



Kentucky: Partnership Explores Health Impact of Worksite Wellness Tax Credit

Overview

The Kentucky Department for Public Health (KDPH) is leading the way in improving the health of its citizens by focusing on worksite as a gateway to improving the health of employees and their families. Under the leadership of former Kentucky State Health Commissioner William Hacker, MD, FAAP, CPE, KDPH used a health impact assessment (HIA) to analyze the impact of a worksite wellness tax credit on obesity rates, social cohesion, and job creation in the state. As a result of this assessment, a worksite wellness tax credit was introduced in the state legislature and is currently pending.

Extensive research shows that worksite wellness programs benefit both employees and employers. There is strong evidence that comprehensive programs can change employee health behaviors and reduce their risk of disease. Healthy employees boost a company's bottom line by reducing healthcare costs, workers' compensation and disability claims, and absenteeism, while increasing morale and productivity. As the costs of employee health-related expenses rise, increased healthcare costs will decrease Kentucky's ability to recruit new businesses and will harm existing businesses' viability and profitability.

Worksite wellness legislation is gaining momentum in the United States. Along with publishing studies concerning worksite wellness, 28 states passed worksite wellness laws between 2006 and 2010 concerning health insurance incentives, state employee programs, and tax credits. Nine states and the District of Columbia have considered employer-sponsored health promotion program tax credits, but only Indiana enacted legislation. A worksite wellness tax credit was proposed in Kentucky that would give tax credits to employers who provide qualified wellness programs for their employees, but it was not enacted in 2008, 2009, or 2010.

Steps Taken

After receiving a grant from Association of State and Territorial Health Officials (ASTHO), KDPH began building their capacity to conduct HIAs and complete the first HIA. Since then, KDPH staff's HIA grant project leads have become competent in conducting HIAs by participating in educational opportunities and trainings from ASTHO and Human Impact Partners, researching HIA websites, participating in conference calls with other state grantees, and collaborating with other state and in-state HIA project teams. By building capacity to conduct HIAs in the state, as well as conducting a HIA on the Kentucky

Health Priorities in Kentucky

- Kentucky ranks third in the nation for childhood obesity. Sixteen percent of children are overweight and 18 percent are obese. Eighty percent of children who are overweight will become overweight adults.
- Almost 355,000 people in Kentucky are underemployed. On average, those with less education, ethnic minorities, younger Kentuckians, and individuals with physical limitations are more likely to be underemployed.
- Kentucky is ranked 40th in the nation for percentage of low-income working families and the state's unemployment rate is 9.8 percent, with Eastern Kentucky areas as high as 12.1 percent.
- The 2012 Gallup-Healthways Well-being Index ranked the state 49th in emotional health, life evaluation, and physical health, and 50th in healthy behavior.



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Worksite Wellness Tax Credit, KDPH created a solid foundation for HIAs to be used for future projects and policies in the state.

The first Kentucky HIA project was assessing the Kentucky Worksite Wellness Tax Credit. KDPH partnered with the Department of Public Health at Western Kentucky University (WKU) to develop a HIA, an information gathering tool used to systematically evaluate the potential and sometimes unintended effects of a proposed project, plan, or policy on the health of a population and distribution of those effects. The assessment's purpose was to evaluate the potential effects of a worksite wellness tax credit on three main areas of concern for Kentucky: (1) nutrition, physical activity, and obesity levels of children whose parents receive worksite wellness services; (2) jobs; and (3) social cohesion.

Results

After determining the potential impacts on the three priority areas of childhood obesity, jobs, and social cohesion, the HIA project team recommended that the worksite wellness tax credit be implemented based on positive results from the HIA. The HIA also had positive impacts on KDPH capacity and on state legislation.

