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(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2011-12

(session year)

Assembly

(Assembly, Senate or Joint)

Committee on Health...

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
(**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
(**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

* Contents organized for archiving by: Stefanie Rose (LRB) (October 2013)

Assembly

Record of Committee Proceedings

Committee on Health

Assembly Bill 220

Relating to: an income and franchise tax credit for workplace wellness programs, granting rule-making authority, and requiring the exercise of rule-making authority.

By Representatives Murtha, Nygren, Bies, Brooks, Doyle, Honadel, Jacque, Jorgensen, Kaufert, Kestell, Kuglitsch, T. Larson, LeMahieu, Litjens, Nerison, A. Ott, Petersen, Petrowski, Petryk, Pridemore, Ripp, Sinicki, Spanbauer, Staskunas, Strachota, Stone, Thiesfeldt, Tranel, Van Roy, Zepnick and Ballweg; cosponsored by Senators Moulton, Hopper, Kapanke, Lassa, Leibham, Schultz and Zipperer.

August 18, 2011 Referred to Committee on Health.

September 21, 2011 **PUBLIC HEARING HELD**

Present: (10) Representatives Stone, Severson, Kaufert, Van Roy, Petersen, Litjens, Richards, Pasch, Seidel, C. Taylor.
Absent: (0) None.
Excused: (1) Representative Strachota.

Appearances For

- Scott Rausch, Madison — Legislative Aide for Rep. John Murtha, 29th Assembly District (Author)
- Michael Richards, LaCrosse — Gundersen Lutheran Health System
- Doug Gieryn, Madison — WI Public Health Assn & WI Assn of Local Health Depts & Boards

Appearances Against

- None.

Appearances for Information Only

- None.

Registrations For

- Terry Moulton, Chippewa Falls — 23rd Senate District
- Steve Baas, Milwaukee — Milwaukee Metropolitan Assn of Commerce
- Dr. Sarang Baman, St Francis — Lakeshore Medical Clinic
- Nicole Hudzinski, Madison — American Heart Assn

- Michael Heifetz, Madison — Dean Clinic and SSM Health Care
- Jeremy Levin, Madison — Rural WI Health Cooperative
- Paul Merlin, Madison — WI Hospital Assn
- Carrie Kahn, Madison — WI Assn of Health Plans
- Matt Phillips, Madison — Humana
- Matt Phillips, Madison — WI Athletic Trainers' Assn
- Michael Welsh, Madison — WI Public Health Assn & WI Assn of Local Health Depts and Boards
- Tony Driessen, Madison — DeWitt Ross & Stevens (WI Assn of Health Underwriters)
- Robert Phillips, Madison — Marshfield Clinic
- Jason Culotta, Madison — WI Manufacturers and Commerce

Registrations Against

- None.

Registrations for Information Only

- None.

October 19, 2011

EXECUTIVE SESSION HELD

Present: (11) Representatives Stone, Severson, Kaufert, Van Roy, Strachota, Petersen, Litjens, Richards, Pasch, Seidel and C. Taylor.

Absent: (0) None.

Excused: (0) None.

Moved by Representative Richards, seconded by Representative Seidel that **Assembly Amendment 1 to Assembly Substitute Amendment 1** be recommended for adoption.

Ayes: (4) Representatives Richards, Pasch, Seidel and C. Taylor.

Noes: (7) Representatives Stone, Severson, Kaufert, Van Roy, Strachota, Petersen and Litjens.

ASSEMBLY AMENDMENT 1 TO ASSEMBLY SUBSTITUTE AMENDMENT 1 ADOPTION NOT RECOMMENDED, Ayes 4, Noes 7

Moved by Representative Petersen, seconded by Representative Litjens that **Assembly Substitute Amendment 1** be recommended for adoption.

Ayes: (11) Representatives Stone, Severson, Kaufert,
Van Roy, Strachota, Petersen, Litjens,
Richards, Pasch, Seidel and C. Taylor.

Noes: (0) None.

ASSEMBLY SUBSTITUTE AMENDMENT 1 ADOPTION
RECOMMENDED, Ayes 11, Noes 0

Moved by Representative Van Roy, seconded by Representative
Litjens that **Assembly Bill 220** be recommended for passage as
amended.

Ayes: (10) Representatives Stone, Kaufert, Van Roy,
Strachota, Petersen, Litjens, Richards, Pasch,
Seidel, C. Taylor.

Noes: (1) Representative Severson.

PASSAGE AS AMENDED RECOMMENDED, Ayes 10, Noes 1



Marsha Dake
Committee Clerk

Vote Record Committee on Health

Date: 10-19-11

Moved by: Van Roy

Seconded by: Litjens

AB 220

SB _____

Clearinghouse Rule _____

AJR _____

SJR _____

Appointment _____

AR _____

SR _____

Other _____

A/S Amdt _____

A/S Amdt _____ to A/S Amdt _____

A/S Sub Amdt _____

A/S Amdt _____ to A/S Sub Amdt _____

A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

Be recommended for:

- Passage Adoption Confirmation Concurrence Indefinite Postponement
 Introduction Rejection Tabling Nonconcurrence

Committee Member

	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
Representative Jeff Stone, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Erik Severson	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Dean Kaufert	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Karl Van Roy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Patricia Strachota	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Kevin Petersen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Michelle Litjens	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Jon Richards	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Sandy Pasch	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Donna Seidel	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Chris Taylor	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Totals: 10 1 _____ _____

Motion Carried

Motion Failed

Vote Record Committee on Health

Date: 10-19-11

Moved by: Petersen

Seconded by: Litjens

AB 220 SB _____ Clearinghouse Rule _____
 AJR _____ SJR _____ Appointment _____
 AR _____ SR _____ Other _____

A/S Amdt _____
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 A/S Sub Amdt 1
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Be recommended for:
 Passage Adoption Confirmation Concurrence Indefinite Postponement
 Introduction Rejection Tabling Nonconcurrency

<u>Committee Member</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
Representative Jeff Stone, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Erik Severson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Representative Donna Seidel	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Chris Taylor	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Totals: 10 0 _____ _____

Motion Carried Motion Failed

Vote Record Committee on Health

Date: 10-19-11

Moved by: Richards

Seconded by: Seidel

AB 220 SB _____ Clearinghouse Rule _____
 AJR _____ SJR _____ Appointment _____
 AR _____ SR _____ Other _____

A/S Amdt _____
 A/S Amdt _____ to A/S Amdt _____
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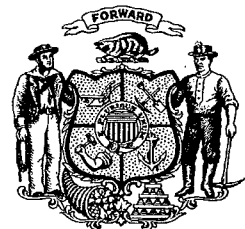
- Be recommended for:
- Passage Adoption Confirmation Concurrence Indefinite Postponement
 - Introduction Rejection Tabling Nonconcurrency

<u>Committee Member</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
Representative Jeff Stone, Chair	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Erik Severson	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Representative Karl Van Roy	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Patricia Strachota	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Kevin Petersen	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Michelle Litjens	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Jon Richards	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Representative Chris Taylor	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Totals: 4 7 _____ _____



WISCONSIN STATE LEGISLATURE



Dake, Marsha

From: Shel Gross [shelgross@tds.net]
Sent: Monday, September 19, 2011 3:11 PM
To: Rep.Stone
Subject: AB220

Attachments: Testimony on AB220.docx

I am unable to participate in this week's hearing. I have provided the attached testimony for information only.

Thank you.

