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## State Governments Develop Healthy Interest in Wellness

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Benefits Pro

States across the country are turning to the wellness programs as a way to encourage public employees to more actively engage in their health management.

Research has shown that employees who engage fully in well-designed wellness plan show improvements in their health that in turn save employers money on health insurance over time.

Leaders in wellness planning such as Delaware and Alabama are being joined by other states convinced of the health and financial gains that wellness plans can produce.

Most recently, Washington State Gov. Jay Inslee unveiled a cash-laden incentives proposal designed to increase state employee participation in wellness programs. If adopted, Washington state employees could see their participation incentives jump from \$30 gift cards to reductions of up to \$125 a month in their share of health insurance premiums.

Washington is playing catch-up to other states that waded into the wellness plan waters several years ago. While Delaware and Alabama were early leaders in this area, Arkansas, Illinois, Mississippi and Oklahoma have taken similar measures in recent years.

Richard Cauchi, with the National Conference of State Legislatures, said that state experiences so far have underscored the importance of cash components to wellness engagement strategies. "A number of states have initiated bonus programs with conscious incentives, including cash, and those programs are described as successful in saving money and creating a healthier population," he said.

Cauchi said when a state takes steps to create changes in employee health insurance design, it can easily influence plan designs in the private sector. "In many states, the government is the major employer. Often we see that what happens within the public employee arena is picked up by the private-sector," he said.

Some states have public-private sector groups that meet regularly to discuss such agenda items as health insurance. Cross-fertilization of plan designs can occur within such groups, he said, especially when a state initiative meets with success.

"It is also about insurers," he observed. "They are engaged in how this plays out. They see the value of wellness and health management programs. This is an area where insurers and employers can work together, which isn't always the case."

State law in Illinois, for example, authorizes "reductions in premiums; reduced medical, prescription drug or equipment co-payments, co-insurance, or deductibles for public employees who participate in wellness programs."

In Oklahoma, a state law designed to improve state worker wellness participation calls for "encouraging agencies to promote the OK Health Mentoring Program and provide incentives to employees to participate with reduced cost."

In Mississippi, state agencies can, by law, provide "optional incentives to encourage participation in the wellness program, including providing flexibility in employee scheduling to allow for physical activity and participation in the wellness program and coordinating discounts with gyms and fitness centers across the state."

Part of the challenge for states is finding the money to convert into cash incentives. Washington's Inslee proposed

tapping into a \$10 million surplus fund to create new cash bonuses designed to encourage state employees to engage more fully in wellness plans.

Inslee has proposed a fairly aggressive system of wellness plan incentives that would, if approved by the state legislature, far surpass the current mix of incentives and penalties available to state employees.

Perhaps the most significant is Inslee's proposal to cut in half the monthly health insurance premium payment now shouldered by employees, from \$250 a month to \$125. The \$125 would be the total of various cash incentives envisioned in the new wellness scheme.

Currently, the state offers small gift cards to state workers who fill out a health assessment form and other minor incentives. It also will begin to penalize plan members who smoke or who include smokers in their coverage plan beginning July 1.

Washington state has 155,000 state employees; total state employment is almost 3 million.

The state's primary state workers' union, the Washington Federal of State Employees, considers Inslee's proposal a positive one, although short of what the union had recommended, its executive director, Greg Devereux, told the Seattle Times.

He told the Times that about 30 percent of state employees now actively participate in health risk assessments tied to \$30 gift cards. The goal, he said, is 70 percent to 80 percent participation, which the larger cash awards should make possible.

"This was just a financial decision to make it only \$125. ... We will lobby to increase it during the session. If we are going to do this, we want to do it so it makes a difference," Devereux told the Times.

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