

The 76th Oregon Legislative Assembly - 2012 Regular Session

Co-Chairs Representative Greenlick, and Representative Thompson, and Committee Members,

In June of 2009, Senate Bill 679 was signed into law after being unanimously passed by the Senate and House, and was the first step towards implementation of a health and wellness dividend program. We now have before you House Bill 4074, which will continue to usher in a new way of proactive thinking regarding health care costs.

In our organization, we have implemented a successful, measureable wellness program to promote accountability amongst physicians and staff members for their personal health. We began this program 18 months ago, and it has been extremely successful in bringing about lifestyle changes. As the information folders show, a significant number of health care dollars are spent on those of us who continue to make unhealthy choices. Our program has demonstrated that given the right incentive and accountability, people will do the right thing.

Our employee driven program consists of four components: normal Body Mass Index (BMI), walking fitness, non smoking, and nutrition education. The program requires a person to have a healthy BMI or engage in a weight loss program. To measure the walking fitness portion, employees are assessed using the tools available from the Cooper Institute, American Council of Exercise, and are measured by their ability to walk one mile according to the Age-Adjusted Standards. Participants sign an affidavit showing a commitment to continue as non-smokers or if a smoker, then enroll in a smoking cessation program. Finally, all employees are required to take part in our nutrition education program which consists of monthly presentations by experts in nutrition and fitness, along with health tips that are emailed out weekly.

We reward employees and physicians who participate in this voluntary program with a monthly \$60 dividend check, separate of their paychecks. Currently, we have 80% participation, and believe it will climb to 90% during 2012. We also recognize those who have physical disabilities and have measures built into the program so they, too, may participate as they are able. An added bonus to this program has been an increase in staff morale, an increase in productivity, and a documented drop in absenteeism.

We are here today seeking a partnership between Oregon political leaders, insurance companies, and employers to encourage the development of employee driven health and wellness programs. Our vision is one with supporting partners. However, we are also sensitive to the limited resources some organizations may have. We therefore propose that employers be responsible for half the amount of the dividend, insurance companies the other half, and that political leadership make health and dividend payments tax exempt. In our office this would be \$30/\$30.

This initiative is a step in the right direction towards the reduction of health care costs by empowering and incentivizing employees to make needed changes. It is good for our state and communities, and will have a profound effect on the health and prosperity of Oregon citizens. This is a health care initiative, which is simple, meaningful, measureable and marketable, while incurring very low expense. This is a positive approach to improving lifestyles. House Bill 4074 has the potential to bring the governor, legislature, and this committee nationwide recognition for its leadership in reducing health care spending. I ask you to consider this viable solution to the current health care crisis.

Co-Chairs Representative Greenlick, and Representative Thompson, and Committee Members,

I am Nadine Wood from Albany and I want to thank you for the opportunity to speak today in support of House Bill 4074.

Nearly three years ago I addressed the Senate Committee on Health Care and Veterans' Affairs in support of SB679 that unanimously passed in the 2009 legislative session and opened the door for collaboration between insurance companies, employers and employees to develop workplace disease prevention programs that carry a financial incentive to those who choose to participate. In that testimony I spoke of the then recent report by the State Task Force for a Comprehensive Obesity Prevention Initiative that called obesity in Oregon a public health crisis. Likewise, the Statewide Physical Activity and Nutrition Plan for 2007 – 2012 also acknowledged Oregon's high rate of obesity and associated disease and health costs. The Kaiser Family Foundation Health Facts for 2010 lists the percent of Oregon adults who are overweight or obese at 60.9%. The Centers for disease Control list Oregon's obesity rate for 2010 at 34%. This health problem is not going away. A comprehensive approach for addressing this problem is needed. A program based on a Social Ecological Model that recognizes that behavior change is more likely when there is support through public policy, the community, organizations and social networks.

Since the passage of Senate Bill 679, I have had the unique experience to work with Dr John Lees to develop a framework for an employee wellness program that addresses lifestyle choices favoring disease prevention. This uncomplicated, voluntary program empowers employees by giving them options for finding the best methods for taking care of their health. A Wellness Committee of employees further developed the program into one that will work in their offices. Qualifying employees receive a monthly Health Dividend Check from Dr Lees as positive recognition for their health behavior choices. I have witnessed some amazing health behavior and medical changes in the relatively short time I have been employed as the Employee Wellness Coordinator. Smoking cessation, weight loss, lowered cholesterol, and proclamations of changed eating and exercise behaviors to name a few. In addition I witness employees who are working together towards a common goal of living healthier lives.

