

Advantage Insight

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Remember Wellness for Small Businesses

By Vanessa Costa, CLU, CHFC

When's the last time you heard of a small business in Massachusetts cutting its annual health insurance costs by 7.5 percent? Never? Well read on, because it happened this year at a machine shop in Leominster.

Furthermore, this real-world example should be a reminder that as health care reform plays out in Washington, it's important to keep wellness incentives in place, especially for small businesses and their employees.

“For my business, this is huge,” said Michael Gasbarro, president and owner of F & M Tool and Die in Leominster. “It's important for the bottom line, but more importantly, it helps our folks stay healthy.”



Michael Gasbarro, Owner of F&M Tool and Die

[F&M Tool and Die](#) is a well-established fabricator of injection molds for the plastics industry. The company has 22 full-time employees, and as you would expect, has seen health insurance costs rise dramatically in recent years.

Offering a good health insurance plan is important to Gasbarro for employee morale, recruitment and retention, so managing costs where possible becomes a priority. That prompted us to enroll F&M in the Healthy Actions program offered by their carrier, Blue Cross Blue Shield of Massachusetts.

Many insurance carriers have some limited forms of wellness programs, but the key attribute of Healthy Actions, in my view, is that it aligns significant financial incentives for both the employer and employees to take concrete actions that can improve health; first and foremost, getting employees to see their primary care physician for a physical.

The program works like this: employees go for an exam and if their results are within “normal” guidelines, they get a \$300 debit card. If an employee has a medical issue to address, like high blood pressure or high cholesterol, they develop a treatment plan and they still get a \$100 debit card for taking the initiative to get a physical. If they show improvement at a second exam later that year, they can earn an additional \$200 debit card.

The upside for the business is tied to the number of employees who participate, so success takes a commitment from the owner and senior management, both on the administrative side, and in terms of personal leadership. Without genuine advocacy, getting the needed participation from employees could be tough and that will limit any potential premium savings.

When it all works, however, the benefits are substantial. Ultimately, over 80 percent of F&M’s eligible employees participated in the program and that qualified the company to earn the maximum rebate—a 7.5 percent reduction of its annual health insurance premium. “It took us a while to get going, some of the guys were hesitant, but when people started getting those \$300 cards, it got their attention,” Gasbarro said.

In addition to the Healthy Actions program, this year we worked with F&M to run its first on-site health and wellness fair. That morning the staff had training on good posture, stretching and safe-lifting practices to help prevent injuries. There were experts on hand to do spinal screenings, seated massage, talk about nutrition and how to avoid Lyme disease. “Many of our guys have been here a long time, and are starting to get up there in age, like me. So, doing what we can to encourage people to stay healthy is important,” Gasbarro said.

Having worked with small and mid-size companies for more than 25 years, I have seen the struggles business owners face as premiums rise. Too often they just throw up their hands in frustration, saying there is nothing they can do to control their insurance costs, because they don’t have the scale or flexibility that larger companies do to negotiate rates. The truth, however, is there are steps small businesses can take to make a difference. Promoting wellness is perhaps the most effective tool we have to help both employees and business owners.

Large companies have used a variety of wellness incentives for many years. Only recently, and only in some states, have companies with fewer than 100 employees had the ability to leverage wellness investments and enroll in health incentive programs. Keeping people healthy should be a universal goal, and the positive impact of programs like Healthy Actions and the relatively new Massachusetts Wellness Tax Credit specifically for small businesses should be examples for policy makers in Washington and on Beacon Hill as the reform debate continues.

Vanessa Costa, CLU, CHFC, is principal and co-founder of Advantage Benefits Group in Worcester, Massachusetts.