Shel Gross



133 S. Butler St., Rm. 330
Madison, WI 53703
Ph: 608-250-4368

September is National Recovery Month, learn more at www.mhawisconsin.org/recovery.aspx

Follow us on Facebook: www.facebook.com/mhawi1 & Twitter: www.twitter.com/mhaofwisconsin

Testimony on AB220
Shel Gross, Director of Public Policy
Mental Health America of Wisconsin

I am unable to attend the hearing on AB220 but wanted to provide this informational testimony.

- Mental illnesses causes more days of work loss and work impairment than many other chronic conditions such as diabetes, asthma, and arthritis. Approximately 217 million days of work are lost annually due to productivity decline related to mental illness and substance abuse disorders, costing Unites States employers \$17 billion each year.
- Mental illness and substance abuse disorders, combined as a group, are the fifth leading cause of short-term disability and the third leading cause of long-term disability for employers in the United States.

Mental Health America of Wisconsin has been working on worksite mental health for over ten years through a variety of means. We have sponsored educational events for employers, put out a newsletter on worksite mental health and provided trainings to employers. As part of Wisconsin United for Mental Health (WUMH), a statewide anti-stigma coalition, we were part of a national effort called the Eliminating Barriers Initiative and assisted in the production of *Workplaces That Thrive*, a manual on creating mentally healthy workplaces. WUMH has also been part of a Medicaid Infrastructure Grant (MIG) which focused on enhancing hiring and retention of people with disabilities. Building on that effort we have recently produced a training entitled *Mental Health @ Work*, which describes the impact that mental health disorders have on the workplace and how employers can reduce the costs through implementation of good practices and policies.

Earlier this year MHA was awarded a grant from the Wisconsin Partnership Program (WPP), in conjunction with WUMH and two business groups, The Alliance and the Business Health Care Group, to explore more directly with employers how they perceive the impact of mental health issues on their workplace and what they know about what can be done to address this. Surveying people who had attended trainings as part of our MIG grant we found that overwhelmingly employers recognized that mental health issues had a significant impact but relatively few were doing anything about it. We wanted to understand why this was the case.

With regard to AB220, we are very supportive of workplace wellness programs. There is a great deal that we think employers can do to support prevention, early intervention and timely treatment of mental health disorders. However, we have not seen any studies that have indicated whether or not tax credits will actually increase the uptake of such programs or simply reward those employers who have already decided to do this. We do understand that return on

investment is a critical decision factor, but we believe that employers will make their decision only if they see the ROI as positive over the long-term, as well as in the short term. It is important for the committee to satisfy itself that a tax credit is an effective and efficient use of tax dollars for the policy goal you wish to achieve.

I think it may also be problematic that there is a limited pool of funds for the tax credit. Will a company interested in starting a wellness program and motivated by the tax credit be able to have confidence that those funds will actually be available?

Should you move ahead with this legislation I would like to recommend that you broaden the terminology regarding allowable programs under the bill to include mental health and substance use disorders. While “stress management” is often the term that employers use to describe mental health issues, there are interventions that are clearly related to conditions that would more accurately be describe as mental health and substance use and should be included.

I would also recommend that you familiarize yourselves, if you are not already, with the Worksite Wellness Resource Kit that was produced by the Wisconsin Division of Public Health (DPH). This kit includes a wealth of information about the workplace impact of various conditions and provides tables of workplace interventions that address each. I have attached the pages that relate specifically to mental health and substance use disorders. The DPH has developed criteria for workplace wellness awards and it may be that these can be helpful in determining criteria for who should receive tax credits. You can find the entire toolkit at:

<http://www.dhs.wisconsin.gov/health/physicalactivity/sites/worksitekit.htm>

I would also recommend that you ensure that whatever activities are covered under this bill, if it does pass, are evidence-based and incorporate best practices. For instance a recent study found that, “Organizations that measure the impact of their wellness programs are more successful at improving their employees’ health and overall wellness. However, many simply don’t know how to measure their results, or they don’t have the resources to do so. (WORKING WELL: A Global Survey of Health Promotion and Workplace Wellness Strategies <https://www.bucksurveys.com/bucksurveys/product/tabid/139/p-51-working-well-a-global-survey-of-health-promotion-and-workplace-wellness-strategies.aspx>)

Finally, another tremendous resource on workplace mental health is the Partnership for Workplace Mental Health, sponsored by the American Psychiatric Foundation:
<http://workplacementalhealth.org/> They are a partner on our WPP grant.

Thank you.



WISCONSIN STATE LEGISLATURE





TO: Assembly Health Committee
FROM: Nicole Hudzinski, Government Relations Director
DATE: September 19, 2011
RE: Support for AB 220, Worksite Wellness Tax Credits

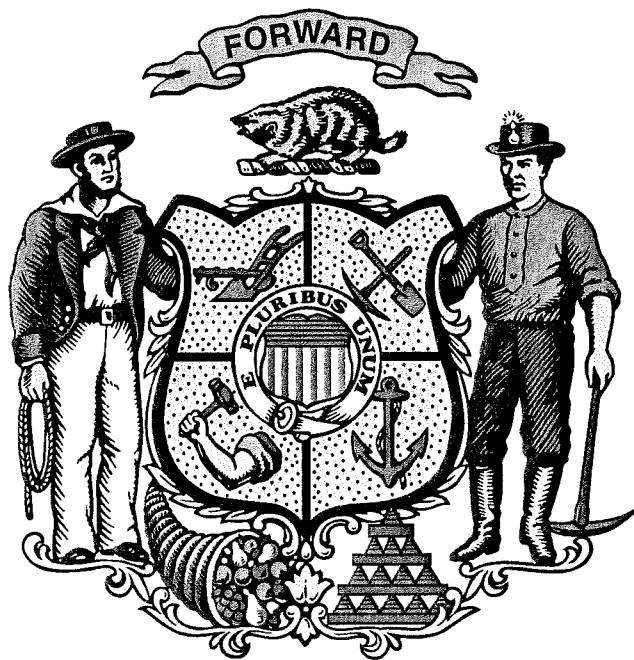
Experience has shown that workplace wellness programs are an important strategy to prevent the risk factors for heart disease and stroke. The American Heart Association/American Stroke Association has a long history of participating in worksite wellness programs, and we support policies that encourage employers to offer comprehensive, culturally sensitive programs.

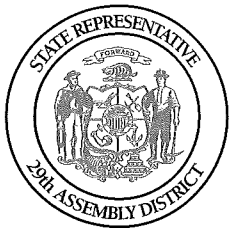
Healthy lifestyles have great potential to help individuals avoid illness and prevent or exacerbate serious and expensive chronic conditions including heart disease and stroke. With a majority of Americans working across the United States, workplaces provide a large audience for heart disease and stroke prevention activities.

The most significant barrier that employees note for not engaging in healthy lifestyle behaviors are lack of time to exercise before, during, and after work; and a lack of convenience and location of programs, screenings and exercise facilities. Reducing these barriers by offering health promotion services such as smoking cessation programs, weight loss programs and exercise classes on-site is a win for employees and employers alike.

Worksite wellness programs provide an avenue for people to make healthier lifestyle choices. However, the development of comprehensive, culturally sensitive wellness programs takes time and resources, and is especially difficult for small employers. AB 220 will create a tax credit to help offset some of the cost of creating a quality wellness program, making it easier for employers to make this investment. Please support SB AB 220.

If you have any questions, please contact Nicole Hudzinski at 608-225-4042 or nicole.hudzinski@heart.org.





JOHN MURTHA

STATE REPRESENTATIVE • 29th ASSEMBLY DISTRICT

**Testimony on Assembly Bill 220
Creating a Workplace Wellness Tax Credit
Assembly Committee on Health
September 21, 2011**

Chairman Stone and members of the Assembly Health Committee:

Thank you for holding a hearing today on Assembly Bill 220, The Healthy Jobs Act, which would create a Workplace Wellness Tax Credit for employers who provide wellness programs for their employees and encourages small business owners to invest in wellness programs to help lower overall healthcare costs for their businesses.