It's unfortunate there are not more employers Like Dr Lees who value the health and wellness of employees as an important part of running a business. The passage of House Bill 4074 will make it possible for more employers to offer monetary incentives to employees who take responsibility for their own health behavior choices favoring disease prevention.

Statement of Support for House Bill 4074/S. Brooks

Co-Chairs Rep Greenlick, Rep Thompson, and Committee Members;

I am Synthia Brooks, General Manager at Eyecare Associates.

You've heard testimony today regarding the benefits of a health and wellness plan, and now I would like to tell you about Joe.

Joe began smoking at the age of six, and learned to inhale at the age of seven. He continued to smoke until he was 32, stopped for 6 years, and then began again. Joe who is now 54 works for our organization, and we're proud to say that after implementation of our health and wellness dividend plan, he has quit smoking. I share this story with you not because Joe is unique, but rather, because he is not unique.

Our organization includes single mothers, single dads, employees who are very educated, and those who have GED's. We have employees who were previously on the Oregon Health Plan, and those who have received food stamps. There are those who rent, and those who own more than one home. In general, our organization represents a cross-section of Oregon residents.

We know from the results we have seen from our group, that health and dividend plans work for employees from very diverse walks of life, and that people respond better to a carrot than they do to a stick. Empowering people to make lifestyle changes is not dependent on where a person is or has been, but rather where they want to go. Our employees recognize they are part of an exciting new health care movement.

Making this dividend tax exempt will send a powerful message of support to participants of health and wellness plans. It will create a collegiate atmosphere between employers, employees, insurance companies, and most importantly Representative Andy Olson and Senator Frank Morse. Isn't it right to support the very people who are going to make the biggest difference in the long term savings of health care dollars?

Co-chairs Representative's Greenlick and Thompson,

My name is Rick Rebel. I am an employee benefits consultant at AKT Benefit Advisors in Salem and have worked in the industry since 1979. My job is to explore and seek the most cost effective coverage for employers to help protect their employees from expenses associated with ill health.

In my many years in the business, it has become increasingly clear that much of the reason we seek medical care, is for preventable conditions that are created by lifestyle choices. It is no secret that many cases of obesity, heart/lung disease and adult onset diabetes are a result of bad lifestyle choices, such as smoking, improper diet and lack of physical exercise.

In addition, when reviewing the data on many of my group plans, I find that approximately 20% of the members in the group account for 80% of the medical claims. I recently reviewed a case with 219 enrollee's and 21 of the members accounted for 90% of the annual claims.

Proper incentives to attain and sustain good health habits are essential to achieving the goal of universal healthcare. Until we address some of the root causes of illness, we will continue on an unsustainable path of skyrocketing costs and struggle to get everyone adequately covered.

HB4074 is a great first step to create an environment of 'health consciousness'. As we take ownership of our own health, we stand to reduce our incidence of sickness, become more productive workers in a safer environment, keep our individual health care costs to a minimum, but more importantly, create the opportunity to enjoy good health during our retirement years with our favorite hobbies and making memories with family and friends.

Everyone is seeking solutions to the issue of increasing health care costs. I thank you for your interest in the unique incentive offered in HB4074 and encourage your support.

Rick Rebel

Consultant

AKT Benefit Advisors LP

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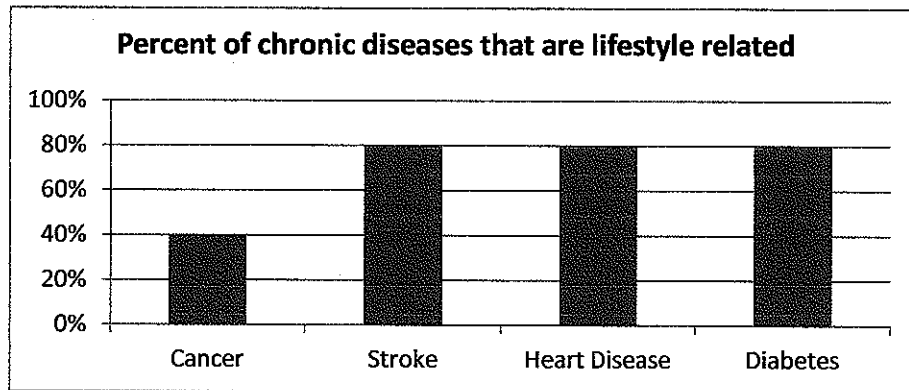
Rick Rebel

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Wellness and Eyecare Associates



Sources: U.S. Centers for Disease Control and Prevention Chronic Disease Fact Sheet;
The Health Promotion First Act by David Anderson, PhD, StayWell Health Management.

