

Obesity 'Epidemic' Employers Fight the Fat As Workforce 'Balloons'

America's adult population is growing heavier at an unprecedented rate, raising serious issues for employers relating to healthcare costs, wellness, recruitment, and employee relations.

Although tobacco is still the top cause of avoidable deaths, the widespread pattern of physical inactivity combined with unhealthy diets is poised to become No. 1 as early as next year because of the resulting epidemic of obesity, according to the Centers for Disease Control and Prevention (CDC).



Obesity—a risk factor for a large number of chronic diseases such as diabetes, heart disease, hypertension, musculoskeletal conditions, depression, stroke, gall bladder, poor female reproductive health, as well as endometrial, breast, prostate and colon cancers—is associated with 39 million lost work days, 239 million restricted activity days, 90 million bed days, and 63 million physician visits, according to the National Business Group on Health (NBGH), a consortium of major employers working to control health-care costs. (Continued on back)

Waiting for Final FLSA Regs

Plan Ahead for Overtime Changes



Final regulations governing overtime eligibility under the Fair Labor Standards Act (FLSA) did not meet their anticipated end-of-March deadline and are currently under review by the Office of Management and Budget (OMB), which has up to 90 days to review the regulations and can then extend the review period an additional 30 days. In addition, the rule's effective date likely will be several weeks or even months after its issuance date, giving employers some time to get into compliance, according to HR Matters.

The new FLSA regulations are expected to raise the salary threshold for overtime for white-collar workers from \$155/week to \$425/week. The DOL estimates that some 1.3 million low-wage workers will gain overtime eligibility, while 640,000 white-collar employees would no longer be paid overtime.

To help with preparation for the anticipated FLSA changes, CCH suggests the following:

1. Identify employees who earn less than \$25,000 (proposed rules set the salary floor at \$22,100, but that amount is likely to be adjusted upward in the regulations).
2. Conduct job analyses (determine which employees perform administrative, professional, and executive duties).
3. Revise job descriptions (should reflect work performed and skills required).
4. Work closely with payroll (HRIS systems should reflect employees' revised exempt/nonexempt status).
5. Revise your discipline policy (necessary if you implement the option to dock exempt workers a day's pay for certain serious disciplinary infractions without jeopardizing their exempt status).
6. Develop a communication strategy (collaborate with your corporate communications team to prevent morale problems and other negative fallout).
7. Honor union contracts (still must comply with the terms of any bargaining agreements in place).
8. Avoid overtime kill (although you may be able to require additional hours from some employees without having to pay overtime, be careful not to cause burnout, poor morale, or turnover as a result of your practices). (Cont. on back)

Overtime Changes

(Continued from front)

9. Don't forget the status issue (be aware of potential feelings of demotion if some employees are reclassified).
10. Don't drop your guard (regardless of how correctly you classify employees, they still have two years to sue if they were misclassified under the old rules). ■

Obesity Epidemic

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Healthcare costs for obese workers average 36% more than for normal-weight workers, and medication costs 77% more, according to a RAND senior economist. The NBGH says that nearly two-thirds of all adults (64%) are either overweight or obese, and 14% (split evenly between men and women) are considered obese, costing U.S. companies an estimated \$12.7 billion annually.



Should powerful mainstream institutions like the U.S. Surgeon General, the U.S. Department of Health & Human Services, and certain health providers succeed in their debate to have obesity declared a disease vs. a lifestyle choice, employers will be forced to cover obesity treatments just as they do treatments for heart disease. Further repercussions could include the way managers and co-workers perceive obesity, which can have profound effects on recruitment and hiring, discrimination, and employee morale. ■

◆ *Employers Promote 'Healthier' Employees*

As healthcare costs continue to skyrocket and employers struggle to pay insurance premiums, companies are turning to employees to help them develop successful wellness programs that will reap both financial and motivational benefits. According to an associate professor of health promotion at Purdue University, for every \$1 spent on wellness programs, employers can expect an average return of \$3 via the "carrot approach": provide employees with incentives to stay healthy vs. disincentives for leading unhealthy lifestyles. Therefore, such a comprehensive wellness program should contain the following basic elements: health education (focus on skill development and lifestyle behavior change); linkage to related programs (EAPs/work-life programs); and evaluation/improvement processes to enhance the program's effectiveness and efficiency.



◆ *How employers can help employees 'fight the fat'*

The NBGH lists 10 things for employers to consider to help employees combat obesity: (1) Offer voluntary health risk appraisals; (2) Include health food choices in cafeterias and vending machines; (3) Provide nutritional information for cafeteria selections; (4) Offer on-site classes on nutrition and exercise; (5) Offer "Weight Watchers at Work" or other targeted programs; (6) Create safe walking paths and encourage the use of stairs; (7) Distribute health education materials; (8) Sponsor "lunch and learn" topics on fitness, healthy lifestyles, etc.; (9) Consider an allowance for health clubs; and (10) Support community-based weight management programs. ■



◆ *Search for new ways to cut costs now!*

Following successive years of increasing employee costs and, in some cases, cutting back on program benefits, Ernst & Young's Human Capital Practice suggests that employers analyze their current healthcare programs, identify/target the biggest cost increases, and implement an employee education program to offset expected increases that could rise as high as 15% this year. Employees who are better informed make more cost-effective decisions via access to such tools as scorecards on various doctors' success rates, treatment protocols, and a Q&A format for alternative courses of treatment and where they are available.

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