Employee Benefits Report

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How Employers Can Curb a 'Hidden Workplace Epidemic,' Save Money and Boost Productivity

Every day, 60 people die from opioid pain medications in America. That's 22,000 people every year. Opioids are being overprescribed and they're now the #1 cause of unintentional death in the United States. Not surprisingly, this "hidden epidemic" is impacting businesses. The National Safety Council has recommendations on what employers need to do.

It may seem hard to digest at first, but more than 70 percent of American businesses say the use of narcotic painkillers by workers is affecting their businesses.

A recent survey by the National Safety Council found seven in ten employers are feeling the direct impact of prescription drug misuse in their workplaces. The survey, the first of its kind in the nation, also found that although 71 percent of employers

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Cut Turnover Costs by Offering Millennials Education Benefits

New research reveals that employers can reduce the costs of recruiting and training replacements by offering Millennials—a generation that forms the largest part of the workforce and changes jobs an average of 15-20 times over their careers — educational benefits that they can share online.

"Millennials — the 'pics or it didn't happen' generation — chase external validation through online recognition of their achievements," wrote Rachel Carlson and Jonathan Finkelstein in an article for *Employee Benefit News*. "Digital badges and credentials, shared on social media, enable savvy employers to offer currency that younger

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employees value. Millennials famously eschew the corporate perks that cultivated 'loyalty' among their predecessors, but they clamor for education as a benefit."

Currently, Millennial turnover costs American companies more than $30.5 billion annually. An analysis by Discover Financial found $2.73 in savings for every dollar spent on education assistance for Millennials.

"As credentials make the move from office walls to social networks, they serve as powerful tools for validation, allowing people to showcase what they've learned and take pride in the skills they've developed," Carlson and Finkelstein wrote.

For more information about how educational benefits can reduce Millennial turnover, please contact us.

agree that prescription drug misuse is a disease that requires treatment, 65 percent feel it is a justifiable reason to fire an employee.

"Employers must understand that the most dangerously misused drug today may be sitting in employees' medicine cabinets," NSC President and CEO Deborah A.P. Hersman said in a statement. "Even when they are taken as prescribed, prescription drugs and opioids can impair workers and create hazards on the job. We hope these findings prompt employers to take the lead on this emerging issue so that workplaces can be as safe as possible."

Drug poisonings, largely from opioid painkillers, now surpass car accidents as the leading cause of preventable death among adults. Nearly half of Americans are personally impacted by prescription drug addiction, with 44 percent knowing someone who is addicted to a prescription pain reliever. Seven in ten of those struggling with a substance use disorder are in the workforce, revealing a hidden epidemic that many employers are struggling to address.

What the Survey Found

Other key findings from the survey include:

- Only 19 percent of employers feel "extremely prepared" to deal with prescription drug misuse in the workplace.
- Although just 13 percent are "very confident" that employers can spot the signs of misuse, 76 percent do not offer training to help close that knowledge gap.
- 81 percent of respondents' policies lack at least one critical element of an effective drug-free workplace program.
- Just 57 percent are drug testing all employees; of those employers who conduct drug testing, 41 percent are not testing for synthetic opioids.
- 88 percent are interested in their insurer covering alternatives to pain relief treatment so that employees can avoid taking opioids. Nearly 60 percent believe the insurance company will be responsive, but 30 percent of those employers will not act on that interest.
- Encouragingly, 70 percent would like to help employees struggling with prescription drug misuse return to their positions after completing treatment.

Steps Employers Can Take to Curb Drug Use

Why should employers care about worker abuse of painkillers? Prescription painkiller abuse costs employers nearly $42 billion because employees are less productive while at work or don't show up at all.

Employees who abuse drugs are two to five times more likely to:

- Take unexcused absences
- Be late for work
- Quit or be fired within one year of employment
- Be involved in workplace incidents
- File workers' compensation claims

The Centers for Disease Control and Prevention reports that more than 12 million U.S. residents used prescription painkillers nonmedically in 2016.

Many nonmedical users of prescription painkillers are employed, and therefore prescription drug use affects employers of all company sizes and in all industries.

So, what should employers do? The NSC advises employers to take the following steps to curb drug use in the workplace:

- Educate employees about the health and productivity issues related to prescription drug abuse.
- Incorporate information about substance abuse in workplace wellness programs or strategies.