Over 40% of all U.S. health-care costs are related to lifestyle choices

Reducing Employer (and Employee) Health Care Costs By 15%

Through incentives, employee empowerment, and motivation in the workplace environment

Qualifications for \$60/month health dividend:

1. Signed Non-Smoker Statement

*Or participate in a tobacco cessation program approved by WCO**

2. BMI in range of 19-26

*Or participate in a weight-loss program approved by WCO**

3. Pass a 1 mile walk test

*Or participate in a fitness program approved by WCO**

4. Pass WCO Nutrition Test

*Or participate in a nutrition program approved by WCO**

WCO=Wellness Community Organizer

**John D. Lees, M.D
Medical Wellness
Director**

**Nadine M. Wood, M.S.
*Wellness Community
Organizer**

BMI Chart by BodyMassIndexChart.org

		Weight [pounds]																
		100	110	120	130	140	150	160	170	180	190	200	210	220	230	240	250	260
Height [feet and inches]	4'6"	24	27	29	31	34	36	39	41	43	46	48	51	53	55	58	60	63
	4'8"	22	25	27	29	31	34	36	38	40	43	45	47	49	52	54	56	58
	4'10"	21	23	25	27	29	31	33	36	38	40	42	44	46	48	50	52	54
	5'0"	20	21	23	25	27	29	31	33	35	37	39	41	43	45	47	49	51
	5'2"	18	20	22	24	26	27	29	31	33	35	37	38	40	42	44	46	48
	5'4"	17	19	21	22	24	26	27	29	31	33	34	36	38	39	41	43	45
	5'6"	16	18	19	21	23	24	26	27	29	31	32	34	36	37	39	40	42
	5'8"	15	17	18	20	21	23	24	26	27	29	30	32	33	35	36	38	40
	5'10"	14	16	17	19	20	22	23	24	26	27	29	30	32	33	34	36	37
	6'0"	14	15	16	18	19	20	22	23	24	26	27	28	30	31	33	34	35
	6'2"	13	14	15	17	18	19	21	22	23	24	26	27	28	30	31	32	33
	6'4"	12	13	15	16	17	18	19	21	22	23	24	26	27	28	29	30	32
	6'6"	12	13	14	15	16	17	18	20	21	22	23	24	25	27	28	29	30
	6'8"	11	12	13	14	15	16	18	19	20	21	22	23	24	25	26	27	29
	6'10"	10	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27
	7'0"	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26

 Underweight

 Normal Range

 Overweight

 Obese

Ideal BMI

For adults, an ideal BMI is within the range of 18.5 and 24.9. Children and teenagers should be between the 5th and 85th percentile. However, athletes and people with muscular builds often have high BMI numbers. Recent studies show that less than half of U.S. adults have an ideal body mass index and approximately 15 percent of children and adolescents are overweight.

Ideal BMI: An Overview

Body mass index (or BMI) is a tool that can be used to indirectly measure the level of body fatness in an individual. Because the calculation requires only two pieces of information, height and weight, it is an inexpensive and easy screening method for weight categories that may lead to health problems.

Ideal BMI in Adults and Children

Although the BMI formula for adults and children is the same, the way that the results are interpreted differs. Therefore, what is considered an ideal BMI also differs.

For adults, an ideal BMI is between 18.5 and 24.9. A person with a BMI over 24.9 is considered overweight, and a person with a BMI under 18.5 is considered underweight.

For children, an ideal number is between the 5th and 85th percentile.

Can Someone With a High BMI Still Be Considered Healthy?

The BMI score is valid for both men and women, but it does have some limits. When used to calculate body fatness, it may:

- Overestimate body fat in athletes and others who have a muscular build
- Underestimate body fat in older persons and others who have lost muscle mass.

Therefore, it is possible for a person to be completely healthy but have an "unhealthy BMI." This is why healthcare providers consider other factors besides this when assessing the health risk for certain medical conditions.

Ideal BMI in the United States

Less than half of American adults have an ideal **BMI**; this is equivalent to about 68 million adults. About 37 million women between the ages of 20 and 74 have an ideal BMI, while about 31 million men between the ages of 20 and 74 have an ideal BMI.

Approximately 130 million American adults are overweight (defined as having a **body mass index** equal to or greater than 25). Nearly 61 million adults are obese (defined as a BMI greater than or equal to 30). Even more concerning is that approximately 15 percent of children and adolescents are overweight, and another 15 percent are at risk for being overweight (BMI-for-age between the 85th and 95th percentile).

A Fitness Assessment

One mile walking test:

Start clock. Walk around track 4 times as fast as can, stop clock. Record results.

