



The Employer Alliance for Affordable Health Care

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## MEMORANDUM IN SUPPORT

### **Bill Number: A. 4238 (Gionaj) /S.853 (Klein)**

Authorizes health insurers and health maintenance organizations, subject to the approval of the superintendent of financial services, to provide actuarially appropriate reductions in health insurance premiums or other benefits or enhancements for an enrollee's or insured's participation in a qualified wellness program.

*The Employer Alliance for Affordable Health Care is the largest, single-issue grassroots coalition in New York State. Our members including more than 3,000 small business owners and sole proprietors representing more than 150,000 working New Yorkers. Our members believe that everyone should have access to basic, affordable health insurance. We oppose state mandate legislation that drives up costs.*

### **WE SUPPORT THIS PROPOSAL FOR THE FOLLOWING REASONS:**

- **Wellness programs reduce health care costs.** This is important to provide affordable health care. According to a survey by the National Small Business Association, small employers ranked cost the number one factor in determining whether or not they offer health insurance. This proposal is good not only for employees, but small businesses.
- **Wellness programs produce healthier employees.** A study by Doctors Richard Milani and Carl Lavie found that every dollar invested in wellness program intervention yielded \$6 in health care savings. This cost savings experienced by the health insurers should be passed along to the consumers. (What's the Hard Return on Employee Wellness?, Harvard Business Review, 2010)
- **Wellness programs are good for employee retention.** This is especially important for small businesses. A study by Towers Watson and the National Business Group on Health shows that organizations with highly effective wellness programs report significantly lower voluntary attrition than do those whose programs have low effectiveness (9% vs. 15%). We support legislation such as this that serves to strengthen New York's small business community.

**For these reasons, the Employer Alliance asks you to  
SUPPORT A. 4238 (Gionaj) /S.853 (Klein)**

*May 2015*