This bill will provide income and franchise tax credits for wellness programs that would be equal to 30 percent of the amount an employer pays in the taxable year to provide such programs to their employees. A workplace wellness program is defined as any program that includes a health risk assessment and one or more other programs including smoking cessation, weight management, stress management, worker injury prevention programs, health screenings, nutrition education and fitness incentive programs.

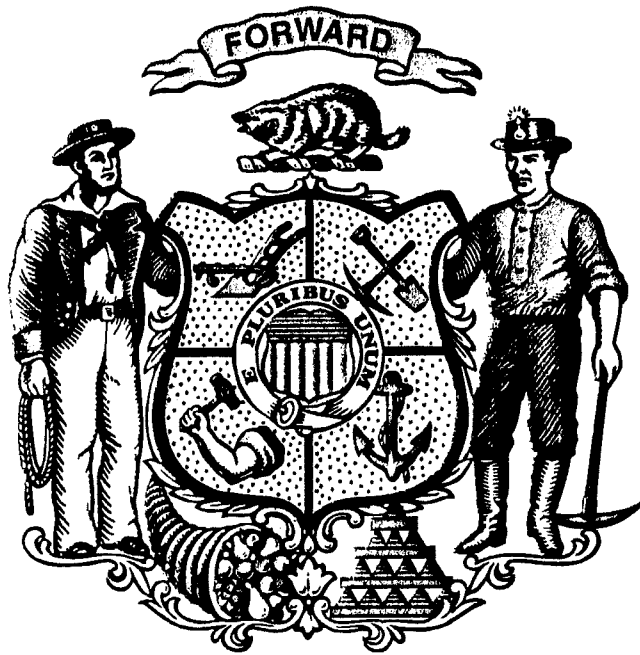
This bill has bipartisan support and the support of numerous health and business organizations including; the Wisconsin Public Health Association, the American Heart Association, the Wisconsin Association of Health Plans, Marshfield Clinic, Gunderson Lutheran and Wisconsin Manufacturers & Commerce.

What these organizations and businesses across the state know, is that workplace wellness programs have improved employee productivity, lowered employee absences, reduced workplace injury rates, and increased employee morale and retention. In other words, the implementation of this proposal will create a healthier, happier, and more productive workforce in Wisconsin.

During the Senate Hearing last week on the Senate Companion to this proposal a number of questions and concerns were raised regarding the legislation before you. In order to address the concerns that were raised a substitute amendment has been requested and is currently being drafted. The pending amendment will cap the cost of the bill at \$3 million instead of \$5 million. The tax credit will only be made available to small businesses employing 50 people or less. The amendment will allow for a 5 year carryover period instead of the initially proposed 15 years, and the credit will only be granted for new wellness programs instead of already established programs.

It is my belief that these changes make this bill fiscally responsible and make the intention of the bill to provide small businesses the incentives to pursue workplace wellness programs in order to improve their employee's health and lower their healthcare costs.

Both Representative Murtha and I would appreciate your support for Assembly Bill 220. I thank you for your time and attention to this matter and my office looks forward to working with all of you to see that this bill is moved forward. I would be happy to answer any questions at this time.



HOVEN CONSULTING



Mike Welsh

*GOVERNMENT AFFAIRS &
COMMUNICATIONS ASSOCIATE*

PHONE 608.310.8833
mike@hovenconsulting.com

44 E. MIFFLIN ST., SUITE 600, MADISON, WI 53703



WPHA / WALHDAB

WISCONSIN'S HEALTHY JOBS ACT



TO: **Chairman Stone and members of the Assembly Committee on Health**
FROM: Eric Ostermann, Executive Director – *Wisconsin Public Health Association* and
Wisconsin Association of Local Health Departments and Boards
DATE: September 21, 2011
RE: Please support Assembly Bill 220 – *The Healthy Jobs Act*

On behalf of the Wisconsin Public Health Association (WPHA) and the Wisconsin Association of Local Health Departments and Boards (WALHDAB), I would like to take this opportunity to request your support for Assembly Bill 220 – the **HEALTHY JOBS ACT**.

The legislation would create a Workplace Wellness Tax Credit for employers who provide wellness programs for their employees and encourage businesses to invest in wellness programs. Evidence supports the financial and health benefits of workplace wellness programs for both employers and employees.

Workplace wellness programs help mitigate escalating health insurance costs for businesses and have shown to provide a substantial return on investment in the form of improved employee productivity and lower absenteeism. Wellness programs also lead to reduced injury rates and increased employee morale and retention.

According to *America's Health Rankings*, Wisconsin currently ranks as the 18th healthiest state in the nation, down from 11th healthiest in 2009. The rankings show Wisconsin has a high prevalence of binge drinking, smoking and obesity – all of which lead to increased rates of preventable and costly chronic disease. Workplace wellness programs can reduce the occurrence of preventable diseases and help lower health care utilization rates.

Ultimately, the health of Wisconsin is linked to the health of the state's economy. Job creation improves health outcomes, and a healthy workforce is necessary to retain and attract employers to Wisconsin. The **HEALTHY JOBS ACT** will encourage private sector wellness efforts to help prevent chronic disease and promote economic growth. In short, it will help create a healthier, more productive workforce.

Numerous studies and reports have shown workplace wellness programs improve employee health, resulting in lower health care and sick leave costs for employers:

- According to the Centers for Disease Control and Prevention, **every \$1 invested in wellness programs saves businesses \$3 to \$7 in costs.**
- Employer health care costs fall by about \$3.27 for every \$1 spent on wellness programs and absenteeism costs fall by about \$2.73 for every dollar spent. (Baicker K, Cutler T, Song Z. "Workplace wellness programs can generate savings." Health Affairs 2010).
- The **Wall Street Journal CEO Council** identified workplace wellness as one of the top 20 most important priorities in 2011 to restore economic growth and job creation.

Both WPHA and WALHDAB would appreciate your support for AB 220, and I would encourage you and your colleagues to take swift action on this vital legislation. Thank you for your consideration of my request.

Editorial

MORE INFO ALL DAY
milwaukee.bizjournals.com

PAGE A43
MAY 20, 2011
THE BUSINESS JOURNAL

Letters, with writer's name, address and daytime phone number, should be sent to:
Letters to the Editor: The Business Journal
825 N. Jefferson St., Suite 200
Milwaukee, WI 53202
E-mail: milwaukee@bizjournals.com
Fax: 414-278-7020

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Wellness credits need approval

THE ISSUE: A bill that would create tax credits for employers that offer wellness programs for their employees.

OUR STANCE: Gov. Scott Walker and the legislators should support the bill as a way to promote wellness and also help decrease health care costs for state employers.

Ever since Gov. Scott Walker took office earlier this year, he has been talking about creating jobs and improving the state's economy.

As The Business Journal reported May 6, a new bill to be introduced by State Sen. Terry Moulton (R-Chippewa Falls) and state Rep. John Murtha (R-Baldwin) could help Walker in his effort. The bill would create tax credits for employers offering wellness programs for their employees in an effort to grow participation and decrease overall health care costs.

Wellness programs are **GROWING IN POPULARITY** at businesses throughout southeastern Wisconsin.

Once the bill is introduced, it will be the third attempt by Republicans to create tax credits for workplace wellness programs.

Wellness programs are growing in popularity at businesses throughout southeastern Wisconsin. Health care experts say that for most employers, the long-term business strategy of a wellness program will achieve reduced health costs, improved individual health

and productivity, and increased employee retention.

