BENEFIT
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Congress Expands Children's Health Insurance Program

Following a long period of uncertainty about the future of the State Children's Health Insurance Program (SCHIP), President Barack Obama signed legislation on February 4 that expands the program to include millions more children living in low- to middle-income households.

To expand the SCHIP program, the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA) provides additional funding to states to provide health insurance to children whose families earn too much to qualify for Medicaid, but do not have access to other forms of insurance. Under the new legislation, the number of children covered under SCHIP is expected to grow from the current 7 million to around 11 million. The reauthorization is for 4.5 years, and it is expected to cost $32.8 billion. The expansion of SCHIP will be funded almost entirely through an increase in the Federal tobacco tax of 62 cents per cigarette pack.

President Obama, who stressed his support for SCHIP during the election campaign, expressed satisfaction with having the opportunity to sign the bill into law. "Today, with one of the first bills I sign…we fulfill one of the highest responsibilities we have: to ensure the health and well-being of our nation's children."

Since it was created more than a decade ago, the President added, "the Children's Health Insurance Program has been a lifeline for millions of kids whose parents work full time, and don't qualify for Medicaid, but through no fault of their own don't have—and can't afford—private insurance. For millions of kids who fall into that gap, CHIP has provided care when they're sick and preventative services to help them stay well. This legislation will allow us to continue and build on these successes."

CHIPRA passed the House of Representatives by a vote of 289 to

In This Issue

- Employers Can Lose Valuable Knowledge When Downsizing
- Lilly Ledbetter Fair Pay Act Signed Into Law
- Wellness Program Sponsors Often Fail To Measure ROI

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139 and the Senate by a vote of 66 to 32. Critics of the bill contended that the program was not adequately targeted to low-income children, and that the availability of SCHIP could encourage middle-income parents to move privately insured children to government-subsidized coverage. They also objected to a provision in the bill that allows states to extend SCHIP coverage to legal immigrants without requiring a five-year waiting period.

A day after signing CHIPRA, President Obama also lifted a directive that would have penalized states that enrolled middle-income children in SCHIP without proving that they had enrolled 95% of lower-income children living in the state. Under the directive, middle-income families would have also been required to wait a year after losing private coverage before applying for SCHIP.

When asked what factors hinder their organizations from implementing an effective knowledge retention strategy, 63% cited lack of time.

Employers Can Lose Valuable Knowledge When Downsizing

Most companies, including many that have laid off workers in an effort to maintain profitability in a flagging economy, lack a formal strategy for retaining knowledge within the organization, increasing the likelihood that employees who leave take with them information that is critical to the success of the company, according to a study published by the Institute for Corporate Productivity (i4cp).

Based on a survey of 426 companies, the study found that more than three-quarters (78%) of companies do not have a specific person or team responsible for knowledge retention, and more than two-thirds (68%) lack a designated operating budget for knowledge management.

The survey also found that 61% of companies do not currently have any formal knowledge retention initiatives underway. Further, most of those that have initiatives do not track them effectively: 62% of respondents with knowledge retention programs reported that they do not track them at all, while 26% said they do so only to a small extent.

When asked whether they believe knowledge retention is a problem for their organizations, 30% of respondents said they think their companies retain knowledge poorly or not at all when employees leave, while nearly half (49%) rated their company's performance at preserving institutional know-how as merely adequate. By contrast, just 20% believe their company is doing well or very well in the area of knowledge retention.

Commenting on the survey's findings, i4cp CEO Kevin Oakes said developing a knowledge retention strategy that works "typically isn't something companies figure out overnight."

The problem, Oakes said, "is that a lot of firms don't see it as a burning platform yet, but, by the time they do, it may be too late to salvage. When employees walk out the door—for whatever reason—a tremendous amount of valuable knowledge that will never be retained walks out with them."

When asked what factors hinder their organizations from implementing an effective knowledge retention strategy, 63% cited lack of time. In addition, around half said their company does not offer enough financial support for knowledge retention, and a roughly equal number blamed a lack of management support.

"Whether they recognize it or not, companies invest a significant amount of money toward building up and improving the knowledge of their workforce each year. The 'tacit' knowledge of the workforce—the information in workers' heads—makes up a significant amount of an enterprise's know-how. The cost of losing this can be extreme," Oakes warned.

"In today's economy, with layoffs and early retirement packages rampant, companies should be focused on programs and systems to help retain that valuable asset in the future," Oakes concluded.

Lilly Ledbetter Fair Pay Act Signed Into Law

Effectively nullifying a previous U.S. Supreme Court decision, President Barack Obama signed into law on January 29 the Lilly Ledbetter Fair Pay Act, named for an Alabama woman who filed a lawsuit against her employer claiming she had been paid less than her male co-workers over the course of her 19-year career.

According to a summary of the bill, the new law amends Title VII of the Civil Rights Act of 1964 and the Age Discrimination in Employment Act of 1967 (ADEA), and modifies the Americans with Disabilities Act of 1990 (ADA), to clarify that a discriminatory compensation decision or other practice that is illegal under these laws occurs each time compensation is paid pursuant to the discriminatory compensation decision or other practice, and for other purposes.

