

underscored material = new
[bracketed material] = delete

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

HOUSE MEMORIAL 78

50TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2011

INTRODUCED BY

Danice Picraux

A MEMORIAL

REQUESTING THE RISK MANAGEMENT DIVISION OF THE GENERAL SERVICES DEPARTMENT TO CONDUCT A STUDY ON EMPLOYEE WELLNESS INCENTIVES PROGRAMS, TO REPORT THE RESULTS OF ITS STUDY TO THE LEGISLATIVE HEALTH AND HUMAN SERVICES COMMITTEE AND TO ESTABLISH A PROGRAM THAT PROVIDES RESULTS-BASED WELLNESS INCENTIVES.

WHEREAS, health care costs continue to rise at a yearly rate much higher than the general rate of inflation; and

WHEREAS, the national business group on health reports that, in 2011, large employers expect health care costs to rise by nearly nine percent over 2010 costs; and

WHEREAS, a survey of employers by Towers Watson and the national business group on health found that sixty-seven percent of employers consider employees' poor health habits as the greatest challenge to maintaining affordable health care

underscored material = new
[bracketed material] = delete

1 coverage; and

2 WHEREAS, in recent years, many employers have begun
3 providing incentives to employees to promote healthy lifestyle
4 choices and thereby reduce health care costs; and

5 WHEREAS, incentives for employee wellness that employer
6 wellness programs provide may include, among other incentives,
7 reduced health insurance premiums, extra vacation days and
8 gifts; and

9 WHEREAS, according to a study published by the national
10 institute for health care reform, the design of employer
11 wellness programs is crucial to achieving the goals of wellness
12 and cost savings among employees, with well-designed programs
13 achieving significant gains in wellness, cost savings and
14 employee retention and other programs having little, if any,
15 effect on these measures; and

16 WHEREAS, a study published in the *Harvard Business Review*
17 reports that employers may save as much as six dollars (\$6.00)
18 for every one dollar (\$1.00) spent on wellness incentives; and

19 WHEREAS, researchers Leonard L. Berry, Ann M. Mirabito and
20 William B. Baun report in the *Harvard Business Review* that the
21 MD Anderson cancer center saved one million five hundred
22 thousand dollars (\$1,500,000) through increased productivity
23 and decreased costs due to its closely monitored employee
24 wellness program; and

25 WHEREAS, a study by Towers Watson and the national

.186877.1

underscoring material = new
~~[bracketed material] = delete~~

1 business group on health shows that organizations with highly
2 effective wellness programs report significantly lower
3 voluntary employee turnover rates than those whose wellness
4 programs are less effective; and

5 WHEREAS, according to a 2010 national business group on
6 health study, a majority of employers consider having effective
7 employee wellness programs to be one of the top three ways to
8 cut health care costs; and

9 WHEREAS, as in the rest of the state and the country, the
10 cost of health care for New Mexico's public employees continues
11 to rise rapidly;

12 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF
13 REPRESENTATIVES OF THE STATE OF NEW MEXICO that the risk
14 management division of the general services department be
15 requested to study the best practices among other employers'
16 employee wellness incentive programs; and

17 BE IT FURTHER RESOLVED that the deputy director of the
18 risk management division of the general services department
19 report, by November 1, 2011, to the legislative health and
20 human services committee on the best practices that the
21 division has identified among results-based employee wellness
22 incentive programs and on the division's recommendations for
23 designing an employee wellness incentive program for state
24 employees; and

25 BE IT FURTHER RESOLVED that the risk management division

.186877.1

underscoring material = new
~~[bracketed material] = delete~~

1 of the general services department be requested to implement,
2 by July 1, 2012, a results-based employee wellness incentive
3 program using the best practices that it has identified and to
4 tie the cost of a public employee's premium for the group
5 benefits self-insurance plan health care coverage to employee
6 achievement in the wellness program; and

7 BE IT FURTHER RESOLVED that copies of this memorial be
8 transmitted to the governor, the secretary of general services,
9 the deputy director of the risk management division of the
10 general services department and the chair and vice chair of the
11 legislative health and human services committee.