Age – Adjusted Standards

From the Cooper Institute, American Council on Exercise

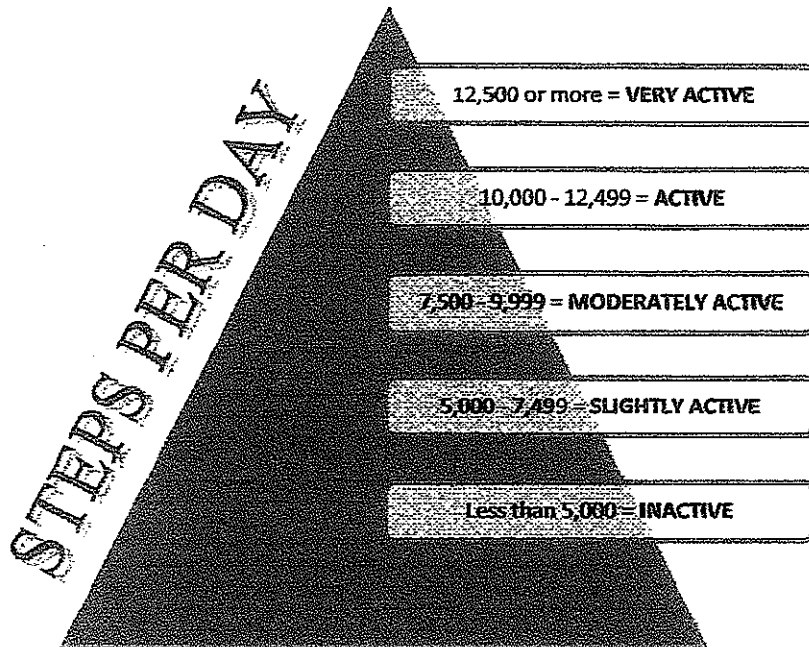
Ratings for Men, Based on Age

Age	20-29	30-39	40-49	50-59	60-69	70+
Excellent	<11:54	<12:24	<12:54	<13:24	<14:06	<15:06
Good	11:54-13:00	12:24-13:30	12:54-14:00	13:24-14:24	14:06-15:12	15:06-15:48
Average	13:01-13:42	13:31-14:12	14:01-14:42	14:25-15:12	15:13-16:18	15:49-18:48
Fair	13:43-14:30	14:13-15:00	14:43-15:30	15:13-16:30	16:19-17:18	18:49-20:18
Poor	>14:30	>15:00	>15:30	>16:30	>17:18	>20:18

Ratings for Women, Based on Age

Age	20-29	30-39	40-49	50-59	60-69	70+
Excellent	<13:12	<13:42	<14:12	<14:42	<15:06	<18:18
Good	13:12-14:06	13:42-14:36	14:12-15:06	14:42-15:36	15:06-16:18	18:18-20:00
Average	14:07-15:06	14:37-15:36	15:07-16:06	15:37-17:00	16:19-17:30	20:01-21:48
Fair	15:07-16:30	15:37-17:00	16:07-17:30	17:01-18:06	17:31-19:12	21:49-24:06
Poor	>16:30	>17:00	>17:30	>18:06	>19:12	>24:06

HOW MANY STEPS EQUAL AN ACTIVE LIFESTYLE



ACTIVITY	STEPS PER MINUTE	
	FEMALE	MALE
Jogging	189	181
Elliptical Jogger	236	218
Bicycling	283	254
Gardening	118	109
Golf	118	109
Aerobics	236	218
Swimming	189	181
Yoga	71	54
Mowing	142	127
Walking	125	115

Eyecare Associates Wellness Program

Non-Smoker Certification Statement

I certify that I will not smoke cigarettes, cigars, pipes, or use chewing tobacco, smokeless tobacco or any other form of tobacco or use any illegal drug substance over the duration of the six month program.

Employee

Yes

No

Employee: _____

Signature: _____

Date: _____

Dietary Fats
Presentation to Eyecare Associates - November 2011
Nadine Wood, MS Heath Promotion

Fats in the diet

- Dietary fat is one of three macronutrients that provide energy for your body. The other two are proteins and carbohydrates.
- Fats are the most calorie dense providing 9 calories per gram compared to 4 calories per gram in carbohydrates and proteins.
- Fats are essential to maintain health.
- Fats build cell membranes and regulate many of our hormones.
- Slow digestion so you feel fuller longer. Blood sugars rise slowly.
- Hold the flavors and give a creamy texture to foods.
- The amounts and kinds are important.
-

Harmful Fats

Increases blood LDL 'bad cholesterol' levels, increase risk of heart disease and stroke.

