

May 1, 2013

Senate Committee on Health
SB 189 (Monning) Hearing

Good afternoon Chair Hernandez and members of the committee. My name is Carla Saporta and I am the health policy director at the Greenlining Institute. Greenlining is a multi-ethnic policy organization working for racial and economic justice.

Greenlining supports SB 189 because we believe this bill is necessary to ensure that workplace wellness programs are implemented in a way that improve health while protecting employees from potential discrimination based on their health status.

Last year, Greenlining and Prevention Institute partnered to conduct research on Workplace Wellness Programs as they apply to ethnic small businesses. We released a report in December of 2012 on our findings. While we were interested in determining best practices for implementing Workplace Wellness Programs in small businesses as a way to improve employee health and reduce health care costs, we knew that there were serious issues with the various approaches to achieving these results, which our research further confirmed. Workplace Wellness Programs have historically been punitive for communities of color because they do not take into account the diversity of a workforce and the existing barriers to participation, which further exacerbate the lack of access to resources to improve health, and a lack of access to quality health care services. As a result, Workplace Wellness Programs have historically disadvantaged communities of color rather than helping them achieve better health outcomes. Greenlining remains concerned that the Affordable Care Act encourages the use of Workplace Wellness Programs when there is limited research on how these programs benefit small businesses and no research on best practices in implementing such programs.

Incentive workplace wellness plans where an employee's contribution towards their health insurance premium is tied with their health status have been popularized, especially after the claimed success of Safeway's Health Measures program, which the rules in the ACA on workplace wellness programs are based on. While Safeway attributed significant cost savings to improved employee health, in actuality, their plan shifted costs unto the higher risk group within their employees – reducing the health care premiums for individuals who had the time and resources to take advantage of the programs. The employees who found their premiums increasing were often people who were on the lower end of the pay scale within the company, and were also often people of color. Statistically, people of color and low-income individuals are more likely to

suffer from chronic health problems, more likely to lack resources to improve their health, and more likely to receive poorer quality health care. These individuals are, thus, disproportionately penalized by incentive plans that tie premium amounts to their health, ultimately undermining the ACA's goal to end discrimination based on level of health risk because it inadvertently creates a punitive system. SB 189 addresses this concern by not allowing incentives to be tied to a health outcome but instead only allows incentives for participation based programs.

SB 189 takes a step forward in ensuring that workplace wellness programs are developed to support their intended purpose of improving health and reducing health care expenditures without adversely affecting populations who need these benefits the most. Therefore, Greenling supports SB 189 and respectfully asks for your "Aye" vote. Thank you.