In today's tough economic times, every dollar counts. And with Wisconsin having some of the highest health care costs in the country, anything the state can do to reduce the amount of money spent on health insurance means more money companies will have to expand or add employees. It also will encourage other firms to implement wellness programs.



Richards

It also was good to see that the bill could have the support of both Republicans and Democrats. State Rep. John Richards (D-Milwaukee) told The Business Journal that he agrees with the idea to provide business with tax incentives for offering employee wellness programs, but wanted to ensure that it included self-employed individuals, government and nonprofit agencies.

Walker and the legislators should support the bill as a way to promote wellness and also help decrease health care costs for Wisconsin employers.

UPS & DOWNS



The Wisconsin State Senate did the right thing last week when it passed a bill that removes some regulations in the telecommunications industry, a change sought for years by utilities such as AT&T Inc. The bill would remove requirements that telecommunications utilities provide landline service to everyone in their service regions. AT&T argues the existing regulations put an unfair burden on it that its wireless competitors don't have to meet. The State Assembly and Gov. Scott Walker should follow suit and approve the



The tough times continue for Columbia St. Mary's as the Milwaukee hospital system announced a major restructuring, resulting in the layoff of several key members of its senior leadership team, including David Olson, president of the system's Ozaukee hospital. Columbia St. Mary's Ozaukee lost 29 percent of its inpatient admissions during the first three months of 2011. The loss is due largely to Aurora Health Care opening a hospital less than 10 miles away in Grafton.



LETTERS

'Anchor institutions' may be called on to do more

A recent New York Times article noted that financially challenged municipalities across the country are calling on land-holding non-profit/tax-exempt organizations to make larger contributions in lieu of property taxes.

These organizations, usually college campuses or hospital facilities, might represent a significant portion of a municipality's property tax base. These "eds and meds" thus represent a potential drag on city government finances by requiring considerable city services, but paying no property taxes.

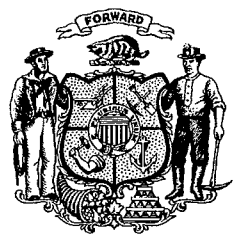
Viewing education and medical campuses as drains on the tax base is hard to resist during tough budget times, and Milwaukee itself budgeted an 8.4 percent increase in payments in lieu of taxes for 2011. Yet some are able to see these organizations as assets in economic development. From that lens, the eds and meds are "anchor institutions" serving as resources for local economic development.

It is obvious how these institutions can in economic development—by employing significant numbers of resident workers, investing in neighborhood infrastructure and purchasing goods and services from local vendors.

Many of the anchor institutions in Milwaukee practice local investing. Marquette University, for example, has helped lead the development of the neighborhoods on the near west side. The University of Wisconsin Milwaukee and Aurora Health Care have "walk to work" programs that provide faculty and staff with home-buying assistance, purchasing homes in the neighborhood.

Nevertheless, while it is likely that the investments have improved property values in the neighborhood, when a local government is faced with an unsustainable structural deficit, the tax-exempt property owned by an anchor institution may feel more like an ailment around the neck.

Anneliese Di
Public Policy



Environmental Assessments

Assessment and recommendations for improving current physical and cultural environment and policies. Choices include:

- Physical Activity Assessment
- Nutrition Assessment
- Nicotine Assessment

Ergonomic Assessments

Assessment is to improve productivity, quality, safety and worker comfort by making practical ergonomic improvements in the workplace. Choices include:

- Individual Assessment
- Facility Assessment

Wellness Operation Plan

Assist employer in developing a tailored plan based on identified health and wellness needs for the following calendar year.

Lifestyle Awareness/Education

On-going health and wellness information given to the employer for dissemination in the form(s) of email, table tents, bulletin boards, newsletters, etc.

Presentations/Trainings/Demonstrations

Presentations, trainings, demonstrations to employees ranging from 20-60 minutes. Topics are customized based on requests/identified risks.

**Discounts may apply to Gundersen Lutheran Health Plan Groups*

**Gundersen
Lutheran.**
BUSINESS HEALTH SERVICES

A Personal Relationship
with Medical Excellence

1900 South Avenue, La Crosse, WI
(608) 782-7300 or (800) 362-9567
gundluth.org

BUSINESS HEALTH #10-2811

Menu of Worksite Wellness Services

bhs@gundluth.org

BusinessLink (608) 775-4431 or

(800) 731-4431 ext. 58700

**Gundersen
Lutheran.**
BUSINESS HEALTH SERVICES

A Personal Relationship
with Medical Excellence



Business Health Services is the window through which employers can interact with the Gundersen Lutheran Health System. You value your employees and want to be partners in their care. We help businesses develop and implement programs that meet their unique needs. We work with departments throughout the system and related service providers to offer you a quick, convenient contact point for all your business health needs.

Worksite Wellness / Prevention Services *

Personal Health Assessment (PHA)

Individual, confidential survey available on-line or paper used to assess employee health habits and risk factors, and to identify priority areas for improving the health of your workforce.

Wellness Program Outcomes & Evaluation

Work with business to develop tools that track and measure the effectiveness of wellness efforts and to review health assessment and screening data.

On-site Screenings

Tests conducted to discover individuals at risk for specific health conditions or disease states. Typical choices include:

- Blood Pressure
- Cholesterol
- Glucose / Diabetes
- Body Composition
- Screening result consultations
- Bone Density/Osteoporosis
- Influenza (flu) vaccinations
- Hepatitis vaccinations
- Tetanus vaccinations
- Skin cancer

Wellness Consultation

Specialist available on-site to review results (PHA and screening) with individuals and provide recommendations

Health Fair Displays

Health services to promote preventive care, medical exams, early detection and to educate employees on health and wellness. Gundersen Lutheran will assist in selection of topics based on your company and known employee risk factors.

Behavior Change Programs

Outcome based, proven effective programs aimed at modifying at-risk behaviors such as smoking and obesity that will help control healthcare costs. Choices include:

- Journey to Freedom – Nicotine Cessation
- Winning Weights® - Nutrition
- Shoe Crew – Physical Activity
- DeStress– Stress reduction
- Smartest Loser –Weight Loss

Standards Based Program Development/Coordination

Programs requiring participants to meet a health-related standard to obtain the incentive or reward.

Employee Wellness Challenges

Four or twelve week program designed to motivate employees to make a health improvement in a certain area such as physical activity, nutrition or stress.

Wellness Coaching

Partnership between an employee and a Health Coach with the objective of assisting them to achieve their personal wellness goals. Choices include:

- Individual Coaching
- Group Coaching

Tobacco/Nicotine Policy Development

Assistance with writing, implementing and enforcing on site tobacco/nicotine policies.



Michael Richards, Executive Director of External Affairs and Government Relations
Testimony: Assembly Bill 220

Assembly Committee on Health
Wednesday, September 21, 2011

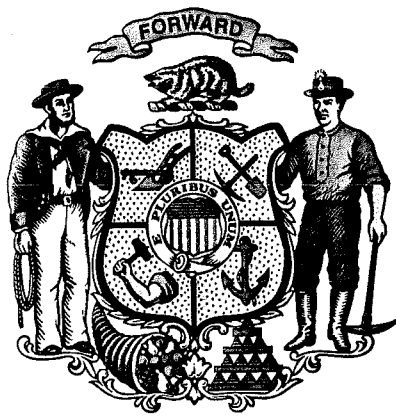
Chairman Stone and members of the Committee, thank you for affording me the opportunity to testify in support of Assembly Bill 220, which provides tax credits for businesses who invest in workplace wellness programs.

