

HOUSE BILL REPORT

SSB 6019

As Reported by House Committee On:
Health Care & Wellness

Title: An act relating to employee wellness programs.

Brief Description: Concerning employee wellness programs.

Sponsors: Senate Committee on Health & Long-Term Care (originally sponsored by Senators Keiser, Parlette, Kilmer, Jarrett, Tom, Holmquist, Pflug, Shin and Schoesler).

Brief History:

Committee Activity:

Health Care & Wellness: 3/20/09, 3/26/09 [DP].

Brief Summary of Substitute Bill

- Permits health insurance carriers to allow a wellness discount of up to 20 percent for small employers that develop and implement a wellness program that directly improves employee wellness.

HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

Majority Report: Do pass. Signed by 13 members: Representatives Cody, Chair; Driscoll, Vice Chair; Ericksen, Ranking Minority Member; Bailey, Campbell, Clibborn, Green, Herrera, Hinkle, Kelley, Moeller, Morrell and Pedersen.

Staff: Dave Knutson (786-7146)

Background:

Health carriers develop rates for small groups based on an adjusted community rate that may be varied for geographic area, family size, age, and wellness activities. Wellness activities include an explicit activity consistent with Department of Health guidelines, such as smoking cessation, injury and accident prevention, reduction of alcohol misuse, appropriate weight reduction, exercise, automobile and motorcycle safety, blood cholesterol reduction, and nutrition education for the purpose of improving enrollee health status and reducing health

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

service costs. A discount for wellness activities may reflect actuarially justified differences in utilization or cost attributed to such programs.

Summary of Bill:

Health insurance carriers may allow a wellness discount of up to 20 percent for small employers that develop and implement a wellness program that directly improves employee wellness. Employers must document program activities and may request a reduction in premiums based on three years of experience.

Carriers may review the employer's claim history to determine whether the wellness program has improved employee health, except carriers may not use claims for maternity or prevention services to deny the employer's request. Carriers may consider such areas as improved productivity or a reduction in absenteeism due to illness if documentation is submitted by the employer. Interested employers may work with the carrier to develop a wellness program and a means to track improved employee health.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This bill will encourage small businesses to start wellness programs for their employees. This will result in a healthier, more productive workforce and should result in lower health care coverage premiums for small business.

(With concerns) It is unclear what wellness activities would qualify a small business for this premium discount or how a health carrier would calculate the effect of a wellness activity on the premiums paid by small business.

(Opposed) None.

Persons Testifying: (In support) Senator Keiser, prime sponsor; and Donna Steward, Association of Washington Business.

(With concerns) Lori Bielinski, Washington State Chiropractic Association; and Melanie Stewart, Massage Therapy Association.

Persons Signed In To Testify But Not Testifying: None.