

SENATE BILL REPORT

SHB 2160

As Reported by Senate Committee On:
Health & Long-Term Care, March 25, 2009

Title: An act relating to health carrier payment of wellness incentives.

Brief Description: Concerning health carrier payment of wellness incentives.

Sponsors: House Committee on Health Care & Wellness (originally sponsored by Representatives Driscoll, Hinkle, Cody, Bailey, Kelley, Wood and Morrell; by request of Governor Gregoire).

Brief History: Passed House: 3/06/09, 96-0.

Committee Activity: Health & Long-Term Care: 3/23/09, 3/25/09 [DPA].

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: Do pass as amended.

Signed by Senators Keiser, Chair; Franklin, Vice Chair; Pflug, Ranking Minority Member; Becker, Fairley and Parlette.

Staff: Mich'l Needham (786-7442)

Background: Health insurance carriers develop rates 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 the 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 service costs. There has been a question whether a health carrier can offer a wellness discount based on statutory language that prohibits a health carrier from offering rebates or inducements to purchase health insurance coverage.

Summary of Bill (Recommended Amendments): The current statutory prohibitions against offering rebates or inducements to purchase health insurance are modified and health insurance carriers are specifically permitted to offer a wellness program that complies with the requirements of the federal Health Insurance Portability and Accountability Act. Wellness programs that are incorporated in individual and group health benefit plans may be modified with the contract renewal date and not be considered a cancellation of the contract.

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.

EFFECT OF CHANGES MADE BY HEALTH & LONG-TERM CARE COMMITTEE (Recommended Amendments): Wellness programs that are incorporated in individual and group health benefit plans may be modified with the contract renewal date and not be considered a cancellation of the contract.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Substitute House Bill: PRO: Wellness programs provide an opportunity to keep people healthy. Federal law allows large employers to provide insurance with some wellness incentives like club discounts, and this bill is intended to open the opportunity to all employers. The commitment to wellness is consistent with the Governor's five point plan on health care, which includes a focus on wellness and prevention. The Blue Ribbon Commission extended the commitment to wellness and prevention activities with the 2007 legislation, and this bill represents a next step demonstrating the commitment to wellness policies.

Persons Testifying: PRO: Representative Driscoll, prime sponsor; Jonathan Seib, Governor's Policy Office.