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**Workers may get incentives for wellness plan**

**$125 IN HEALTH-INSURANCE REWARDS**

**Employees must engage in healthy activities**

By Brad Shannon

*The Olympian*

Gov. Jay Inslee’s administration is moving toward adoption of a wellness program for state employees that provides $125 worth of health-insurance incentives in 2015 if a worker engages in healthful activities this year.

The governor wants to pay for the incentives using about $10 million of surplus from Public Employees Benefits Board (PEBB) accounts that include contributions from the state and workers.

Employees would need to engage in activities that might include weight management or smoking cessation, and the 2014 Legislature would need to resist any urge to grab the $10 million for other uses.

Carole Holland, a senior budget adviser to Inslee in the Office of Financial Management, describes the governor’s incentives as more rigorous than what are available today. Currently those who fill out a health-risk assessment have been able to earn $30 gift cards, and additional rewards have been paid for engaging in other wellness activities.

“We would require additional activity. So you’d have to do your health-risk assessment. You’d have to designate a primary-care physician, and you’d (eventually) have to engage in an activity based on your health status,’’ Holland said.

The incentive would be in the form of a smaller deductible in workers’ insurance plans — reducing it to $125 in 2015 from $250 for the employee only. This would be in addition to a new $25 per month premium penalty that takes effect July 1, 2014, for state employees and covered family members who use tobacco products.

The gift-card rewards — which can total $85 in 2014 for participants in the Uniform Medical Plan — do not go away until 2015, according to Lou McDermott, director of the state PEBB programs run by the Health Care Authority.

Although the new incentive is larger than what employees earn today, it’s about half what the Washington Federation of State Employees thinks is needed to be effective and boost participation rates.

Still, the federation, which represents a coalition of more than two-dozen public-employee unions on health-care issues, considers the emerging plan a step “in the right direction,” executive director Greg Devereux said. Devereux wants the Legislature to consider boosting the investment above Inslee’s proposed level.

“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 said. “All of the academic literature says that ... when you start doing wellness programs, people’s behavior starts changing when they see about $20 difference (per month). That would be about $240 a year. They have done a little more than half of that.’’

McDermott’s agency and Department of Health are leading the work on the wellness program through a steering committee that Inslee created in late October by issuing an executive order on worker wellness. That committee’s task, in effect, is to fill in the blanks of a health-care contract that the coalition of public-sector unions and Inslee’s labor representatives worked out in the fall.

That contract kept the 85 percent state and 15 percent employee-contribution shares for health premiums in 2013-15. And it required the parties to develop a wellness-incentives program that encourages government staffers and families to adopt healthy activities that theoretically can improve health and reduce health care costs.

As governor, Inslee has talked about wellness activities as a tool to help control health-care costs, which he’d pledged to do as a candidate in 2012. His executive order, which also dealt with the availability of healthful foods in agency offices’ vending machines, set a wellness-plan deadline of Jan. 1.

That target won’t be met. But work is nearly done on the plan, and McDermott said the wellness-steering committee created by Inslee’s order is expected to go over final recommendations soon. At the end of January, the PEBB board itself will vote on a final plan, McDermott said.

Because details are still being worked out, McDermott and others declined to get too specific about which activities workers might have to do in order to earn lower deductibles in their 2015 insurance plans. But participation in a weight-control program or smoking cessation could be among them.

“The essence of the program is if you do X, you get Y. We’re saying if you do your health-risk assessments, if you declare a PCP (primary-care physician) and you do one of these health activities that are being negotiated then you would qualify in 2015 (for lower deductibles),” McDermott said.

Whatever the PEBB members including Devereux agree to, the incentives disappear if the Legislature sweeps away the $10 million for other purposes in its 2014 supplemental budget.

Key Senate and House budget writers could not be reached immediately to comment this week on how they view the proposal, but some Senate members did push legislation in 2013 that would have required workers to participate in wellness activities.

But Devereux said he is hopeful that lawmakers see the value of making an investment in employees’ health that not only benefits the workers short term but also the state’s finances over the longer haul.

Devereux said just short of 30 percent of state employees participate in the health-risk assessments today, but the goal is around 70-80 percent.