



HEALTH CARE REFORM OUR UPDATE & ADVICE

MORRIS & REYNOLDS INSURANCE PRESENTS ADVICE & ANSWERS ON AMERICA'S HEALTH CARE REFORM

WELLNESS PROGRAMS



Although many consider America to have the best health care in the world, our hectic society often results in our citizens receiving their care at the last minute by avoiding routine wellness care, which subjects us to lifestyles that negatively impact our daily well-being and our lifespan.

In recent years, the growing trend has been for American businesses to play a pivotal role in educating employees about health and the decisions they make related to diet, exercise or substances that place us at risk. Large employers have begun implementing a range of so-called 'wellness' programs aimed at improving workers' health and lowering insurance costs.

Now, as a result of America's recent health care reform, wellness programs and their benefits will, it seems, become common in small and medium size businesses in our country .

HEALTH & WELLNESS

The **Patient Protection and Affordable Healthcare Act** signed into law in March 2010 brings significant changes to the workplace, including programs related to support businesses that offer wellness programs to their employees.

Effective Oct. 1, 2010, eligible employers with fewer than 100 employees who work more than 25 hours a week and who do not currently have a wellness plan may apply for grants from a \$200 Million, five-year program running fiscal years 2011-2015.



Initial details of the law, including focuses of the grant include:

1. Health screening and assessments
2. Incentives to encourage participation
3. Initiatives to change unhealthy behavior and lifestyle, including counseling, seminars and online programs
4. Incentives improving the workplace environment with policies to encourage healthier lifestyles

As all details become known we will provide them to you and are here to help in any way possible.

By **March, 2012**, The Department of Health and Human Services (HSS) must develop **reporting requirements to assess employer-based health programs**. The survey will then reoccur on a regular, but currently undetermined

basis, to measure the efficiency of chronic disease prevention and health promotion programs over time.

Reports to Congress will include recommendations on how to implement effective employer-based health programs and policies.

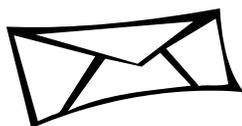
By **January, 2014, food vendors** with 20 or more locations must clearly post the calorie count for each food item sold to the public. Sodium levels, carbohydrates, and saturated fat information must also be available on request. It is thought that this law may make some consumers think twice about the food selections that they make.

By **January 1, 2014**, employers may offer bigger incentives for employees' positive lifestyle practices or participation in wellness programs such as **lunchtime walking or cessation groups**. The law allows incentives to increase 20% to 30% of the total premium, with HHS discretion to increase incentives up to as much as 50%.

WELLNESS INITIATIVES

"More than half of Americans have one or more chronic diseases."

According to the Centers for Disease Control, over half of Americans have one or more chronic diseases, which include cardiovascular (heart disease and stroke), cancer and diabetes.



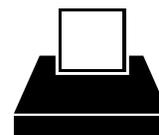
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Chronic diseases result not only in obvious medical costs, but in indirect costs through absenteeism and **presenteeism** (when an employee who, although sick, reports to work to avoid taking a sick day; his or her level of productivity is thought to be greatly diminished.)

Medical professionals believe that many chronic diseases are preventable. Corporate-directed wellness initiatives can play a critical role in improving employee health and productivity. While some health management programs focus entirely on the small percentage of employees with the highest health claims, **it is generally thought that the most effective programs also take a proactive approach, targeting preventative features for all employees.**

The goal is to minimize the number of workers moving into the high-risk category by providing increased awareness, education, motivation, and accountability. Almost all wellness programs today include some type of health risk assess-

ment with programs for **smoking cessation, weight loss, stress reduction, and/or chronic disease management:** All of these are practical and cost-effective strategies to improve employees' physical and mental health and well-being.



According to "Two Roads Diverged: Hewitt's Annual Health Care Survey" in 2008, 88% of employers planned to make "significant investments in longer term solutions to improve the health and productivity of workers." This represented a 25% increase from 2007.

"Studies have shown that for every \$1 an employer spends on wellness programs, employers can expect a \$3 to \$6 return."

Another recent Hewitt report, "Wellness and Beyond: Employers Examine Ways to Improve Employee Health and Productivity, Reduce Cost" stated, "While the return on investment varies for each employer, studies have shown that for every \$1 an employer spends on wellness programs, employers can expect a \$3 to \$6 return."

Whether at home or from the workplace, it is clear that a focus on wellness produces good results for all involved. As details on wellness incentives and the new law become further known, please know that the professionals at Morris & Reynolds will be here for you to provide help and guidance.

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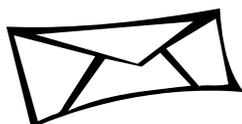


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Sources: The House Committees on Ways and Means, Energy and Commerce, & Education and Labor, 2010 and The National Association of Health Underwriters



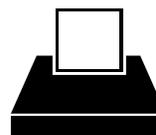
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