- Saturated Fats
 - Saturated fats are more solid at room temperature. Oil vs. Margarine, Lard vs. Chicken Skin
 - Many are also high in cholesterol
 - Main animal sources include red meat, and butter fats.
 - Coconut and palm oils are high in saturated fats and often found in processed bakery foods.
- Trans Fats
 - Occurs naturally limited animal sources.
 - The majority of trans fat in the American diet is a synthetic fat made by hydrogenation of an unsaturated fat.
 - Hydrogenated or partially hydrogenated vegetable oils are useful in their stability and long shelf life for processed foods.
- Cholesterol
 - Cholesterol is manufactured in the body and ingested through animal products.
 - Eating saturated fats can also increase cholesterol.

Healthy Fats

Decreases blood LDL 'bad cholesterol' levels, lowers risk of heart disease and stroke.

- Monounsaturated Fat
 - Olive Oil, Peanut Oil, Canola Oil, Avocadoes, Poultry, Nuts and Seeds
 - Lowers LDL cholesterol
- Polyunsaturated Fat
 - Vegetable Oils (safflower, corn, sunflower, soy and cottonseed)
 - Seed and Nut Oils, Poultry

- Lowers LDL cholesterol
- Omega 3 and Omega 6 Essential Fatty Acid
 - Omega 3's are essential in building hormones that control
 - immune function
 - blood clotting
 - cell growth and components of cell membranes
 - anti-inflammatory response
 - important in aging eye health
 - Benefits include
 - reducing the risk of heart disease and stroke
 - reduce symptoms of hypertension, depression, attention deficit hyperactivity disorder (ADHD), joint pain and other rheumatoid problems
 - Sources
 - mainly in the fat of cold-water fish such as salmon, sardines, tuna and mackerel.
 - Omega 3 eggs are from grass-fed chickens
 - plant sources of Omega 3 include walnuts, flaxseed and some fruits and vegetables.
 - Plant sources are not as easily available to the body
- Omega 6 - Essential Fatty Acids
 - Omega 6's benefits
 - support skin health
 - lower cholesterol
 - increase blood clotting
 - increase inflammation
 - increase cell proliferation
 - Sources
 - Omega 6's are found in eggs, poultry, cereals, vegetable oils and baked goods.
- Balancing the Omegas
 - One of the important factors in maintaining well being is to eat the correct balance of these essential fatty acids which is generally agreed upon as being 4 Omega 3's to every 1 Omega 6.
 - Recommendations are to increase cold-water fish consumption to two meals a week
 - lower consumption of processed foods
 - Use Olive oil (has omega 9 which counteracts 6)

Dietary Fat Recommendations

- Aim for your total fat ingestion to be 20% to 30% of your total diet.
- Limit saturated fat to no more than 10% of your total calories.

Eyecare Associates Voluntary Health Dividend Wellness Program 4Q 2011

Group One Qualifiers

	ID#	BMI	HDL	LDL	Chol	Smoke	Mile Walk	Ed	Quiz	Annual Ins Premium	Annual Ins Claims
1	1998	21				N	13:24		Y	\$5,000	
2	2003	22				N	13:40		Y	\$5,000	
3	2009	21				N	14:31	Y		\$5,000	
4	2010	22.1				N	12:04	Y	Y	\$5,000	
5	2011	25				N	13:31		Y	\$5,000	
6	2012	21.6	53	71	154	N	9:29	Y		\$5,000	
7	2014	26				N	11:36	Y		\$5,000	
8	2022	25.3				N	9:10	Y	Y	\$5,000	
9	2024	20				N	13:15		Y	\$5,000	
10	2025	16				N	12:12	Y	Y	\$5,000	
11	2026	25				N	10:58	Y	Y	\$5,000	
12	2027	21.5				N	8:08			\$5,000	
13	2028	20				N	11:25		Y	\$5,000	
14	2029	19.4				N	9:12	Y	Y	\$5,000	
15	2031	19.1				N	8:46	Y		\$5,000	
16	2033	22.7	58	101	188	N	14:47		Y	\$5,000	
17	2034	22				N	14:23		Y	\$5,000	

Goal: Remain in Group 1 long term

*Create competitions with other organization's Group.

*Accurate accountability to ensure participant still qualifies.

*Obtain blood work for all groups for comparison.

