beef up its employee benefits package. "We knew we couldn't compete if we didn't offer, at the very least, health insurance. So we immediately began putting an employee benefits plan in place," she says. Today, FatWallet boasts a progressive benefits package that includes health, dental and disability insurance, paid time off and a host of other amenities, including free daily lunches for its nearly 60 employees. As Kunzelman and her peers have found, a strong employee benefits package is a powerful tool for attracting and retaining the best workers. —Entrepreneur.com

Wellness Programs:

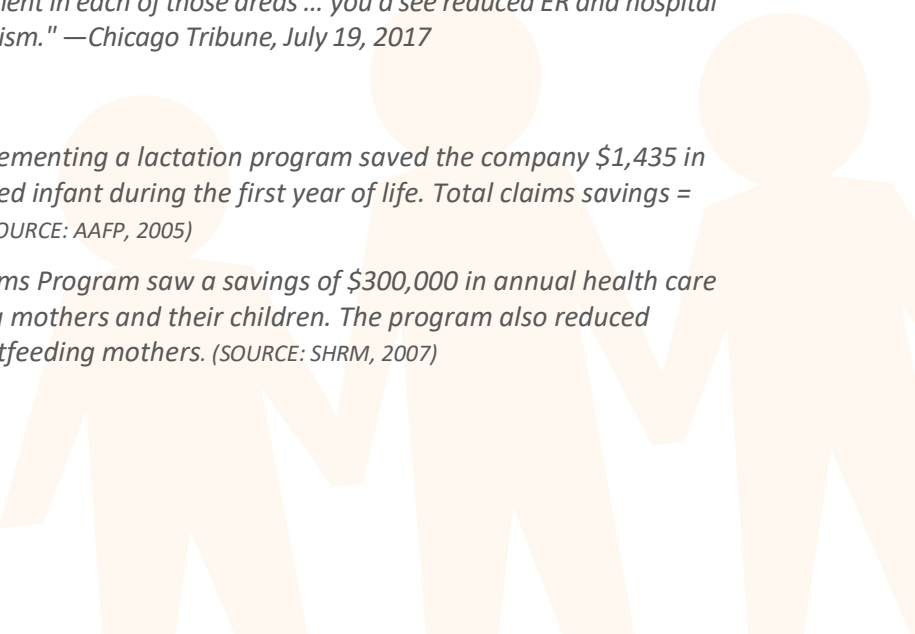
Ron Goetzel, senior scientist and director of the Institute for Health and Productivity Studies at the Johns Hopkins University, said that while most companies claim to offer wellness services, a 2004 Kaiser study found far fewer actually deliver comprehensive wellness programs.

"Many just offer flu shots or something fairly artificial," said Goetzel. "Only about 7 percent had comprehensive wellness programs." So Goetzel, who also serves as vice president of consulting and applied research for Truven Health Analytics, understands that not all wellness programs are created equal. He said the good ones demonstrate a culture of health validated by the U.S. Centers for Disease Control and Prevention and several Harvard University studies. "These programs have a positive impact on health behaviors and financial outcomes and that, done right, can save money. You're not going to see overnight changes," he cautioned. "It may take two to three years to improve population health. But if you can get 1 to 2 percent improvement in each of those areas ... you'd see reduced ER and hospital visits and reduced absenteeism." —Chicago Tribune, July 19, 2017

Breastfeeding:

Aetna estimated that implementing a lactation program saved the company \$1,435 in medical claims per breastfed infant during the first year of life. Total claims savings = \$108,737/ ROI of 3 to 1. (SOURCE: AAFP, 2005)

CIGNA's Working Well Moms Program saw a savings of \$300,000 in annual health care expenses for breastfeeding mothers and their children. The program also reduced absenteeism among breastfeeding mothers. (SOURCE: SHRM, 2007)



What are the benefits of offering health support?

WHAT ARE THE BENEFITS OF OFFERING SUBSIDIZED HEALTH INSURANCE?

- 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.