On behalf of Gundersen Lutheran, an integrated health delivery system headquartered in La Crosse, Wisconsin with locations along the rural stretches of western Wisconsin, southeastern Minnesota and northeastern Iowa, we believe an investment in wellness and prevention is key to driving down the cost of healthcare.

Gundersen Lutheran offers a suite of services to the businesses in our region and those who are members of our health plan. Though cost of care is a component to affordable healthcare, utilization is just as important. We believe that if businesses invest in the health of their employees through wellness and prevention programs, it has a high likelihood of reducing the incidence of high-cost healthcare cases.

Wellness and prevention programs have a multiplier effect. Studies show that for every dollar spent on wellness and prevention, an organization can save up to three dollars. The savings comes from improved health, lower utilization of high cost services, a reduction in workers compensation claims, a more productive workforce, and lower absenteeism.

Gundersen Lutheran fully supports Assembly Bill 220, and thanks Representative Murtha and Senator Moulton for introducing this legislation, and for the many more legislators who signed on as co-sponsors.



**Assembly Health Committee
Testimony on AB 220, Worksite Wellness
September 21, 2011**

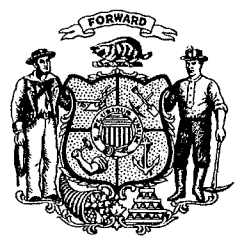
Good morning Chairman Stone and members of the committee. My name is Nicole Hudzinski and I am the Government Relations Director in Wisconsin for the American Heart Association. Today I submit testimony in support of Assembly Bill 220, legislation to create a tax credit for employers that implement a worksite wellness program.

As health care costs continue to skyrocket, employers are considering innovative strategies to reduce their costs. Many employers are offering comprehensive worksite wellness programs that have tremendous return on investment and improve employee health and productivity. The American Heart Association is a long-time supporter of these programs and wholeheartedly endorses their implementation. Such programs create a culture of health in an environment where a majority of adults spend a large part of their day.

In fact, the AHA is committed to doing more than just “talk the talk.” The AHA “walks the walk,” with a robust program for its approximately 2,800 employees which includes the Start! At Work fitness program, the Simple Choices initiative, fitness reimbursements, healthier vending options, and many other worksite wellness programs.

In addition to our own internal efforts, we also have staff dedicated to working with other employers to create healthy work environments for their employees. We commonly hear from employers— especially small employers— who want to create a wellness program, but can’t afford to make the investment. Recently I was talking with a volunteer of ours from the Wausau area who is trying to create a wellness program at his company, but his employer had to choose between purchasing new manufacturing equipment or investing in a wellness program. Wellness unfortunately did not win.

AHA supports policies that encourage employers to offer comprehensive, culturally sensitive wellness programs for their employees. AB 220 will create a tax credit to help offset some of the cost of creating a quality wellness program, making it easier for employers to make this investment. Please support AB 220.



Wisconsin Association of Health Plans

DATE: September 21, 2011
TO: Members, Assembly Committee on Health
RE: Support for AB 220 – Tax Credits for Workplace Wellness Programs

The Wisconsin Association of Health Plans supports AB 220 and commends Representative Murtha for his efforts to help Wisconsin employers create effective wellness programs to reduce their health care costs and those of their employees.

According to the Wisconsin Department of Health Services, in 2006 nearly 27 percent of Wisconsinites were obese, a figure which outpaces the nation by almost 2 percent. Consequently, annual obesity-related health care costs in Wisconsin total approximately \$1.5 billion.¹ For Wisconsin businesses, the prevalence of obesity, combined with other health risk factors, means lower productivity and higher health care costs.

Workplace wellness programs have grown in popularity among employers and employees and have shown promising results in the reduction of health-related costs. A 2009 study by Harvard University researchers found that medical costs fall by about \$3.27 for every dollar spent on wellness programs and that absenteeism costs fall by about \$2.73.²

Representative Murtha's common-sense proposal would incentivize more Wisconsin businesses to invest in workplace wellness programs that provide many benefits, including smoking cessation, weight loss assistance, health risk assessments, and basic preventive care. These programs can also be key tools in attracting and retaining talented employees.

As Wisconsin policymakers continue to look for ways to reduce health care costs and overutilization of health care services, this legislation would make it clear that promoting healthy lifestyles and encouraging healthy habits are valuable cost containment strategies.

The Wisconsin Association of Health Plans encourages committee members to support AB 220.

¹ Obesity, Nutrition and Physical Activity in Wisconsin. Wisconsin Department of Health Services, 2008.

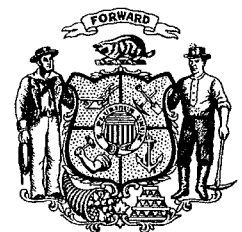
² Workplace Wellness Programs Can Generate Savings. Katherine Baicker, David Cutler, and Zirui Song. Published in Health Affairs in 2010.

The Wisconsin Association of Health Plans represents 17 health plans and their affiliated organizations.

Anthem Blue Cross and Blue Shield • Arise Health Plan • Children's Community Health Plan, Inc. • Dean Health Plan • Group Health Cooperative of Eau Claire • Group Health Cooperative of South Central Wisconsin • Gundersen Lutheran Health Plan • Health Tradition Health Plan • Humana • Independent Care Health Plan • MercyCare Health Plans • Molina Healthcare of Wisconsin • Network Health Plan • Physicians Plus Insurance Corp. • Security Health Plan • Trilogy Health Insurance, Inc. • Unity Health Plans Insurance Corp.



WISCONSIN STATE LEGISLATURE





Testimony on *Assembly Bill 220* before the
ASSEMBLY COMMITTEE ON HEALTH
September 21, 2011

Doug Gieryn
Winnebago County Health Officer

Good morning Chairman Stone and members of the Committee. Thank you for the opportunity to testify today in favor of Assembly Bill 220.

My name is Doug Gieryn. I currently serve as the Winnebago County Health Officer and am the immediate past president of the Wisconsin Public Health Association. I am testifying today on behalf of the Wisconsin Public Health Association and the Wisconsin Association of Local Health Departments and Boards.

Together, both organizations represent over 1,100 public health professionals statewide. We are dedicated to promoting and protecting public health in Wisconsin, which is vital to a healthy population, lower health care costs and a thriving economy.

Assembly Bill 220 would create a Workplace Wellness Tax Credit for employers who provide wellness programs for their employees – a policy that would encourage businesses to invest in wellness programs. Increasing evidence supports the need for wellness programs and illustrates the financial and health benefits for both employers and employees.

The primary focus of Wisconsin's public health community is to assess the health needs of communities and support policies that promote healthy lifestyles and improve the health of all citizens. Assembly Bill 220 would accomplish both of these goals by encouraging greater use of workplace wellness programs.

According to *America's Health Rankings*, Wisconsin currently ranks as the 18th healthiest state in the nation, down from 11th healthiest in 2009. The rankings show Wisconsin has a high prevalence of binge drinking, smoking and obesity – all of which lead to increased

rates of preventable and costly chronic disease. In fact, the CDC Chronic Disease Cost Calculator from 2010 estimates that the cost to the WI Medicaid Program from the six leading chronic diseases, including hypertension, stroke, diabetes, heart disease, congestive heart failure and cancer is \$1.15 billion annually. Workplace wellness programs can reduce the occurrence of preventable chronic diseases and help lower health care utilization rates.

In addition to improving the overall health of employees, workplace wellness programs can help mitigate escalating health insurance costs for businesses and have shown to provide a substantial return on investment in the form of improved employee productivity and lower absenteeism. Wellness programs can also help improve employee morale and retention.

According to the Centers for Disease Control and Prevention, every \$1 invested in wellness programs saves businesses \$3 to \$7 in costs. Another recent study saw employer health care costs fall by \$3.27 for every \$1 spent on wellness programs and absenteeism costs fall by about \$2.73 for every dollar spent.

