

AMENDED IN SENATE JUNE 25, 2012

AMENDED IN SENATE JUNE 11, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 1636

Introduced by Assembly Member Monning

February 9, 2012

An act to add Section 1348.10 to the Health and Safety Code, relating to health.

LEGISLATIVE COUNSEL'S DIGEST

AB 1636, as amended, Monning. Health and wellness programs.

Existing law provides for the licensure and regulation of health care service plans by the Department of Managed Health Care. Existing law provides for the regulation of health insurers by the Department of Insurance. The California Health Benefit Exchange is established in state government to facilitate enrollment of qualified individuals in qualified health plans. The State Department of Public Health is authorized to perform specified activities relating to the protection, preservation, and advancement of public health.

This bill would require the Department of Managed Health Care, in collaboration with the Department of Insurance, the California Health Benefit Exchange, and the State Department of Public Health, to convene a special committee consisting of specified members to review and evaluate health and wellness incentive and rewards programs offered by health care service plans, health insurers, and employers. The bill would require the committee to evaluate these programs for effectiveness based upon scientific evidence and to examine the extent to which these programs may result in specified discrimination *and would require the*

committee to discuss its findings in a final report submitted to the Assembly and Senate Committees on Health by March 30, 2014, as specified. The bill would require the committee to meet publicly and would require the first meeting to be conducted no later than March 30, 2013.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1348.10 is added to the Health and Safety
2 Code, to read:
3 1348.10. (a) The Department of Managed Health Care, in
4 collaboration with the Department of Insurance, the California
5 Health Benefit Exchange, and the State Department of Public
6 Health, shall convene a special committee to review and evaluate
7 health and wellness incentive and rewards programs offered by
8 health care service plans, health insurers, and employers.
9 (b) The committee shall focus on the study of programs that
10 provide incentives and rewards for enrollees, insureds, and
11 employees to become more engaged in their health care and make
12 choices that support health promotion and wellness, including
13 worksite wellness programs and programs that offer or require
14 health risk appraisals, screening services, smoking cessation, health
15 premium reductions, differential copayment or coinsurance
16 amounts, and cash payments related to health promotion activities.
17 (c) The committee shall evaluate these programs for
18 effectiveness based upon scientific evidence. The committee shall
19 examine the extent to which these programs may result in
20 discrimination based upon income, age, gender, race, ethnicity,
21 medical condition, genetic information, claims experience, medical
22 history, evidence of insurability, or any other health status-related
23 factor.
24 (d) The committee shall meet publicly and engage experts and
25 stakeholders in its deliberations. The first meeting of the special
26 committee shall be conducted no later than March 30, 2013.
27 (e) Members of the committee shall include, but shall not be
28 limited to, a bioethicist, a representative of the health care coverage
29 industry, *a chronic disease patient advocate*, a physician and
30 surgeon with expertise in managing patients with chronic

1 conditions, a representative of consumers from low-income
2 communities, a representative of consumers from communities of
3 color, a health researcher with expertise in the impact of premium
4 and cost-sharing on health care utilization, and ~~an employer~~ two
5 employers with experience in operating a nationally recognized
6 worksite wellness program.

7 (f) *The committee shall discuss its findings under this section*
8 *in a final report submitted to the Assembly and Senate Committees*
9 *on Health by March 30, 2014. This report shall also do both of*
10 *the following:*

11 (1) *Recommend ways California can encourage and promote*
12 *worksite wellness programs.*

13 (2) *Recommend whether California should allow for wellness*
14 *incentive rewards and penalties linked to premiums for group*
15 *health care coverage and, if so, identify policy considerations to*
16 *prevent discrimination based on health status.*

17 (g) *The requirement for submitting a report imposed under*
18 *subdivision (f) is inoperative on March 30, 2018, pursuant to*
19 *Section 10231.5 of the Government Code.*