

# SENATE BILL REPORT

## SB 6429

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As Reported by Senate Committee On:  
Health & Long-Term Care, January 30, 2012

**Title:** An act relating to state employee wellness and productivity.

**Brief Description:** Promoting state employee wellness and productivity.

**Sponsors:** Senators Conway, Keiser and Kline.

**Brief History:**

**Committee Activity:** Health & Long-Term Care: 1/23/12, 1/30/12 [DP, w/oRec].

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### SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

**Majority Report:** Do pass.

Signed by Senators Keiser, Chair; Conway, Vice Chair; Frockt, Kline, Pflug and Pridemore.

**Minority Report:** That it be referred without recommendation.

Signed by Senators Becker, Ranking Minority Member; Parlette.

**Staff:** Mich'l Needham (786-7442)

**Background:** Legislation passed in 2007 directed the Health Care Authority (HCA) to develop an employee wellness demonstration for the Public Employees Benefits Board (PEBB) program. The demonstration program included the participation of selected agencies to pilot some on-site wellness activities that provided access to flu vaccination clinics, mobile mammography services, healthy eating-healthy weight support discussions, chronic disease management courses, etc. During the first two years, seven agencies were selected to participate in the demonstration. In later years, additional agencies were added for some demonstration activities and participation in the wellness designation program tool development. Over the course of the demonstration 21 agencies have participated in some form, with 20,000 plus employees.

HCA was also directed to develop an online health assessment tool, establish standards for health promotion and disease prevention activities, and develop a mechanism to update standards as evidence-based research brings new best practices forward. The language authorizing the demonstration pilots has expired.

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*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.*

King County has had success with a multi-pronged employee health and well being program that includes on-site work supports as well as integration of incentives in the benefit design and cost-sharing for plan designs.

**Summary of Bill:** HCA is recognized as the agency responsible for employee health across all state agencies and higher education institutions, and identified as the ideal agency to build a broad strategy to support employee health and wellness and support participating agencies in assisting employee wellness and business productivity. HCA is directed to expand the employee health and wellness program focused on reducing health risk and improving the health status of employees and their dependents.

The state employee health and wellness program must provide technical assistance to state agencies and higher education institutions with an expansion of the worksite wellness program that includes consolidated contracting to offer worksite wellness activities, such as on-site flu vaccination clinics; mobile mammography; healthy weight control programs; chronic disease management courses; and other evidence based programs that support employee health and wellness. The program must develop and refine common core data elements for health plans and agency worksites to assist with comparable measurement and assessment of outcomes.

HCA must coordinate with PEBB to design a benefit package that more strongly encourages the use of high-value services and member engagement in health assessment and wellness programs. A benefit design must incorporate a financial incentive for completing a health assessment and participating in health activities as an integral structural component in the benefit design rather than as a freestanding assessment tool. The agency must engage in collaborative discussions with enrollees in PEBB program, the various employee unions representing employees, and state agencies. Recommendations from all participants on the benefit design and incentive structure must be shared with PEBB for consideration.

**Appropriation:** None.

**Fiscal Note:** Requested on January 23, 2012.

**Committee/Commission/Task Force Created:** No.

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

**Staff Summary of Public Testimony:** PRO: Wellness programs offer an opportunity to save money and create health plans that help people stay healthier. Health care should encourage healthy behaviors; much like we maintain our vehicles with regular maintenance, we need to focus on regular maintenance for our health. While PEBB has made some progress and is working on wellness efforts, we need to move at a faster pace. Bargaining is an essential element to success, and this offers a tool in the tool chest to enhance bargaining and employee health.

OTHER: We support wellness activities and efforts that help focus on employee health and productivity, and we have worked on efforts with HCA and PEBB. We are cautious and note

that King County spent nearly four years in discussions with their unions to get the program designed and developed. It takes time and should not be rushed. We would also note that the King County success was partly related to the big move of employees to Group Health, and the state cannot successfully move all employees to Group Health since they are not in every county. The King County success was also partly related to their high trends in the area of 11 percent, while the state has trended between 3 and 6 percent premium increases, so there just isn't the same room for savings potential with PEBB contracts. We want to be sure any benefit change is not a race to the bottom and a race to more cost sharing for employees. There has been a real trend to increase the cost sharing with copays and deductibles already. It is important to maintain bargaining, since it is critical for the success of any effort that members are partners in the change. It is important to get members involved in their health care—many do not have a primary care provider, and it may take starting slowly. The quarterly health care coalition discussion process is an appropriate table for productive discussions on benefit changes

**Persons Testifying:** PRO: Senator Conway, prime sponsor.

OTHER: Greg Devereux, WA Federation of State Employees; Ellie Menzies, SEIU 1199 NW.