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- Offer health benefits that provide coverage for substance abuse disorders.
- Expand drug testing to include prescription drugs.
- Publicize drug-free workplace policies and incorporate guidelines regarding prescription drugs.
- Provide employee assistance programs (EAPs), wellness and work-life programs that include information and services related to substance abuse prevention, treatment and return to work issues.
- Train managers to recognize and respond to substance abuse issues so problems can be addressed in cost-effective and business-sensitive ways.

The NSC provides a free Prescription Drug Employer Kit to help employers establish policies and manage opioid use at work. For resources and information about prescription drug abuse both in the workplace and at home, visit nsc.org/rxpainkillers.

Bill Would 'Alter the Legal Landscape' for Workplace Wellness Programs

A bill that members of Congress are considering would substantially change federal rules governing workplace wellness programs, lifting limits on the inducements that can be used to persuade workers to provide personal health information, according to a brief by the Kaiser Family Foundation.

Currently, several federal laws apply to workplace wellness programs. The Affordable Care Act (ACA) sets standards for a certain type of wellness program, known as health contingent programs. The ACA limits penalties that can be applied under such programs. However, it does not address personal health information collection practices under health contingent wellness programs.

Two other laws – the Americans with Disabilities Act (ADA) and the Genetic Information Nondiscrimination Act (GINA) — affect all workplace wellness programs that ask workers and their family members to disclose health and genetic information.

The ADA and GINA prohibit employment discrimination based on health status or genetic information. As part of that protection, ADA prohibits medical examinations and inquiries that are not job related, and GINA prohibits requests for genetic information, though both laws make exceptions for voluntary wellness programs.

HR 1313 Would Permit Employers to Gather More Health Information

Under House Resolution 1313, any wellness program in compliance with ACA requirements would be deemed compliant with ADA and GINA wellness program standards.

"As a result, for the vast majority of workplace wellness programs today, there would be no limit on inducements that could be used to encourage workers and their family members to provide personal health information, including genetic information; and other ADA and GINA wellness standards would

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no longer apply to any workplace wellness programs," Karen Pollitz and Matthew Rae wrote in the Kaiser Family Foundation brief.

Wellness programs health risk assessments (HRAs) typically include questions about health risks or conditions that people may consider sensitive. For example, HRAs commonly ask whether and to what extent individuals feel stress, anxiety or depression, whether and how frequently individuals consume alcohol or use illicit drugs, information about current prescription drug use and other medical treatments.

"In general, many Americans are concerned for the privacy of their health information," the authors wrote. "Concern may increase when it comes to health conditions that could trigger social stigma (including perceived blame for having the condition) and discrimination. The medical literature identifies a number of stigmatized conditions, including mental health disorders, alcohol and substance use disorders, HIV and other sexually transmitted diseases, and diabetes."

While many individuals may have privacy and discrimination concerns about their employers collecting biometric and health information, those with a stigmatized health condition may have even stronger concerns, the authors wrote.

Even in the face of financial penalties, including higher health insurance premiums, most people offered the opportunity to participate in workplace wellness health screening programs decline to do so. Current federal law (the ADA and GINA) limit inducements employers can use to encourage workers and their family members to disclose information to wellness programs.

Bill Would 'Alter the Legal Landscape

HR 1313 would "alter the legal landscape," the authors wrote. Under the bill, workplace wellness programs would be deemed in compliance with the ADA and GINA if they comply with the ACA. Nearly 90 percent of workplace wellness programs that ask for personal health information are not health contingent programs. As a result, under most programs, there would be no limit on penalties that could be applied to workers, spouses, and dependent children who decline to provide sensitive personal health and genetic information, and other rules on information collection practices would no longer apply.

"The potential for workplace wellness programs to improve health and save costs continues to hold great appeal for employers and policymakers, alike," the authors wrote. "The challenge is to balance this potential with protections to ensure programs do not discriminate against people with health problems or compel disclosure of health information people want to keep private. As new federal standards for wellness programs are considered, it remains to be seen how these goals will be balanced."

To find out more about workplace wellness programs, please contact us. ■

Retirement Policy Likely to Change Radically in Near Future

As President Trump and the new Republican-controlled Congress settle in, experts say U.S. retirement policies are likely to change significantly over the next few years.

This is largely because of the new majority's plans to overhaul the U.S. tax structure and federal budget in ways that could fundamentally change how the tax code treats private-sector retirement plans. Currently, retirement, as a standalone issue, is not a high legislative priority in Washington.