Ultimately, the health of Wisconsin is linked to the health of the state's economy. Job creation improves health outcomes, and a healthy workforce is necessary to retain and attract employers to Wisconsin.

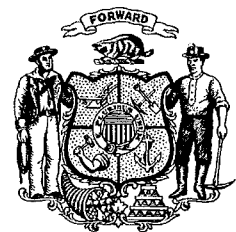
Assembly Bill 220 is smart public policy that will help address the prevalence of chronic disease in Wisconsin and allow businesses to more effectively control health care costs. It is not a cure-all, but it is an important piece of the puzzle... one that will help create a healthier, more productive workforce in Wisconsin.

I appreciate the opportunity to testify on AB 220, and I would urge you to support this important legislation.

I would be happy to take any questions.



WISCONSIN STATE LEGISLATURE



**Assembly Health Committee
Assembly Bill 220, Worksite Wellness
September 21, 2011**

My name is Sarang Baman, M.D., and I am a family physician in Milwaukee, Wisconsin. I have a strong interest in prevention, and I submit testimony to you today in support Assembly Bill 220.

Cardiovascular disease is the leading cause of death in America. While we have seen a decrease in cardiovascular disease in the last few years, the number of people who die from heart disease and stroke still greatly outpaces all other causes of death, including cancer.

The good news is that cardiovascular disease is preventable. The risk factors for cardiovascular disease go hand in hand with the risk factors for obesity and diabetes, and are largely lifestyle issues. There are practical things all of us can do to prevent heart disease: don't smoke, eat a healthy diet, and get at least 150 minutes of moderate physical activity a week. Worksite wellness programs can help us target and change these risk factors.

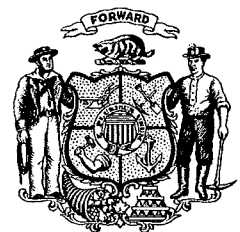
Experience has shown that workplace wellness programs are an important strategy to prevent the major shared risk factors for cardiovascular disease. Comprehensive, culturally sensitive health promotion within the workplace can improve the nation's health, but development of programs takes time and resources, especially for small employers. Please support Assembly Bill 220, a new tax credit for employers that begin a worksite wellness program.

Remember, cardiovascular disease is the number one killer in America, but it is largely preventable. You can help by supporting Assembly Bill. Thank you for your consideration, and please do not hesitate to contact me if you have questions.

Sarang Baman, M.D.
Family Physician & Clinical Lipidologist
Lakeshore Medical Clinic
2000 E. Layton Ave, Suite #100
St Francis, WI 53235
Phone: 414.744.6589
Fax: 414.486.4757



WISCONSIN STATE LEGISLATURE



Wisconsin Association of Health Plans

DATE: September 21, 2011
TO: Members, Assembly Committee on Health
RE: Support for AB 220 – Tax Credits for Workplace Wellness Programs

The Wisconsin Association of Health Plans supports AB 220 and commends Representative Murtha for his efforts to help Wisconsin employers create effective wellness programs to reduce their health care costs and those of their employees.

According to the Wisconsin Department of Health Services, in 2006 nearly 27 percent of Wisconsinites were obese, a figure which outpaces the nation by almost 2 percent. Consequently, annual obesity-related health care costs in Wisconsin total approximately \$1.5 billion.¹ For Wisconsin businesses, the prevalence of obesity, combined with other health risk factors, means lower productivity and higher health care costs.

Workplace wellness programs have grown in popularity among employers and employees and have shown promising results in the reduction of health-related costs. A 2009 study by Harvard University researchers found that medical costs fall by about \$3.27 for every dollar spent on wellness programs and that absenteeism costs fall by about \$2.73.²

Representative Murtha's common-sense proposal would incentivize more Wisconsin businesses to invest in workplace wellness programs that provide many benefits, including smoking cessation, weight loss assistance, health risk assessments, and basic preventive care. These programs can also be key tools in attracting and retaining talented employees.

As Wisconsin policymakers continue to look for ways to reduce health care costs and overutilization of health care services, this legislation would make it clear that promoting healthy lifestyles and encouraging healthy habits are valuable cost containment strategies.

The Wisconsin Association of Health Plans encourages committee members to support AB 220.

¹ Obesity, Nutrition and Physical Activity in Wisconsin. Wisconsin Department of Health Services, 2008.

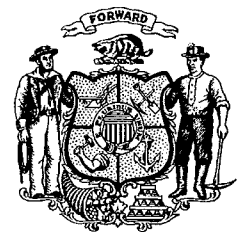
² Workplace Wellness Programs Can Generate Savings. Katherine Baicker, David Cutler, and Zirui Song. Published in Health Affairs in 2010.

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WISCONSIN STATE LEGISLATURE





TO: Assembly Health Committee
FROM: Nicole Hudzinski, Government Relations Director - American Heart Association
DATE: October 13, 2011
RE: Support for AB 220, Worksite Wellness Tax Credits

Attached you will find support from your constituents for AB 220, legislation to create a tax credit for employers that create a worksite wellness program. AB 220 has been scheduled for a vote in the Assembly Health Committee on October 19, 2011, and we ask for your support.

Experience has shown that worksite wellness programs are an important strategy to prevent risk factors for heart disease and stroke. The most significant barrier that employees note for not engaging in healthy lifestyle behaviors are lack of time to exercise before, during and after work; and a lack of convenience and location of programs, screenings and exercise. Reducing these barriers by providing services and opportunities on-site is a win for employees and employers alike.

Worksite wellness programs provide an avenue for people to incorporate more physical activity and healthy behaviors into their daily routine. However, the development of comprehensive, culturally sensitive wellness programs takes time and resources, and is especially difficult for our small employers. AB 220 will create a tax credit to offset some of the cost of creating a worksite wellness programs, making it easier for more employers to make this investment. Please support AB 220.

Thank you for your consideration. If you have any questions, please don't hesitate to contact me at Nicole.Hudzinski@heart.org / (608)225-4042.



American Heart Association

American Stroke Association

Dear Legislator:

Worksite wellness programs are an important strategy to prevent risk factors for heart disease and stroke. As a constituent and volunteer with the American Heart Association, I ask you to support legislation to create a tax credit for employers that establish or expand a worksite wellness program.

Please support worksite wellness because:

Name: SMITA SAXENA
Home Address: 6826 S. 35th Street
City: Franklin State: WI Zip: 53132
Phone: 414-304-1996

*Email: smitasaxena@hotmail.com

*By providing your e-mail, you will receive updates through our You're the Cure network on heart healthy legislative policies like worksite wellness.

Heart Disease and Stroke. You're the Cure.



American Heart Association

American Stroke Association

Dear Legislator:

Worksite wellness programs are an important strategy to prevent risk factors for heart disease and stroke. As a constituent and volunteer with the American Heart Association, I ask you to support legislation to create a tax credit for employers that establish or expand a worksite wellness program.

Please support worksite wellness because:

Name: SMITA BAMAN
Home Address: 3857 DORY DR
City: FRANKLIN State: WI Zip: 53132
Phone:

*Email:

*By providing your e-mail, you will receive updates through our You're the Cure network on heart healthy legislative policies like worksite wellness.

Heart Disease and Stroke. You're the Cure.



American Heart Association | American Stroke Association

Dear Legislator:

Worksite wellness programs are an important strategy to prevent risk factors for heart disease and stroke. As a constituent and volunteer with the American Heart Association, I ask you to support legislation to create a tax credit for employers that establish or expand a worksite wellness program.

