

## HEALTH CARE REFORM

### *Future of Reform Legislation Remains Uncertain.*

Despite President Barack Obama's call for a vote on health care legislation before the August Congressional recess, Representatives and Senators headed back to their home districts this month without a solidified bill aimed at reforming the nation's health care system.

What the state of the debate will be when they return in September is becoming increasingly clouded.

Prior to the recess, the House's Energy and Commerce Committee -- the last of three panels to vote on reform proposals -- came to a compromise with conservative Democrats, known as the Blue Dog Coalition, and agreed upon a proposal. The Blue Dogs had voiced opposition to the original plan's



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## TERMINATIONS

### *Continued Layoffs Prompt EEOC to Increase Guidance*

As the slumping economy continues to force employers to resort to layoffs, the U.S. Equal Employment Opportunity Commission (EEOC) has stepped up its guidance effort regarding terminations.

Earlier this month, the EEOC released a new Q&A on separation agreements. While this document is designed for employees, it lists a few warnings for employers.



According to the Q&A, a general release:

- Cannot include a waiver of rights to file a complaint with the EEOC
- Must have language that advises the employee to consult with an attorney and must acknowledge that the employee has had sufficient time to do so

To view the Q&A, go to this URL:

[http://www.eeoc.gov/policy/docs/qanda\\_severance-agreements.html](http://www.eeoc.gov/policy/docs/qanda_severance-agreements.html)

The EEOC also recently heard testimony about the impact of widespread layoffs on older workers and the risk of age discrimination in harsh economic times. The commission is considering proposals to address the issue.

In the meantime, employers should be careful to ensure that termination decisions do not appear to be discriminatory, experts say.

Seniority, as well as disciplinary record and statistics showing a worker's productivity, should be considered when making staff cuts, according to John T. Anthony III, an attorney with Carlton, DiSante & Freudenberger. ■

## HEALTHY LIFESTYLES

### **Employers Can Help Shrink Obesity Problem- If Plans Are Designed Correctly**

Obesity is one of the greatest health risks to the American workforce -- a growing problem that accounts for nearly 10 percent of all medical spending in the U.S., according to a recent report.

The Centers for Disease Control and Prevention reports that obese people spend \$1,429 per year more -- or 40 percent more -- in health care costs than people of normal weight.

Researchers found the obesity rates in the U.S. leapt 37 percent between 1998 and 2006, prompting an 89 percent jump in spending in obesity-related ailments such as diabetes and heart disease.

While many companies have instituted wellness programs to help tackle the problem, most employers think their employees should assume more responsibility for their own health and the costs related to treating chronic conditions, according to a survey by United Benefit Advisors (UBA).

More than 44 percent of employers agree that employees should pay more for their health care if they do not make a reasonable effort to control their chronic conditions, according to the 2009 UBA Employer Benefit Perspectives survey.

However, a majority of employers recognize that health management programs can have a positive effect

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**Health Care Reform** *Continued...*

overall cost. However, that deal angered liberals in the party, who threatened to oppose it. After further compromise, the committee decided on a plan that would extend benefits to millions of uninsured Americans and create a government-run insurance option.

Meanwhile, the Senate Finance Committee worked through the recess and inched closer to a formal bill. The Senate version would chop about \$100 billion from the projected cost of \$1 trillion over 10 years by placing a tax on benefits and would establish a network of nonprofit cooperatives instead of a government plan.

Committee Member Kent Conrad (D-N.D.) said a government run plan that competed with private insurance companies would not pass in the Senate.

The Obama Administration, a strong supporter of the government-plan option, did not say it would oppose such legislation but said an acceptable bill would have to increase competition for insurers.

Public support for a major overhaul of the health care system has been slipping in recent weeks. According to a New York Times/CBS Poll on July 30, 69 percent were concerned that their care would suffer under a government plan. In a Wall Street Journal/NBC News poll, 42 percent of respondents in July said Obama's health care plan was a bad idea, up from 32 percent in June. ■

## .....Bulletin Briefs.....

◆ **HIT THE HARDEST:** A new government study found that small businesses with fewer than 20 employees pay up to 18 percent more to provide health insurance for their employees compared with large companies. Small businesses pay more proportionately because they lack the bargaining power of their large counterparts and often face higher administrative fees, according to the White House Council of Economic Advisers. A separate analysis by Deloitte Consulting found that small firms also pay higher 401(k) fees for similar reasons.

◆ **GRIN AND BEAR IT:** A new MetLife survey found that employees want more and better information regarding their dental benefits. Only 35 percent of respondents said they were "extremely satisfied" with the information about covered procedures. One in five said they had "no idea" which procedures were covered under their plan. ■

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on future plan costs, and some are willing to spend some money up front to get employees involved. Between 15 and 23 percent of employers currently provide workers with financial incentives to manage their health or plan to do so next year, according to the UBA survey.

A separate study by Health2Resources found that those incentives are getting fatter. The national average cash incentive rose from \$204 in 2008 to \$329 this year, the research revealed.

While the carrot-and-stick approach is becoming more popular, the overall success of any wellness program depends upon employees' true desire to make lifestyle changes and improve their health, according to Colleen M. Reilly, president of Total Well-Being.

The secret, Reilly wrote in a recent column for Human Resource Executive Online, is determining the "readiness" of employees to make lasting changes.

"The very process of measuring your employees' readiness for change is an opportunity to communicate the short and long-term benefits of a healthier lifestyle," Reilly states in her article. "To get your wellness initiative off to a good start, be sure to design or adopt a 'readiness meter' that can clearly determine where your employees stand."

Follow this assessment with a communication campaign to prep the employees to take the plunge, Reilly said. Wait until most workers are on board before starting any action plans, such as weight-loss programs.

"A well-prepared population will seize the opportunity to take part in every aspect of the wellness program you are ready to offer to them," Reilly wrote. ■