

Companies target workers who are fat, smoke

By Kathleen Kingsbury, Reuters

Employers tried the carrot, then a small stick. Now they are turning to bigger cudgels.

For years they encouraged workers to improve their health and productivity with free screenings, discounted gym memberships and gift cards to lose weight. More recently, a small number charged smokers slightly higher premiums to get them to quit.

Results for these plans were lackluster, and healthcare costs continued to soar. So companies are taking advantage of new rules under President Barack Obama's healthcare overhaul in 2014 to punish smokers and overweight workers.

Some will even force employees to meet weight goals, quit smoking and provide very personal information or pay up to thousands more annually for healthcare. That could disproportionately affect the poor, who are more likely to smoke and can't afford the higher fees.

Nearly 40 percent of large U.S. companies will use surcharges in 2014, such as higher insurance premiums or deductibles for individuals who do not complete company-set health goals, according to a survey of 892 employers released in September by human resources consultancy Towers Watson and National Business Group on Health, which represents large employers.

That is almost twice as many as the last time they did the survey in 2011, when only 19 percent of companies had such penalties. The number is expected to climb to two-thirds of employers by 2015.

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