

Rewarding Employees for Good Health

By ACSH Staff — April 29, 2005

In an effort to cope with rising health care costs, [areas of Washington state created a plan](#) [1] that will reward employees for good health by charging them less for healthcare if they meet certain standards of health.

Employees in King County who maintain healthy lifestyles will earn points based on their answers to a questionnaire after receiving regular checkups. They will then be evaluated as either "bronze," "silver," or "gold." Their status will determine how much they have to pay for healthcare. Workers have the option of refusing to participate in the program, but they will be forced to pay \$1,000 per year more than others in out-of-pocket expenses because the company will cover less of their insurance.

Employers have every right to fire or fine a worker for any reason besides discrimination, and if they are co-paying health benefits, they can request a certain standard of behavior in an effort to curb the costs. Though this plan is shrouded in the care and concern the employers have for their employees, it is really all about the cost of health insurance. Companies are trying to save money, and they know that if they in turn give employees a monetary incentive they can motivate people who may not be health-conscious.

People need all the help they can get in leading a healthy lifestyle, and perhaps money will be the driving force for some people to change their bad habits. However, the health requirements and elements of evaluation seem a bit vague. Workers and their spouses would be given a series of questions regarding whether or not they smoke or drink, and whether they can improve the quality of their diets. Then, in addition to a physical, they will be given a health insurance plan specific to them. Unfortunately, our health is determined by past actions and genetics as well as our current habits. What if someone who changes his eating habits and exercises regularly for this incentive still suffers from certain health problems? Are employees being rewarded for how they're acting now or what the status of their health is? Good health is not defined clearly in these evaluations, and it is not clear what factors they are taking into account. These companies might do a greater service to the health of their employees if, for example, they offered employees ideas for keeping healthy and hosted programs to educate them on balanced eating.

All over the country, various employers are banning smoking in the workplace, and while some provide outdoor venues for smoking, others force their employees to stop smoking altogether. But few provide assistance [like that made available to workers at Steelcase and Alticor in Michigan](#) [2]. Recognizing that it takes four to six months to complete the designated nicotine-quitting program, Steelcase announced the smoking ban seven months before it went into effect. These two companies also pay for the costs of quitting aides, such as nicotine patches.

If the companies in Washington are really concerned about the health of their employees, they

might consider investing in healthy lunch incentives or gym memberships for their workers. Monetary incentives alone, however powerful, may not teach people how to change. People often need small steps and help reaching a healthier lifestyle.

Michal Raucher is a research intern at the American Council on Science and Health.

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