Eyecare Associates Voluntary Health Dividend Wellness Program 4Q 2011

Group Two: Partial Qualifiers

	ID#	BMI	HDL	LDL	Chol	Smoke	Mile Walk	Ed	Quiz	Wt Loss	Fitness	Med Ex
1	2000	30				N	17:10	Y	Y	WW		
2	2005	33				N	17:18	Y	Y	in-hse	step	
3	2006	31.5				N	12:40	Y	Y	1.2		
4	2007	32				N	14:31	Y	Y		Y	X
5	1999	27.6				N	13:38	Y	Y	WW		
6	2018	33				N	15:34	Y	Y	in-hse		
7	2019	30				N	14:28		Y	YMCA	YMCA	
8	2021	29				N	12:02		Y	in-hse	step	
9	1997	23				N	12:17		Y			X
10	2002	24				N		Y	Y			
11	2013	28.6				N		Y	Y			
12	2015	29.8				N	14:52	Y	Y			X
13	2016	27.5				N	14:13	Y				
14	2017	22				N	19:53	Y	Y			

Goal: Move Group 2 to Group 1

- *Establishing accountability and measuring progress.
- *Consistent feedback from coordinator reviewing negative and positive results.
- *Create competitions and/or Buddy systems to motivate between groups
- *Obtain blood work for all groups for comparison.

Eyecare Associates Voluntary Health Dividend Wellness Program 4Q 2011

ID#	BMI	HDL	LDL	Chol	Smoke	Mile Walk	Ed	Quiz	Non Qualifying Reason
2035	27				Y	15:45	Y	Y	
2030							Y		
2032							Y	Y	
1996									
2001									Works less than 16 hrs/week
2004							Y	Y	
2008									Works less than 16 hrs/week
2020							Y		
2023									

Goal: Move Group 3 to Group 2

- *Encourage attendance at Nutrition/Wellness Education Meetings and Tests
- *Confidential meeting with Nadine Wood or Dr. Susan Gilmore
- *Encourage participation with Wellness Committee
- *Circulate more Health/Wellness newsletters and information to stimulate interest/conversation
- *Obtain blood work for all groups for comparison.

Eyecare Associates Voluntary Health Dividend Wellness Program 4Q 2011

ID#	BMI	LDL	HDL	Chol	FBS	BP	Smoke	Mile Walk	Lead Health Education
2014	26						N	11:36	
2016	27	112	48	206			N	14:13	
2022	25.3	124	43	203			N	9:10	
2024	20						N	13:15	
2027	21.5						N	8:08	
2034	22						N	14:23	
2037	20						N		

GROUP									
AVERAGES	23								

Goal: Doctors in organization to be advocates of Wellness Program by not only being successful participants, but also assisting in nutrition and wellness presentations.

Community Wellness Program for Linn and Benton Counties, Oregon SB-679 Implementation

Creative*Affordable*Simple

Implementation of Health Dividend is based on the powerful partnership of Oregon political leadership, employers, insurance companies to empower employees to develop and execute their Wellness Programs.

Senator Frank Morse

Representative Sherrie Sprenger

City of Albany Mayor Sharon Konopa

Representative Andy Olson

Representative Sara Gelser

Key Leadership--Employees

Nobody cares about your health more than you do.

Employers

A "WIN" for Oregon Employees as they are the key partner (with Employers and Oregon Health Insurance Companies) in crafting a wellness program for themselves. By developing their own programs, Employees will take ownership and participate in their wellness programs.

Accountable Wellness Programs

John D. Lees, M.D.
Medical Wellness Director
Nadine M. Wood, M.S.
Wellness Community
Organizer

Insurance Plans

A "WIN" for Insurance Companies as they will be financially incentivized and rewarded for developing and implementing wellness programs for their insured.

Physicians Support, Education

Local Community Facilities and Programs

City Parks and Recreation Departments
Boys and Girls Club
YMCA

Service Clubs
Churches (Parish Nurses)
Smoking Cessation Programs

Fitness Clubs
Senior Centers
Weight Loss Programs

1. Employee benefit of tax exempt payments*

gross wages	Annual amount of Oregon tax benefit per employee		Monthly amount of Oregon tax benefit per employee	
	filing status		filing status	
	single	joint	single	joint
20,000	72	72	6	6
30,000	72	81	6	7
40,000	72	81	6	7
50,000	90	81	8	7
60,000	90	79	8	7
70,000	90	90	8	8

*The tax benefit received is a function of income, deductions, and filing status. The following chart is based on gross wages and marital status as shown, assuming the standard deduction and no dependents. Amounts shown are the amount of Oregon tax saved for \$1,000 of tax exempt (instead of taxable) income. Since Oregon has a maximum tax rate of 9%, the maximum tax reduction for \$1,000 of income is \$90.

2. Estimated costs of common medical procedures:

Heart Disease: surgeries (\$100,000), stents (\$30,000), beta blockers for life

Diabetes: blindness (\$1,000,000/lifetime), kidney dialysis (\$70,000), amputations (\$40,000)

Cancer: surgeries, chemotherapy, radiation

3. Benefits:

1. Employees with normal range BMIs, active fitness levels, and are non-smokers have reduced health care costs.
2. Increase local employment in the wellness industry as more employees utilize programs such as Weight Watchers, YMCA, and Curves.
3. Employer benefits with greater employee productivity and less absenteeism.