- The KDPH HIA grant project leads have become competent in conducting HIAs by participating in educational opportunities and trainings, participating in conference calls with other state grantees, and collaborating with other state and in-state HIA project teams.
- Kentucky's first HIA found that a worksite wellness tax credit would likely have positive impacts on the physical and social health of Kentuckians and the state's economy. The HIA found that:
 - Parents can be educated and supported to improve their own health and that of their children through wellness programs at the workplace.
 - Progressive companies in the country are offering wellness programs now for employees and their families.
 - Employee wellness programs that include families have shown greater results than employee-only programs.
 - Job growth can be increased through healthier employees and the state's strengthened image could attract companies.
 - Improved social cohesion influences communities' ability to provide a supportive, healthy environment.
- Based on the ability to show a return on investment from worksite wellness from the new HIA results, Rep. John Tilley introduced HB 549, an act to establish a wellness project credit. The bill was introduced to the House Appropriations & Revenue Committee, but has not been reintroduced in 2013. KDPH recently formed a Kentucky Worksite Wellness Initiative Advisory Board that plans to support re-introduction of the bill next session.
- Recommendations from the HIA are being used to inform future worksite wellness initiatives in Kentucky. KDPH projects resulting from the HIA include the initiation of an in-depth statewide assessment of current worksite wellness programs, educating employers through community events and newly-developed resources, conducting program assessments with the CDC Worksite Health ScoreCard to set standards for quality wellness programs, and implementing a



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worksite wellness pilot in a ten-county region that includes the development of a web site tool targeted towards employers (<http://kentucky.stateofwellness.org>).

- The HIA helped WKU gain support for continued development of worksite health promotion curriculum at the university, including an undergraduate course, minor, and certificate, as well as a graduate course and certificate, and a Professional Certificate in Worksite Health Promotion. These academic programs will build skilled workforce capacity in worksite health promotion.

Population Focus

The HIA informs potential worksite wellness policies that impact the health of employees of companies and their families, with a particular focus on smaller employers and those located in rural areas of Kentucky.

Role of State Health Agency

KDPH applied for the initial capacity-building funds from the Association of State and Territorial Health Officials (ASTHO) to begin conducting HIAs. This funding allowed for the training of key staff members that can contribute to future HIAs. To complete the first HIA, the state health agency was responsible for building the HIA project team and coordinating with the other state agencies and nongovernmental organizations that comprised the team. KDPH also partnered with WKU in order to build the HIA tool to complete the assessment.

Key Partners

KDPH created a HIA project team for the worksite wellness tax credit consisting of nontraditional partners. This team included staff from other state cabinets such as the Kentucky Education Cabinet, several local health departments, members of the Kentucky Chamber of Commerce's Health and Wellness Policy Council, WKU, Kentucky Cancer Consortium, and Kentuckiana Health Collaborative.

Payment Mechanism

KDPH was provided funding for this project through ASTHO. This project is supported by Leadership for Healthy Communities, a program of the Robert Wood Johnson Foundation, which focuses on advancing healthy eating and active living policies.

Lessons Learned

Although conducting HIAs are a complex process, Kentucky's experience demonstrates that HIAs are a worthwhile endeavor. For states that have not begun conducting HIAs, Kentucky's approach provides some insights on initiating an HIA process, particularly when it comes to developing unique partnerships.



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- HIAs are important tools for state health agencies to ensure that health considerations are part of any decision-making process. State health agencies can use HIAs to provide an objective assessment to key partners about the health consequences of their policies and projects.
- KDPH found that capacity built through the ASTHO grant and this first HIA created a solid foundation for HIAs to be used for future projects and policies in the state.
- Build a network of diverse partners. Depending on the topic of your HIA, this network can include state agencies in other sectors, educational institutions, local agencies, nongovernmental organizations, and statewide coalitions that may have common interests. Input from collaborators at different levels and with different perspectives can be valuable for conducting HIAs.
- Even beyond proposed state or local agency policies, HIAs can raise awareness about health issues and even influence legislation.

Conclusion

HIAs are important tools for state health agencies to use to ensure that health considerations are part of any decision-making process. By utilizing HIAs, state health agencies can provide an objective assessment to key stakeholders about the health consequences of their policies and projects. Even beyond these stakeholders, the findings of an HIA can also be helpful in laying the groundwork for public health legislation and gaining support for future initiatives.

References and Resources

Partnership for a Fit Kentucky, [Worksite Wellness Tax Credit Health Impact Assessment](#), January 2012.

[ASTHO Health Impact Assessment Capacity Building Reports](#), August 2011.

Human Impact Partners: <http://www.humanimpact.org/>