
Health Care & Wellness Committee

HB 1776

Brief Description: Addressing wellness programs offered by a health carrier.

Sponsors: Representatives Schmick, Cody, Hope, Morrell, Angel, Ryu and Pollet.

Brief Summary of Bill

- Allows a health carrier to sponsor a wellness program that is not part of the health benefit plan or contract.

Hearing Date: 2/14/13

Staff: Jim Morishima (786-7191).

Background:

Federal law generally prohibits group health plans from rating individuals based on health status. Employers may, however, provide their employees rewards for participating in programs designed to promote health or prevent disease or for meeting certain health targets (wellness programs). Wellness programs that require employees to meet health standards are subject to additional requirements, including:

- the rewards may not exceed 30 percent of the cost of the coverage (this amount could be increased to 50 percent by federal rule);
- the program must be reasonably designed to promote health or prevent disease;
- employees must be given the opportunity to qualify for the reward at least once a year; and
- the full reward must be available to all similarly situated persons.

Wellness programs that require participation only are not subject to additional requirements.

State law prohibits insurers, producers, or title insurance agents from offering rewards as an inducement for purchasing insurance. Wellness programs that meet federal requirements are exempt from this prohibition.

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.

Summary of Bill:

A health carrier may offer or sponsor a wellness program that is not part of the health benefit plan or health benefit contract to a person or employer. The wellness program may include incentives, including gift cards or health-related goods or services. The wellness program must meet the following criteria:

- the program must be available to individuals under similar qualifying circumstances;
- a detailed description of the program and incentive must be provided to individuals prior to participation and upon request; and
- the carrier must provide information to individuals that the wellness program does not constitute a health benefit plan.

The wellness program may include:

- a biometric screening or an online health assessment;
- a program designed to encourage health lifestyles, physical activity, or healthy eating;
- a coaching program;
- a smoking cessation program;
- a program designed to reduce the misuse of alcohol;
- a weight reduction or management program; and
- nutrition education.

The wellness program and incentives must be available to the Insurance Commissioner for review. The prohibition against offering rewards as an inducement for purchasing insurance does not apply to these wellness programs.

Appropriation: None.

Fiscal Note: Available.

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