Age:

0yr

20yr

40yr

Green Timeline

Opportunity to change habits.

The Medical Community spends resources diagnosing and treating lifestyle diseases.

Habits Define Our Future Health

Adopting healthy lifestyle habits will lead to a major decrease in healthcare costs.

Eating Habits- Food Type

Good: Healthy fats/ Whole foods

Bad: Unhealthy fats/ Processed foods

Heart Disease, Stroke,
Cancer, Diabetes

Eating Habits- Food Portions

Good: BMI <25

Bad: BMI >25

Very Bad: BMI>30

Heart Disease, Stroke
High Blood Pressure, Diabetes
Alzheimer's

Exercise Habits

Good: > 10,000 Steps a day

Bad: < 5,000 Steps a day

Heart Disease, Stroke
High Blood Pressure, Diabetes

Smoking/Drug Habits

All Unhealthy

Lung Cancer, Emphysema
Heart Disease, Stroke

70% of Health Care Costs are from Our Habits

Heart Disease: surgeries (\$100,000), stents (\$30,000), beta blockers for life

Diabetes: blindness (\$1,000,000/lifetime), kidney dialysis (\$70,000), amputations (\$40,000)

Cancer: surgeries, chemotherapy, radiation

**Example of 2011 Wage Report + Health Dividend
for Employees at Eyecare Associates**

Minimum Wage

Hourly Rate	Hours Paid	Hours Worked	Gross Payroll	Payroll Taxes	Profit Sharing	Medical Insurance*	TOTAL COST	Cost Hours Worked	Tax Exempt Health Dividend	Take Home Pay
\$8.50	2080.00	1912.00	\$17,680	\$1,200	\$500	\$4,935	\$24,315	\$12.72	\$0.00	\$14,000
\$8.50	2080.00	1912.00	\$17,680	\$1,200	\$500	\$4,935	\$25,035	\$13.09	\$720.00	\$14,600

New Hire

\$13.00	2080.00	1912.00	\$27,040	\$1,800	\$811	\$4,935	\$34,586	\$18.09	\$0.00	\$20,220
\$12.50	2080.00	1912.00	\$26,000	\$1,750	\$790	\$4,935	\$34,195	\$17.88	\$720.00	\$20,220

\$12.50 + Health Dividend

Current Employee

\$13.50	2080.00	1912.00	\$28,080	\$1,853	\$840	\$4,935	\$35,708	\$18.68	\$0.00	\$21,060
\$13.00	2080.00	1912.00	\$27,040	\$1,800	\$811	\$4,935	\$35,306	\$18.47	\$720.00	\$21,060

\$13.00 + Health Dividend

***If Health Insurance continues to increase 12% per year, in 6 years, the cost of Health Insurance would be near \$10,000**

RESULTS OF TWO STUDIES

Paying overweight patients to lose weight was 8 times more successful than those not given financial incentives.

Paying smokers to quit smoking was 3 times more successful than those not given financial incentives.

Financial 'Carrot' Keeps Weight Loss Going Short Term

By Crystal Phend, Staff Writer, MedPage Today

Published: December 09, 2008

Reviewed by Zalman S. Agus, MD; Emeritus Professor
University of Pennsylvania School of Medicine.

PHILADELPHIA, Dec. 9 – Financial incentives for weight loss appear to be effective for shedding pounds, at least over the short term, researchers found.

Patients motivated to meet weight loss targets in order to win money – or not lose it – were 7.7 to 9.4 times more likely to meet the 16 week-targets than those without such incentives, Kevin G. Volpp, M.D., Ph.D., of the University of Pennsylvania here, and colleagues reported in the Dec. 10 issue of the *Journal of the American Medical Association*.

However, these short-term benefits in the randomized controlled trial faded over the months after the incentive intervention ended, the researchers noted.

Action Points

- Explain to interested patients that financial incentives appeared effective as motivation for short-term weight loss.
- Note that long-term weight loss is also important for health outcomes.
- Note that the single center study included primarily men.

But the findings provide evidence that daily feedback tied to incentives can keep patients engaged with unusually low dropout rates, they said.

It works by turning the drive for instant gratification into a diet strategy, they said.

The field of behavior economics suggests that the brain values immediate rewards -- such as the pleasure of eating, which often contributes to weight gain -- above delayed benefits like good health.

Dr. Volpp's group hypothesized that small but frequent financial rewards would provide an alternative source of gratification.

Their randomized controlled trial included 57 patients at the Philadelphia VA Medical Center with a body mass index between 30 and 40 kg/m² who participated in a program to lose 16 pounds over 16 weeks.