Please support worksite wellness because:

Name: Lisa Djurica *Email: _____
 Home Address: 8647 W. Coldspring Rd
 City: Greenfield State: WI Zip: 53228
 Phone: 414-507-0858

*By providing your e-mail, you will receive updates through our *You're the Cure* network on heart healthy legislative policies like worksite wellness.

Heart Disease and Stroke. You're the Cure.



American Heart Association | American Stroke Association

Dear Legislator:

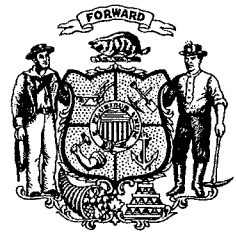
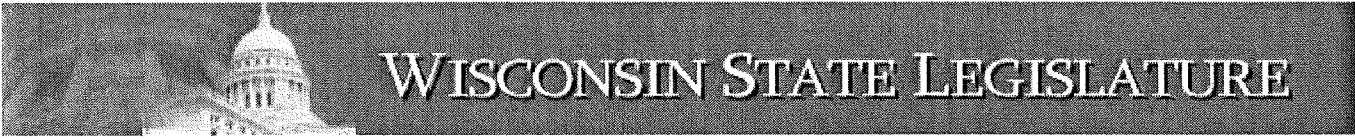
Worksite wellness programs are an important strategy to prevent risk factors for heart disease and stroke. As a constituent and volunteer with the American Heart Association, I ask you to support legislation to create a tax credit for employers that establish or expand a worksite wellness program.

Please support worksite wellness because:

Name: Leigh Ann Beyer *Email: _____
 Home Address: 4002 Dory Court
 City: Franklin State: WI Zip: 53132
 Phone: 414.421.0911

*By providing your e-mail, you will receive updates through our *You're the Cure* network on heart healthy legislative policies like worksite wellness.

Heart Disease and Stroke. You're the Cure.



From: Burns, Annina (CDC/OD/OADP) [mailto:vjg7@cdc.gov]
Sent: Monday, October 17, 2011 11:17 AM
To: Hoelter, Jon
Subject: RE: Workplace Wellness grants in PPACA section 10408

Thank you for your question on workplace wellness contracts.

CDC awarded a contract at the end of September for the development of workplace wellness programs. Viridian Health Management, based in Phoenix, Arizona, will help an estimated 70 to 100 small, mid-size, and large employers create and expand workplace programs aimed at achieving three goals:

1. Reduce the risk of chronic disease among employees and their families through evidence-based workplace health interventions and promising practices.
2. Promote sustainable and replicable workplace health activities.
3. Promote peer-to-peer healthy business mentoring.

The program will operate under the following guidelines:

- Viridian Health Management will reach into the employer community to support the planning and implementation of workplace wellness programs in employer worksites. The contractor will recruit and work intensively with 7 employer cohorts representing regions across the country. Each employer cohort will consist of 10-15 individual employers, for an estimated total of up to 100 individual employers participating.
- Small (100 or fewer full-time employees), mid-size (101-250 employees), and large (more than 250 employees) companies will be recruited in roughly equal numbers based on specific criteria including little to no experience in workplace health programs and a demonstrated commitment from top management.
- The contractor will use funds to assist each participating employer with the implementation of a core set of workplace health program elements.
- Each participating employer will receive a full-service wellness program over a 2-year intervention period.

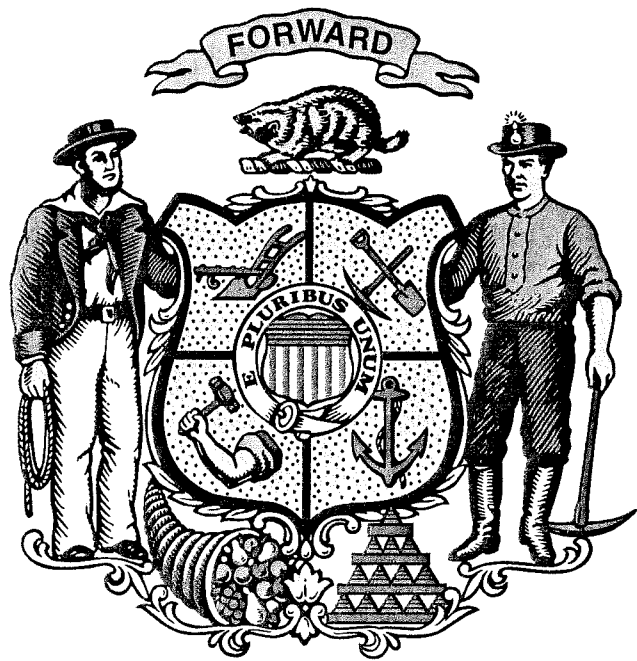
In addition, Research Triangle Institute, based in Research Triangle Park, North Carolina, will coordinate and administer the evaluation of the program.

Employers can contact Viridian Health Management for information on how to participate.

CDC program information contact name and number:

Brenda Schmidt
bschmidt@viridianhealth.com
602-443-5264

Thank you for your interest in CDC and workplace wellness programs.





JOHN MURTHA

STATE REPRESENTATIVE • 29th ASSEMBLY DISTRICT

To: Members of the Assembly Committee on Health

From: Representative John Murtha

Date: October 19, 2011

Subject: Support for Tax Credits for Workplace Wellness Programs; Assembly Bill 220; and adoption of Assembly Substitute Amendment 1.

I respectfully ask for your support for Assembly Bill 220, which will provide a tax credit to small businesses for 30% of the cost of workplace wellness programs, and will provide an incentive to improve their efforts to reduce their health care costs and those of their hardworking employees.

As the Assembly Author of Assembly Bill 220, I have proposed Assembly Substitute Amendment 1 which will do the following:

- Provide up to \$3 million in tax credits annually to small businesses which employ 50 individuals or less.
- Will only provide the tax credit incentive to those businesses that start a workplace wellness program.
- Tax credits that are not completely offset by Wisconsin taxes may be carried forward for up to five years, instead of the originally proposed 15 years.

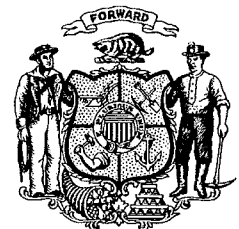
Assembly Bill 220 will provide an incentive to Wisconsin's small businesses to invest in workplace wellness programs, which include a health risk assessment and one or more other programs including smoking cessation, weight management, stress management, worker injury prevention programs, health screenings, nutrition education and fitness incentive programs.

Again, I respectfully ask for your support for the adoption of Substitute Amendment 1 to Assembly Bill 220, and to allow this important piece of legislation to move forward to provide our small businesses the incentives to invest in beneficial wellness programs.

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WISCONSIN STATE LEGISLATURE





Wisconsin Public Health Association

AND

Wisconsin Association of Local Health Departments & Boards

TO: Chairman Stone and members of the Assembly Committee on Health
FROM: Eric Ostermann, Executive Director – Wisconsin Public Health Association and Wisconsin Association of Local Health Departments and Boards
DATE: October 19, 2011
RE: Please vote “yes” on AB 220 (as amended by Assembly Substitute Amendment 1)

On behalf of the Wisconsin Public Health Association and the Wisconsin Association of Local Health Departments and Boards, I would like to take this opportunity to request your vote in favor of Assembly Bill 220 – as amended by Assembly Substitute Amendment 1.

The bill would encourage Wisconsin businesses to invest in workplace wellness programs by creating a tax credit for employers who provide wellness programs for their employees. As you know, workplace wellness programs have significant financial and health benefits for both employers and employees.

Under AB 220 as amended (by ASA 1), Wisconsin small businesses that implement workplace wellness programs would be eligible for a tax credit equal to 30 percent of the amount paid to provide the program. In each taxable year, \$3 million in credits would be available to small businesses – defined as an employer that has 50 or fewer employees.

