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House Bill 10-1160: A wolf in sheep's clothing is still a wolf
Denver Post guest column submission
By Elisabeth Arenales

Wellness sounds good and is a concept that deservedly is receiving a lot of attention in our sedentary, high fructose-powered world. But legislators need to look behind the word "wellness" and see what's wrong with House Bill 10-1160.

Imagine you run a business that manufactures products that lose money and products that make money. You report on gains or losses to your investors and those investors decide, based on those reports, whether to continue investing in your company. As a result, you are highly motivated to manufacture those products that make money and eliminate the rest.

Insurance works the same way: People with health conditions are money losers and healthy people are profitable. Health plans report earnings on a quarterly basis to their investors. And even small changes in how much health plans are paying for health claims (known as medical loss ratios), have large impacts on Wall Street. UnitedHealthcare, for example, just reported first-quarter earnings for 2010, which were excellent, partly as a result of a decline in the company's medical loss ratio (from 81.5 percent to 79.1 percent).

Because they are, for the most part, in business to make money for their investors, health plans are extremely good at figuring out ways to eliminate risk – i.e. not cover unhealthy people who lose them money. House Bill 10-1160 advances one such risk-avoidance strategy in Colorado.

Proponents of 1160 point to the many protections that have been included in the bill. But what they cannot fix are the structural problems that lie at its heart. That's because the bill is not about making people better. It's about avoiding risk.

In the end there are many ways this bill can and likely will hurt people: First, plans looking for good risk will offer wellness plans to healthy groups and individuals but not to those that are unhealthy. There are no meaningful protections in the bill against this kind of steering or redlining behavior, and in fact proponents have resisted such protections.

Second: plans may attach wellness programs to high deductible high co-pay products. People who can meet outcome based measurements of success (established by the plans), will earn their way to lower co-pays. But people who can't and are in poor health will find it harder to go to the doctor precisely because co payments and other cost sharing will be higher for them.

Finally, proponents of 1160 imagine a world where small businesses can afford to hire wellness

experts to work with their employees, have HR staff to help them figure out the complexities of managing wellness programs, and the resources to offer people time off for wellness activities or doctors visits. They don’t think about a world where single mothers work two jobs, where missing work means a skinnier paycheck, where employers pressure employees to participate so both can earn a discount, where employees fear disclosure of a mental illness or other health condition, and where job applicants are judged on whether or not they look like they will earn or lose their employer a wellness discount.

There are lots of ways to promote wellness and some health plans are using those strategies. Examples include: no co-pays for smoking cessation programs and Kaiser's "Thrive" campaign. United recently began using networks of life coaches and pharmacists who are compensated for helping people prevent or better control diabetes and is partnering with the organization behind Sesame Street to develop a bilingual outreach education program to help low income families address issues such as nutrition, wellness and preventing childhood obesity.

There are meaningful ways to promote wellness. 1160 is not one of them.

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