



April 3, 2013

The Honorable William Monning
Member, California State Senate
State Capitol, Room 4066
Sacramento, California 95814

**SUBJECT: SB 189 (MONNING)—HEALTH CARE COVERAGE:
WELLNESS PROGRAMS – OPPOSE UNLESS AMENDED
SENATE HEALTH COMMITTEE**

Dear Senator Monning:

The California Association of Health Underwriters (CAHU), the National Association of Insurance and Financial Advisors-California (NAIFA-CA) and the Independent Insurance Agents and Brokers of California (IIABCal) regret that our organizations must **OPPOSE UNLESS AMENDED** your **SB 189**, as introduced, that unreasonably limits access to preventive and wellness programs in California.

Our organizations represent California's licensed health insurance agents. Our licensed members provide reliable insurance advice, act as the consumer's advocate when dealing with carriers and provide a number of essential services relating to the individual and group insurance coverage and obligations post-enrollment. Our members also act as a trusted and effective marketing and distribution channel for health insurance information for all consumers and potential consumers of health care insurance coverage.

As introduced, **SB 189** would prohibit health plans from rewarding health care consumers who participate in wellness programs through lower premiums or reduced out-of-pocket expenses. Our organizations are concerned that **SB 189**, as written, would essentially eliminate use of wellness programs--a scientifically proven tool for improving health.

Our health insurance agents constantly work to help our individual clients, employers and their employees find affordable health care insurance and to educate them on preventive steps available as part of that health coverage as a path to better health. We believe **SB 189** is the wrong approach to take if the real goal is for California to lead the way to better health in the future.

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Our organizations strongly believe that wellness programs save lives. Period. Eliminating wellness incentives, through **SB 189's** proposed barriers, will only lead to the continued escalation of health care costs and needless deaths. It is important to note that wellness programs tied to premium incentives are specifically included in the Patient Protection and Affordable Care Act because of their proven benefits and their ability to rein in costs.

A wellness program can vary widely. Some wellness programs are limited and provide new or updated information to employees on how best to get or stay healthy. At the other end of the spectrum, employers offer to pay part or all of a fitness club membership for the employee and/or the employee's family or sponsoring healthy meal selection and preparation classes for their workforce. It all depends on the type of commitment the employer and their employee base wish to make to health improvement.

New federal regulations continue to recognize the benefits of promoting innovative approaches to health care and wellness by increasing the value of rewards wellness programs may provide while assuring wellness programs are structured and implemented in a fair and appropriate manner. A far better approach, we believe, would be for SB 189 to be amended to require instead that California adopt the federal wellness plan rules.

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Please feel free to contact us for clarification or more information. You can reach Juli Broyles (CAHU) at 916-441-5050 or Shari McHugh (NAIFA-CA) at (916) 930-1993 or John Norwood (IIABCal) at 916-447-5053.

Sincerely,



Julianne Broyles
CAHU



Shari McHugh
NAIFA-CA



John A. Norwood
IIABCal

cc: Office of Governor Brown
Members, Senate Health Committee
Tim Valderrama, Senate Health Committee
Joe Parra, Senate Republican Caucus