Although small business is the backbone of Wisconsin’s economy, smaller companies do not typically have the financial resources to invest in wellness programs. Assembly Bill 220 will provide smaller employers with a meaningful incentive to implement these programs.

In addition to improving the overall health of employees, workplace wellness programs provide numerous benefits for employers that can drive economic development and job growth. For example, wellness programs help employers mitigate their health care costs, which can free-up capital to grow and hire new employees.

Wellness programs have also shown to provide a substantial return on investment in the form of increased employee productivity, lower absenteeism, reduced injury rates and improved employee retention. In fact, according to the Centers for Disease Control and Prevention, for every \$1 invested in wellness programs, businesses can save \$3 to \$7 in costs.

Ultimately, the health of Wisconsin is linked to the health of the state’s economy. Job creation improves health outcomes, and a healthy workforce is necessary to retain and attract employers to Wisconsin.

With that in mind, I would encourage you to **vote “yes” on AB 220** (as amended by ASA 1) to help create a healthier, more productive workforce in Wisconsin.

Overview: Assembly Substitute Amendment to AB 220

On September 21st the Assembly Health Committee held a public hearing on Assembly Bill 220. Following the hearing, the bill's author, Rep. John Murtha, introduced a substitute amendment to the bill (ASA 1 to AB 220).

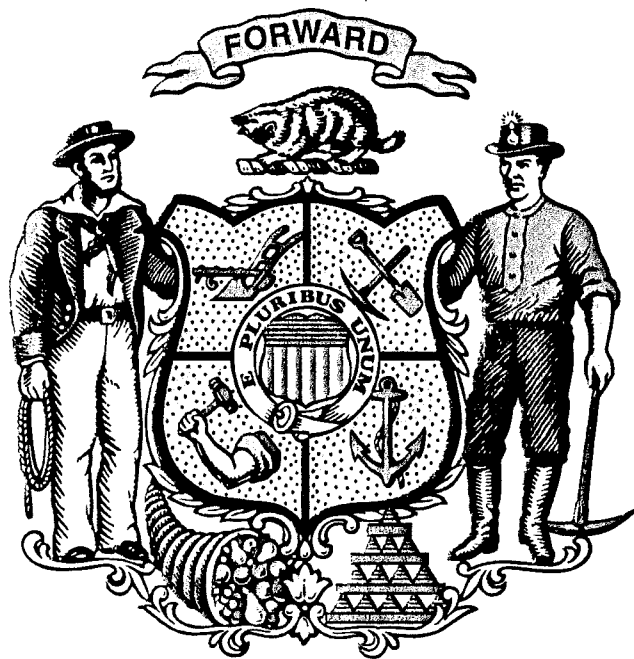
Overview of AB 220:

Assembly Bill 220 would create a tax credit for employers that provide workplace wellness programs for their employees. The non-refundable tax credit would be equal to 30 percent of the amount that an employer pays to provide a workplace wellness program. An eligible employer would be able to claim the tax credit for up to three years and would be allowed to carry forward unused tax credit amounts for 15 years. In addition, AB 220 would cap the total amount of allocated tax credits at \$5 million annually, providing \$2.5 million in credits for large employers (more than 50 employees) and \$2.5 million in credits for small employers (50 employees or less).

Overview of ASA 1 to AB 220:

Under the substitute amendment, the following modifications would be made to the bill:

- 1. Limit the tax credit to the creation of new workplace wellness programs.**
- 2. Make the tax credit available only to small businesses (50 employees or less).**
- 3. Cap the total amount of allocated tax credits at \$3 million annually.**
- 4. Specify that unused tax credit amounts could only be carried forward for 5 years.**



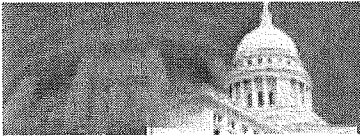
Assembly Amendment 1 to ASA 1 to AB 220 – Talking points

Primary Message:

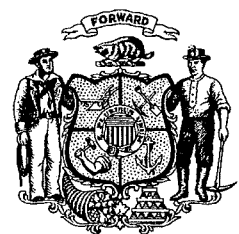
- The objective of the legislation (ASA 1) is to provide a meaningful tax incentive to small businesses that otherwise would not have the resources to implement workplace wellness programs. The amendment (AA 1 to ASA 1) would severely diminish the benefits of the legislation:
 - The amendment would create an additional layer of government red tape and regulatory hurdles for Wisconsin small businesses. As a result, many small would be discouraged from applying for the tax credit.
 - Most small businesses simply do not have the resources, time or expertise to navigate the complicated federal grant process.
 - The amendment would simply make it more difficult for small businesses to utilize available policy tools to reduce business costs, increase productivity and create new jobs.
 - The amendment is counterproductive. It would hinder the purpose of the legislation, which to help boost economic development and create new jobs.

Secondary Messages:

- Although the Patient Protection and Affordable Care Act (PPACA) provides a total of \$200 million in grants for small business wellness program, there is no guarantee that Wisconsin businesses will be able to access the grant funding:
 - It is uncertain if PPACA will ever be fully implemented. The entire law could be thrown out on constitutional grounds.
 - Even if PPACA is ultimately found constitutional, the small business wellness grant funding is vulnerable to congressional budget reduction efforts. The funding could be cut in part or in full.
- The CDC is using the wellness program grant funding to contract with a private vendor to development workplace wellness programs. The contractor will help an estimated **70 to 100** small, mid-size, and large employers create and expand workplace programs:
 - If only 70-100 businesses nationwide will benefit from the wellness grants, it's even more important for the WI Legislature to pass and implement a workplace wellness tax credit for small businesses (without a requirement that they apply for federal grants).



WISCONSIN STATE LEGISLATURE





Support for Tax Credits for Workplace Wellness Programs Assembly Bill 220/Senate Bill 164



Assembly Bill 220 and Senate Bill 164, which provide a tax credit to small businesses for 30 percent of the costs of a workplace wellness program, support Wisconsin employers' efforts to reduce their health care costs and those of their employees.



The bill authors have **proposed a substitute amendment for AB 220 (Assembly Substitute Amendment 1) and SB 164 (substitute amendment not yet introduced)**, which would:



- Provide up to **\$3 million in tax credits** annually to small businesses that begin workplace wellness programs for their employees. Tax credits that are not completely offset by Wisconsin taxes may be carried forward for up to five years.



- **Incentivize more Wisconsin businesses to invest in workplace wellness programs** that provide many benefits, including smoking cessation, weight loss assistance, health risk assessments, and basic preventive care.



- **Provide small businesses an important resource** to help improve the health status of their employees.

Wisconsin small employers and employees will benefit from wellness programs created by the tax credits of AB 220 and SB 164.



- The **Wall Street Journal CEO Council** identified workplace wellness as one of the top 20 most important priorities in 2011 to restore economic growth and job creation.



- **Medical costs fall by about \$3.27 for every dollar spent on wellness programs** and absenteeism costs fall by about \$2.73.¹

- According to the United States Small Business Administration (SBA), **small businesses employ about half of the country's private sector employees**. While small businesses are challenged by the same employee health issues as larger companies, most simply do not have the resources to implement effective wellness programs.



AB 220 and SB 164, as revised by the authors' proposed substitute amendments, will provide Wisconsin small businesses with a meaningful incentive to invest in beneficial wellness programs. Please support the authors' substitute amendment to AB 220 and SB 164.



1. Workplace Wellness Programs Can Generate Savings. Katherine Baicker, David Cutler, and Zirui Song. Published in Health Affairs in 2010