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

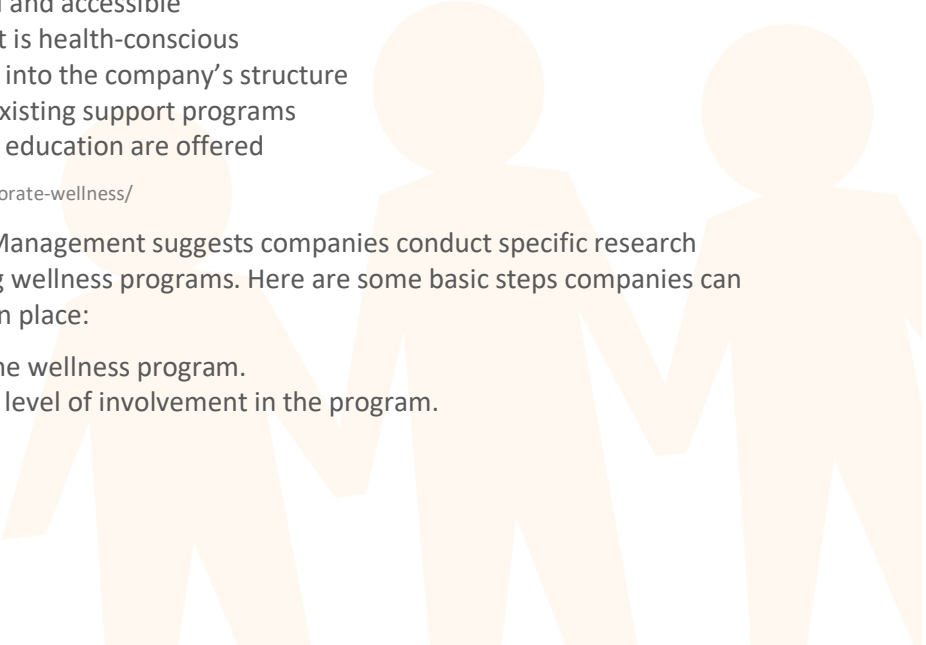
WHAT ARE THE BENEFITS OF OFFERING WELLNESS PROGRAMS?

A Harvard Business Review financial management report outlines how Johnson & Johnson's wellness program cumulatively saved the company an estimated \$250 million in health care costs over a decade. This translated into \$2.71 returned on every dollar spent (Berry, Mirabito, Baun, 2010). Wellness programs can benefit employers by lowering health care costs, reducing absenteeism, achieving higher employee productivity, reducing workers' compensation and disability-related costs, reducing injuries, and improving employee morale and loyalty. Research backs up the connections between health, happiness and productivity at work. Companies can help foster all three through a corporate wellness program. The CDC's Workplace Health Research Network outlines components of a comprehensive wellness program:

1. Programs are practical and accessible
2. The work environment is health-conscious
3. Wellness is integrated into the company's structure
4. Wellness is linked to existing support programs
5. Health screenings and education are offered

SOURCE: <http://fortune.com/2015/04/13/corporate-wellness/>

The Society for Human Resource Management suggests companies conduct specific research and planning before implementing wellness programs. Here are some basic steps companies can follow to put a wellness program in place:

1. Establish the goal of the wellness program.
 2. Decide the company's level of involvement in the program.
- 

3. Establish the budget and expected return on investment.
4. Choose employee rewards.
5. Write and communicate the policy/program to employees.

SOURCE: <https://www.shrm.org/resourcesandtools/tools-and-samples/hr-qa/pages/wellnessprogramscontributingtotheemployer%E2%80%99sbottomline.aspx>

WHAT ARE THE BENEFITS OF OFFERING BREASTFEEDING SUPPORT?

New Mexico and Federal law state that employers are required to allow mothers to breastfeed and to offer them time and space to do it at work. Better infant health means fewer health insurance claims, less employee time off to care for sick children, and higher productivity. A CIGNA Insurance Case Study found lactation programs resulted in 77% reduction in lost work time due to infant illness, which translates to an annual savings of \$60,000 (Dickson, 2004).

Employers can be compliant with the laws by:

- Providing clean places for mothers to breastfeed; and
- Starting or maintaining high-quality lactation support programs for employees.

Families who follow optimal breastfeeding practices can save \$1,500 in expenditures on infant formula in the first year alone. Breastfeeding has been shown to influence the cognitive and emotional development of children (Del Bono and Rabe 2012). A study published in 2010 in the Journal of Pediatrics estimated that if 90% of US families followed guidelines to breastfeed exclusively for six months, the U.S. would annually save \$13 billion from reduced medical and other costs (Bartick & Reinhold, 2010). Mutual of Omaha found that health care costs for newborns are three times lower for babies whose mothers participate in the company's employee maternity and lactation program.

Healthy People 2020 set breastfeeding goals because it is so important to the overall health of babies and mothers. New Mexico is similar to US prevalence and slightly better in exclusive breastfeeding.

BREASTFED	NEW MEXICO 2013	U.S. 2013	HEALTHY PEOPLE 2020 TARGET
Ever	85.5%	81.1%	81.9%
At 6 Months	51.1%	51.8%	60.6%
At 1 Year	29.5%	30.7%	34.1%
Exclusively through 3 months	52.0%	44.4%	46.2%
Exclusively through 6 months	26.6%	22.3%	25.5%

CDC National Immunization Survey, 2013 Births

State and Federal 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.