Secondly, because of the drive to simplify and lower income tax rates, tax-favored retirement provisions in the tax code are vulnerable. As one of the top sources of "revenue foregone" by the federal government, ending or reducing current tax breaks for employment-based retirement plans — particularly 401(k) plans — would free up revenue for other things that the new Congress and president want to do, experts said at a recent Employee Benefit Research Institute forum in Washington, D.C. on the topic of "Retirement Policy Directions in 2017 and Beyond."

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Retirement Savings Incentives in the Tax Code are a Target

At the forum, Brian Graff, chief executive officer of the American Retirement Association, said retirement savings incentives in the current tax code are an inevitable target to help finance Republicans' other priorities.

"They want to do tax reform that's revenue neutral, they want to lower rates, they want to lower taxes on investments, and they want to lower corporate rates," Graff said. "To be revenue neutral, the money has to come from someplace else, and historically, we (retirement tax preferences) have been a target to pay for other priorities."

Graff noted that policymakers in Washington, D.C. are not focused on retirement savings in the same way as those in the retirement sector. Specifically, he cited recent comments by U.S. Rep. Kevin Brady (R-TX), chairman of the tax-writing House Ways and Means Committee, who called for a radical simplification of the federal tax code.

"He mentioned the importance of savings and that Americans aren't saving enough — but the conversation wasn't about retirement savings, it wasn't about saving for health care, it wasn't about saving for education. It was about reducing the taxes on capital gains," Graff said. "They're not talking about retirement — they're talking about the way to increase savings is by reducing the taxes on investments."

And because more than 80 percent of capital gains tax incentives go to households with over $250,000 in adjusted gross income, Graff said, "I don't think there's much of a debate about who gets the incentives for reductions in capital gains, and that's the problem: We're not even viewed as savings in that prism."

Randy Hardock, a partner in the benefits law firm of Davis & Harman, a former staffer with the Senate Finance Committee, and a former official in the U.S. Treasury Department, agreed that existing tax-code preferences for retirement programs are at high risk in the new Congress and with the Trump administration.

"Quite honestly, it is incomprehensible to me that Congress will not go after retirement plans in some way in tax reform, even if it's just trying to shift from traditional retirement savings to Roth-like vehicles, because it raises money (for the federal budget)," Hardock said. "Over the short term, it raises money generally from higher-income people. But they are going to move in that area and there are ideas out there now."

Retirement Industry Should Prepare to Act Quickly

Hardock predicted that this will happen quickly in the early days of the Trump administration, especially since Republicans now have full control of the federal government and will want to act fast. The retirement industry should be prepared to also act quickly if they hope to add provisions to the legislation when it begins to move.

"We do have an opportunity, things are happening," Hardock said. "You've got to get on the train when it's leaving the station."

For more information about changes in federal retirement policies, please contact us.

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Benefits Paid to Long-Term Care Policyholders Rise 6 Percent

America's long-term care insurance companies paid $8.65 billion in benefits to 280,000 people in 2016, an increase of 6 percent over the prior year, according to the American Association for Long-Term Care Insurance.

"The total of all benefits paid increased by over 6 percent and the number of long-term care insurance policyholders on claim grew by roughly 20,000," Jesse Slome, director of the AALTCI, the national trade group that reports annual claims data, said in a statement.

In 2015, AALTCI reported total claims of $8.15 billion paid to 260,000 individuals.

Meanwhile, the number of individuals paid benefits because they had purchased a traditional long-term care insurance policy increased by nearly 8 percent.

Without insurance to pay some or all of the costs of long-term care, Slome said the caregiving responsibility often falls on elderly spouses or adult children of aging parents.

"It's more than just money that long term care insurance provides," Slome said. "It's as much about having control and choices, while protecting your retirement plans and lifestyle. I like to tell consumers who are deciding if this is a prudent move, that having even some long-term care insurance in place allows loved ones to care about you rather than being forced to care for you."

In a related study, Slome said the majority of long-term care insurance claims begin and end in the home.

"Individuals continue to mistakenly think of long-term care insurance as nursing home insurance," Slome said. "I sometimes refer to LTC insurance as nursing home avoidance insurance because often having this insurance protection in place allows the individual to be cared for in their own home."

The analysis found the majority of new claims starting in 2016 (54 percent) began in the home. That represents a 3 percent increase compared to the association's last study, conducted in 2012.

"People want to be in their home with family and loved ones, and having some long-term care insurance in place can help pay for the cost of home care services," Slome pointed out.

For more information about long-term care insurance, please contact us.