



MEMORANDUM IN SUPPORT

FOR IMMEDIATE RELEASE: June 9, 2008

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Re: S. 4675-A (Hannon) A.10884-A (Morelle) AN ACT to amend the insurance law, in relation to authorizing accident and health insurers, medical and health services corporations, and health maintenance organizations to establish wellness programs.

The New York Health Plan Association (HPA) supports S.4675-A/A.10884-A, which would allow health insurers in New York to establish wellness programs.

This legislation would permit health insurers to offer wellness programs designed to promote health and prevent disease such as smoking cessation, weight management and stress management with incentives for member participation. Throughout the state many employers encourage their workforce to engage in a healthier lifestyle by offering successful workplace wellness programs. These innovative programs often use incentives to encourage participation and reward the employees' achievements. This legislation expands that concept and now links it with group health insurance policies by offering substantial and meaningful rewards for a healthy lifestyle.

Under this proposal wellness programs may use rewards and incentives for participation including, in the experienced rated market, discounted premium rates, rebates and refunds of premiums. For community rated products, health plans may offer a wellness rider that links patient behavior to reduced co-pays or deductibles in accordance with legal limitations. These are substantial and meaningful incentives that can significantly reduce the cost of health care and also improve the overall health and wellbeing of the member.

Innovative programs such as these recognize the role the individual has in maintaining and improving his or her own health. Testimony at the recent universal health care hearings also identified the need for individual accountability and role in maintaining their own health. To compliment emerging pay for performance and quality initiatives that incentivize providers, it is equally important to implement programs that directly involve the individual in addressing the cost of health care.

For these stated reasons and more, HPA supports S.4675-A/A.10884-A and urges a "yes" vote on this legislation.

The New York Health Plan Association represents 27 managed care health plans that provide comprehensive health care services to nearly 7 million New Yorkers.