
Labor & Workforce Development Committee

ESSB 5811

Brief Description: Addressing employee wellness programs.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Tom, Fain, Hill, Rivers, Baumgartner and Shin).

Brief Summary of Engrossed Substitute Bill

- Requires bargaining over the employer's percentage contribution of each employee's projected health care premium under the Personnel System Reform Act.
- Requires that state employee health care benefit plans be offered in conjunction with an employee wellness program beginning in 2014.
- Requires the Health Care Authority (HCA) to expand and maintain a state employee health and wellness program.
- Establishes a health and wellness advisory committee to consult with and advise the HCA.

Hearing Date: 4/2/13

Staff: Alexa Silver (786-7190).

Background:

Personnel System Reform Act.

The Personnel System Reform Act (PSRA) provides for collective bargaining of wages, hours, and other terms and conditions of employment with classified employees of state agencies and institutions of higher education. For purposes of negotiations, state agencies are represented by the Governor. Institutions of higher education may be represented by either their governing boards or by the Governor.

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.

Under the PSRA and the Marine Employees' Collective Bargaining Act (MECBA), the employer is not required to bargain over health care benefits, except that the dollar amount expended on behalf of each employee for health care benefits is subject to bargaining. These negotiations are conducted between the employer and a coalition of all exclusive bargaining representatives subject to the PSRA and the MECBA. Generally, an agreement on the dollar amount expended for health care benefits must be included in all master collective bargaining agreements, but for the 2011-2013 biennium, it was required to be a separate agreement.

The health benefits agreement covering the 2011-2013 biennium required the employer to contribute 85 percent of the total weighted average of the projected health care premium for each employee eligible for insurance each month.

State Employee Health Program.

The Health Care Authority (HCA) is required to establish and maintain a state employee health program in coordination with the Department of Health, health plans that participate in the Public Employees' Benefits Board (PEBB) programs, and the University of Washington's Center for Health Promotion. The health program focuses on reducing the health risks and improving the health status of state employees, dependents, and retirees enrolled in the PEBB. The program must use public and private sector best practices to achieve goals of measurable health outcomes, measurable productivity improvements, positive impact on the cost of medical care, and positive return on investment.

The state employee health program must: provide technical assistance and other services to state agencies and institutions of higher education; develop communication tools and training for wellness staff; contract with outside vendors for evaluation of program goals; and strongly encourage widespread completion of online health assessment tools, which must be voluntary and confidential.

Summary of Bill:

Personnel System Reform Act.

The Personnel System Reform Act (PSRA) requires bargaining over the employer's percentage contribution of the total weighted average of the projected health care premium for each employee eligible for insurance, instead of the dollar amount expended on behalf of each employee for health care benefits. The projected health care premium is the weighted average across all health care benefit plans and tiers. For agreements covering the 2013-2015 biennium, any agreement between the employer and the coalition regarding health care benefits is a separate agreement from the master collective bargaining agreements.

State Employee Health and Wellness Program.

By January 1, 2014, all state employee health care benefit plans must be offered in conjunction with an employee wellness program. The wellness program must include financial incentives to promote wellness targets or goals, such as premium reductions or increases. For employees covered by collective bargaining agreements covering the 2011-2013 biennium, the wellness program must be offered one year after the expiration of an agreement.

The statute requiring the Health Care Authority (HCA) to establish and maintain a state employee health program is modified. The HCA, in coordination with health plans participating

in the Public Employees' Benefits Board (PEBB) programs and state agencies, must expand and maintain a state employee health and wellness program focused on reducing health risks and improving the health status of state employees and dependents. The program must:

- coordinate with the 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. The benefit design must incorporate a financial incentive for completing a health assessment and participating in health activities as an integral structural component, rather than a freestanding assessment tool;
- provide technical assistance to wellness staff in state agencies and institutions of higher education by expanding the Washington worksite wellness program and building on the success of worksite wellness demonstrations;
- complete coordinated contracting with outside vendors for 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;
- develop and refine common core data elements for health plans and agency worksites to assist with the measurement and assessment of outcomes;
- gather and monitor data from agencies on worksite wellness activities and outcomes, including impacts on productivity and wellness, and complete an annual analysis and summary of the outcomes; and
- ensure the design of the program and benefit structure complement the development of chronic care management and medical home models.

The HCA must engage in collaborative discussions with enrollees in the PEBB program, employee unions, and state agencies to expand the employee health and wellness program and build a strategic link with the benefit design and worksite supports. Consolidated recommendations from all participants on the benefit design and incentive structure must be shared with the PEBB for consideration.

An eight-member health and wellness advisory committee with members appointed by the Governor consults with and advises the Director of the HCA (Director) regarding the employee wellness program. Three members of the advisory committee must be representatives of state employee labor organizations, one member must be a non-represented state employee, and four members must be representatives of state agencies or institutions of higher education. The Director must convene the advisory committee at least four times per year to discuss the wellness program design and experience and to solicit the committee's recommendations.

Appropriation: None.

Fiscal Note: Available.

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