

## Prevention and Wellness Benefits within State Health Reform Initiatives

In order to address the needed improvement of the health care system through more efficient and effective care, many states are incorporating prevention and wellness benefits into their reform plans. Several reform proposals require that the basic state-defined benefit package include certain preventive benefits to promote healthier living. These benefits typically include routine physicals, screenings for preventable chronic diseases, such as diabetes and heart disease, along with early screenings for such illnesses as breast and cervical cancers. Many states are allowing no or low-cost preventive care visits before the plan's deductible is met to encourage individuals to seek preventive care. Health promotion benefits are also being included in many state reform plans, state employee health insurance plans, Medicaid redesigns, and small group and individual markets. It is common for states to incorporate weight loss and smoking cessation programs into their initiatives because preventing obesity and lung cancer, along with several other smoking-related illnesses, can significantly contain costs for the state. Many state reform plans are using these wellness benefits as incentives for lower cost insurance or requirements for participation in state-defined plans. As states are attempting to expand coverage and improve the quality of care in the health system, they are also looking to individuals to increase their responsibility for their own health.

The Rhode Island Office of the Health Insurance Commissioner created a "wellness health benefit plan" that insurers are required to offer to employers with fewer than 50 workers and individuals purchasing health plans. The insurers are required to offer a plan that is aimed at improving the health of its members by focusing on five wellness initiatives, including selecting a primary care physician and completing a health assessment. It also requires participation in a wellness program and tiered physician networks. The plan is expected to lower costs based on prevention incentives offered to enrollees.

**Indiana:** Governor Mitch Daniels has signed into law a series of health reforms to improve access and quality of care in the state. Indiana has created a health insurance plan for adults and pregnant women with incomes below 200 percent of poverty. Under the Healthy Indiana plan, participating individuals will have a Personal Wellness Responsibility (POWER) Account, which acts as an HSA, with \$1,100 to cover the deductible. A private health insurance plan approved by the state is available to individuals after they have met the deductible and includes services, such as preventive care and disease management. The plan also includes \$500 for preventive care, such as physicals, screenings, chronic disease management, and smoking cessation.

**Vermont:** Governor Jim Douglas created a program that extends affordable insurance coverage while reducing health care costs through several quality improvement initiatives. The law also proposes steps to control costs and cost shifts within the health care system by promoting healthy behaviors through a grant program to fund community health and wellness programs. In addition, the state will adopt rules to permit health insurance companies to offer premium discounts or other incentives—known as a Healthy Choices Discount—to people who participate in health promotion or disease prevention programs such as smoking cessation.

In **California**, the governor's proposal encourages health lifestyles and behaviors. Rewards will be available in the Medi-Cal, Healthy Families, and CalPERS (the public employees program) for practicing healthy behaviors. In addition, the governor's plan supports quality measurement and uniform interoperability standards and the adoption of health information technology.

**Nebraska** has established a steering committee and an advisory committee to improve the health of the state's employees. The program made a health appraisal survey available to state employees and is addressing the need for improved physical activity, nutrition, and smoking cessation. The program has also requested proposals from organizations to offer tobacco cessation classes under contract for state employees.