After an initial one-on-one consultation with a dietician about diet and exercise, the participants were randomly assigned to monthly weigh-ins without incentives or the same program with one of two financial incentive plans.

Incentive group patients were given daily weight goals and reported progress to study nurses who provided daily feedback via text message on the amount of money earned for reaching goals.

One financial incentive had patients deposit their own money at the beginning of every month, which they could then earn back in matched funds, up to \$252 a month, by meeting daily and monthly weight targets.

The other incentive was a daily lottery in which patients could win about \$3 for every day they met weight targets with the possibility of winning rewards of \$10 or \$100. There was a better chance of winning the \$10 than the \$100.

For the entire intervention, participants earned an average of \$378.49 in deposit contract incentives and \$272.80 in the lottery.

Daily call-in rates were high at 94% to 97% with lost-to-follow-up rates much lower than normal for weight loss studies, "suggesting that this approach was successful in keeping participants engaged," the researchers said.

Over the course of 16 weeks, the incentive groups were significantly more successful at shedding pounds.

The average lost was 3.9 pounds in the control group compared with 13.1 pounds in the lottery group ($P=0.02$) and 14.0 pounds in the

House Bill 4074

Sponsored by Representative OLSON; Senator OLSEN (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure as introduced.

Permits insurers, multiple employer welfare arrangements, health care service contractors and self-insured employee health benefit plans to offer health benefit plan that pays cash dividends to enrollee who participates in wellness program. Permits employer to pay additional cash dividends to participating employees. Defines "wellness program."

Creates subtraction from federal taxable income for cash dividends of \$1,000 or less that are paid for participation in wellness program.

A BILL FOR AN ACT

1
2 Relating to health promotion; creating new provisions; and amending ORS 743.824.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1.** ORS 743.824 is amended to read:

5 743.824. (1) As used in this section[, *"healthy behaviors" means participating in constructive be-*
6 *haviors that encourage fitness, healthy eating and other activities that are beneficial to good health.*]:

7 (a) **"Enrollee" means an individual who:**

8 (A) **Is enrolled in an individual or group health benefit plan or a self-insured employee**
9 **health benefit plan; or**

10 (B) **Receives health care coverage through a multiple employer welfare arrangement de-**
11 **scribed in ORS 750.301 to 750.341 or from a health care service contractor described in ORS**
12 **750.005 to 750.095.**

13 (b) **"Health benefit plan" has the meaning given that term in ORS 743.730.**

14 (c) **"Wellness program" means a program in which an enrollee, on the basis of a health**
15 **assessment, participates in one or more of the following:**

16 (A) **A tobacco use cessation program.**

17 (B) **A weight control program.**

18 (C) **A fitness program.**

19 (D) **A nutritional education program.**

20 (2) **An insurer [offering a health benefit plan, as defined in ORS 743.730], multiple employer**
21 **welfare arrangement, health care service contractor or self-insured employee health benefit**
22 **plan may [pay] offer a health benefit plan that pays cash dividends to enrollees in the plan who**
23 **participate in a [program approved by the insurer that promotes healthy behaviors] wellness pro-**
24 **gram. An employer may pay cash dividends, in addition to the dividends paid by the plan, to**
25 **the employees who participate in the wellness program.**

26 (3) **The individual conducting the health assessment for purposes of a wellness program**
27 **may be:**

28 (a) **An enrollee's health care provider; or**

29 (b) **An independent health care professional that contracts with an enrollee's employer,**

NOTE: Matter in boldfaced type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in boldfaced type.

1 insurer, third party administrator, multiple employer welfare arrangement or health care
2 service contractor to conduct a health assessment, to determine the enrollee's recommended
3 level of participation in one or more of the components of the wellness program and to
4 monitor the enrollee's participation in the wellness program.

5 (4) The individual described in subsection (3) of this section is subject to all requirements
6 of state and federal law regarding the retention and disclosure of protected health informa-
7 tion.

8 (5) An enrollee may not be required to participate in a wellness program as a condition
9 of coverage.

10 [(3)] (6) Dividends paid pursuant to this section are not premium variations for the purposes of
11 ORS 743.767.

12 (7) Cash dividends of \$1,000 or less that are paid under subsection (2) of this section are
13 not subject to the tax imposed under ORS chapter 316.

14 SECTION 2. Section 3 of this 2012 Act is added to and made a part of ORS chapter 316.

15 SECTION 3. There shall be subtracted from federal taxable income an amount, not to
16 exceed \$1,000, equal to any cash dividends that are paid to a taxpayer pursuant to ORS
17 743.824 (2).

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