



# MEMORANDUM IN OPPOSITION

FOR IMMEDIATE RELEASE: FEBRUARY 26, 2021

41 State Street • Suite 900  
Albany, NY 12207-1717  
518.462.2293  
Fax: 518.462.2150  
www.nyhpa.org

Re: S.815 (Biaggi) – AN ACT to amend the insurance law and the public health law, in relation to making actuarially appropriate reductions in health insurance premiums in return for an enrollee's or insured's participation in a qualified wellness program.

---

While the bill is well intended, S.815 would undermine the individual and small group markets by allowing for premium differences for individuals who participate in wellness programs.

Managed care plans are founded on principles that emphasize primary and preventive care. As part of their comprehensive approach to health care, HPA member plans have long sought to educate their members about the importance of adopting health lifestyles, avoiding behaviors that increase the risk of developing chronic problems, and adopting tools to help manage various types of illnesses and encourage better quality outcomes. Health plans provide a wide array of health education and wellness programs aimed at helping members take an active role in improving their overall health and well-being. This includes weight management and smoking cessation programs, resources to promote diabetes prevention and management, discounts on nutrition education and fitness classes, and developing tailored approaches to help employers improve the health of their employees.

Currently, large group policies that are experience rated are permitted to provide an incentive – to the employer and the employee – in the form of a discounted premium for individuals who take advantage of such programs. However, this is not permitted for individual and small group policies. These markets are required to be community rated, which prohibits health plans from charging higher rates to individuals or small businesses based on the health status or claims experience. The state's community rating laws help to ensure equity of rates regardless of a person's age, sex or medical history, and are intended to control risk segmentation and adverse selection problems. Further, by adequately spreading risk, the premiums of the young and healthy can subsidize the costs of those who are comparatively older, have higher health risks and thus, require greater medical care.

Allowing premium discounts to be applied to small groups or even individual policies based on participating in a wellness program would lead to unequal treatment of similar groups and individuals, undercutting the state's community rating laws.

For these reasons, HPA opposes S.815.

*The New York Health Plan Association represents 28 managed care health plans that provide comprehensive health care services to more than 8 million New Yorkers.*