BREASTFEEDING

- New Mexico: NMSA 1978, Section 28-20-1 (1999) makes it legal for a mother to "breastfeed her child in any location, public or private, where the mother is otherwise authorized to be present."
- New Mexico: NMSA 1978, Section 28-20-2 (amended 2007) requires employers to provide flexible break time, and a clean, private space, not a bathroom, in order to foster the ability of a nursing mother who is an employee to use a breast pump in the workplace.
- Federal: Section 7 of the FLSA requires employers to provide reasonable break time for an employee to express breast milk for her nursing child for one year after the child's birth. Employers are also required to provide a place, other than a bathroom, that is shielded from view and free from intrusion from coworkers and the public, which may be used by an employee to express breast milk. The break time requirement became effective when the Affordable Care Act was signed into law on March 23, 2010. The Wage and Hour Fact Sheet #73 "Break Time for Nursing Mothers under the FLSA." For basic information about the law go to: <https://www.dol.gov/whd/regs/compliance/whdfs73.htm>

What do companies need to do to adopt and implement health support policies?

- Obtain a sample policy;
 - Determine financial commitment and policy options;
 - Gather input from staff;
 - Determine which workers have access to which options;
 - Tailor policy to meet your needs; and
 - Train employees and make new policy and benefits available to employees.
- 



SAMPLE HEALTH SUPPORT POLICIES

Subsidized Health Insurance Leave	<ul style="list-style-type: none">• 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• Hawaii Prepaid Health Care Law http://labor.hawaii.gov/dcd/files/2013/01/PHC-highlights.pdf
Breastfeeding Support	<ul style="list-style-type: none">• WomensHealth.gov: https://www.womenshealth.gov/breastfeeding/employer-solutions/index.html• https://www.womenshealth.gov/files/assets/docs/breastfeeding/employer-solutions/samplepolicy.pdf
Wellness Programs	<ul style="list-style-type: none">• http://choosehealth.utah.gov/documents/pdfs/ACA_Booklet.pdf• http://cghealth.com/wp-content/uploads/2015/08/the-health-trust-organizational-wellness-policy.pdf• https://resources.workable.com/employee-wellness-policy
Reasonable Accommodation	<ul style="list-style-type: none">• Reasonable Accommodations for Pregnant Workers by state: http://www.nationalpartnership.org/research-library/workplace-fairness/pregnancy-discrimination/reasonable-accommodations-for-pregnant-workers-state-laws.pdf



CITATIONS

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

Berry, L., Mirabito, A., Baun, W. (2014) What's the Hard Return on Employee Wellness Programs? *Harvard Business Review*, December 2010 Issue on Financial Management. Retrieved from: <https://hbr.org/2010/12/whats-the-hard-return-on-employee-wellness-programs> May 1, 2016.

Del Bono, E, and B. Rabe, (2012). "Estimating The Causal Effects Of Breastfeeding On Early Child Outcomes." Working paper 2012-29, Institute for Social and Economic Research.

Dickson V, Hawkes C, Slusser W, Lange L, & Cohen R. (2000). The positive impact of a corporate lactation program. *Journal of Human Lactation*, 18(1), 61-65. on breastfeeding initiation and duration rates: help for the working mother. Unpublished manuscript. Presented at the Annual Seminar for Physicians, co-sponsored by the www.bls.gov/news.release/pdf/famee.pdf American Academy of Pediatrics, American College of Obstetricians and Gynecologists, and La Leche League International, on July 21, 2000.

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)

Merhar, Christina. (2014). How to calculate the ROI on defined contribution health benefits. *People Keep*. Zane Benefits. Posted January 2, 2014 at <https://www.zanebenefits.com/blog/how-to-calculate-the-roi-on-defined-contribution-health-benefits>.

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

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>

We Care TLC (2016). How to Generate an ROI Through an Employer-Sponsored Clinic; The Medical Risk Management Approach. Retrieved January 22, 2018 from <http://wecaretlc.com/wp-content/uploads/2016/01/WeCare-TLC-Risk-Management-White-Paper.pdf>.

Willis-Watson-Towers (2016). 21st Annual Report on Best Practices in Health Care Employer Survey. *High Performance Insights – Best Practices in Health Care*. Retrieved January 22, 2018 from file:///Users/natalieskogerboe/Downloads/full-report-2016-21st-annual-willis-towers-watson-best-practices-in-health-care-employer-survey.pdf. And (2015) *Employers Plan to Expand Use of Onsite Health Centers*, retrieved from <https://www.towerswatson.com/en/Press/2015/05/employers-plan-to-expand-use-of-onsite-health-centers>.

Women Employed "Your Rights When You Are Pregnant"
<https://womenemployed.org/sites/default/files/resources/YourRightsWhenYouArePregnant2012.pdf>

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