Specifically, the passage of the law reestablishes the rule of "paycheck accrual," in which the receipt of a paycheck resulting from a previous discriminatory decision can be used as the basis for filing a charge of discrimination with the Equal Employment Opportunity Commission (EEOC), provided the claim is filed within 180 days (or 300 days in some states) of the last paycheck received.

The legislation takes effect retroactively for all such claims pending on or after May 28, 2007, the day before the Supreme Court's decision in the Lilly Ledbetter case. Ledbetter sued the Goodyear Tire & Rubber Co. in 1998, claiming she had only recently learned that she had been awarded consistently lower compensation than her male co-workers during the course of her nearly two-decade career with the company. The Supreme Court ruled, however, that employees must file a discrimination claim with the EEOC within 180 days of the compensation decision. Critics of the ruling argued that this statute of limitations was unfair because many employees do not learn that they are being paid less than their co-workers until months or years after the initial discriminatory decision was made.

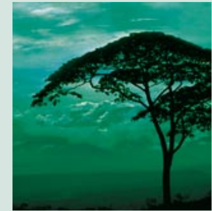
A previous attempt to pass the Lilly Ledbetter Bill was defeated by the Senate in April 2008, amid objections that it could encourage frivolous lawsuits and force businesses to defend compensation decisions that were made long ago. The bill was reintroduced in the 111th Congress in January 2009; it passed the House of Representatives by a margin of 247 to 171 and the Senate by a vote of 61 to 36.

An original co-sponsor of the bill, Olympia Snowe (R-ME), said the legislation "recognized an issue that is fundamental to America—to the way we see ourselves, to the way we are seen around the world, to the standards by which our country abides: equality, fairness, and justice."

Snowe added, "This new law sends a clear message to the American people that this Congress is committed to these core principles and will continue to work in bipartisan fashion to break down the barriers of wage discrimination in our nation."

Prior to the vote, Dan Danner, then executive vice president of the National Federation of Independent Business (NFIB), outlined his organization's objections to the measure, saying it "does not encourage and require employees to act immediately when they are subjected to discrimination."

The legislation, Danner continued, "will force small businesses into the position of trying to defend an employment decision that occurred in the distant past. Discrimination cases usually rely upon circumstantial evidence—he said, she said testimony—the best time to reconstruct what actually occurred is immediately after the event happened, not years later."



A discriminatory compensation decision or other practice that is illegal under these laws occurs each time compensation is paid pursuant to the discriminatory compensation decision or other practice, and for other purposes.

Wellness Program Sponsors Often Fail To Measure ROI

Sponsors of wellness programs believe their workers benefit from the initiatives, but most do not measure their actual return on investment (ROI), according to a survey conducted by the International Foundation of Employee Benefit Plans (IFEBP).

The survey of 586 wellness program sponsors found that just 13% measure the ROI on wellness programs. However, of those companies that do assess results, more than three-quarters (78%) reported a positive return on their investment ranging from $1.01 to $4.00 for each dollar spent.

Researchers also noted, however, that most companies do not yet have much experience with wellness programs, as more than two-thirds (67%) of the employers indicated that the wellness initiatives at their companies have been in place for less than four years.

When asked why they sponsor wellness programs, nearly half (46%) cited health care costs, while more than one-third (35%) said their goal was for employees to enjoy better overall physical health.

"Employers want to control health care costs and are implementing wellness programs under the assumption that it is less expensive to prevent rather than treat most medical conditions," said Kelli Kolsrud, senior information/research specialist at the IFEBP.

However, Kolsrud added, "demonstrating cost savings and quantifying benefits of wellness programs can be challenging. A wellness program is a long-term investment, and it may take years of data gathering before positive results are realized."

Results showed that the most common types of wellness initiatives offered by employers include common screening and treatment programs (82%), health risk assessments (73%), health screenings (69%), and smoking cessation programs (60%).

The survey also found that nearly half (49%) of the employers offer weight loss or weight management programs. When asked what types of weight loss or fitness initiatives or forms of support they offer, the top responses included competitions such as walking and fitness challenges (48%), healthy food choices in the cafeteria or snack area (42%), on-site fitness equipment (33%), and off-site fitness programs or subsidies (32%).

"Helping employees maintain a healthy weight is one way employers believe they can control health care costs," said Kolsrud. "Employee weight loss programs have gained popularity in recent years. These programs are often successful because participants have a built-in support system. Morning donuts are replaced with fresh fruit, lunch hours are spent walking with colleagues—it's really about building a culture of wellness that encourages success."

In addition, 80% of the surveyed employers said they offer employees incentives for participation in wellness programs, including non-cash incentives like raffles or prizes (39%), gift cards (32%), cash rewards (22%), and insurance premium reductions (22%). When asked about rates of worker participation in wellness programs, employers reported that health fairs, health screenings, and health risk assessments attracted the highest participation levels. However, respondents indicated that few initiatives had participation rates of more than half of the company's employees.

Of those companies that do assess results, more than three-quarters (78%) reported a positive return on their investment ranging from $1.01 to $4.00 for each dollar spent.

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