

# STATE OF NEW YORK

4435

2023-2024 Regular Sessions

## IN SENATE

February 8, 2023

Introduced by Sen. FERNANDEZ -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance

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

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Section 3231 of the insurance law, as added by chapter 501  
2 of the laws of 1992, is amended by adding a new subsection (c-1) to read  
3 as follows:

4 (c-1) Subject to the approval of the superintendent, an insurer or  
5 health maintenance organization issuing an individual or group health  
6 insurance policy pursuant to this section may provide for an actuarially  
7 appropriate reduction in premium rates or other benefits or enhancements  
8 approved by the superintendent to encourage an enrollee's or insured's  
9 active participation in a qualified wellness program. A qualified well-  
10 ness program can be a risk management system that identifies at-risk  
11 populations or any other systematic program or course of medical conduct  
12 which helps to promote physical and mental fitness, health and well-be-  
13 ing, helps to prevent or mitigate the conditions of acute or chronic  
14 sickness, disease or pain, or which minimizes adverse health conse-  
15 quences due to lifestyle. Such a wellness program may have some or all  
16 of the following elements to advance the physical health and mental  
17 well-being of its participants:

18 (1) an education program to increase the awareness of and dissem-  
19 ination of information about pursuing healthier lifestyles, and which  
20 warns about risks of pursuing environmental or behavioral activities  
21 that are detrimental to human health. In addition, information on the  
22 availability of health screening tests to assist in the early identifi-

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

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1 cation and treatment of diseases such as cancer, heart disease, hyper-  
2 tension, diabetes, asthma, obesity or other adverse health afflictions;

3 (2) a program that encourages behavioral practices that either encour-  
4 age healthy living activities or discourage unhealthy living activities.  
5 Such activities or practices may include wellness programs, as provided  
6 under section three thousand two hundred thirty-nine of this article;  
7 and

8 (3) the monitoring of the progress of each covered person to track his  
9 or her adherence to such wellness program and to provide assistance and  
10 moral support to such covered person to assist him or her to attain the  
11 goals of the covered person's wellness program.

12 Such wellness program shall demonstrate actuarially that it encourages  
13 the general good health and well-being of the covered population. The  
14 insurer or health maintenance organization shall not require specific  
15 outcomes as a result of an enrollee's or insured's adherence to the  
16 approved wellness program.

17 § 2. Subsections (a), (b) and (c) of section 3239 of the insurance  
18 law, subsection (a) as added by chapter 592 of the laws of 2008, and  
19 subsections (b) and (c) as amended by chapter 180 of the laws of 2016,  
20 are amended to read as follows:

21 (a) An insurer licensed to write accident and health insurance, a  
22 corporation organized pursuant to article forty-three of this chapter, a  
23 health maintenance organization certified pursuant to article forty-four  
24 of the public health law and a municipal cooperative health benefits  
25 plan may establish a wellness program in conjunction with its issuance  
26 of a group accident and health insurance policy or group subscriber  
27 contract. A "wellness program" is a program designed to promote health  
28 and prevent disease that may contain rewards and incentives for partic-  
29 ipation. Participation in the wellness program shall be available to  
30 similarly-situated members of the group and shall be voluntary on the  
31 part of the member. The specific terms of the wellness program shall be  
32 set forth in the policy or contract, or in a separate document provided  
33 to insureds and members which shall be consistent with the provisions of  
34 this section.

35 (b) A wellness program may include, but is not limited to, the follow-  
36 ing programs or services:

37 (1) the use of a health risk assessment tool;

38 (2) a smoking cessation program;

39 (3) a weight management program;

40 (4) a stress and/or hypertension management program;

41 (5) a worker injury prevention program;

42 (6) a nutrition education program;

43 (7) health or fitness incentive programs;

44 (8) a coordinated weight management, nutrition, stress management and  
45 physical fitness program to combat the high incidence of adult and  
46 childhood obesity, asthma and other chronic respiratory conditions;

47 (9) a substance or alcohol abuse cessation program; [~~and~~]

48 (10) a program to manage and cope with chronic pain[~~+~~];

49 (11) assistance, financial or otherwise, provided to an employer for  
50 health promotion and disease prevention; and

51 (12) incentives for insureds or members to access preventive services,  
52 such as mammography screening.

53 (c)(1) A wellness program may use rewards and incentives for partic-  
54 ipation provided that where the group health insurance policy or  
55 subscriber contract is required to be community-rated, the rewards and  
56 incentives shall not include a discounted premium rate or a rebate or

1 refund of premium, except as provided in section three thousand two  
2 hundred thirty-one of this article, or section four thousand two hundred  
3 thirty-five, four thousand three hundred seventeen or four thousand  
4 three hundred twenty-six of this chapter, or section forty-four hundred  
5 five of the public health law.

6 (2) Permissible rewards and incentives may include:

7 (A) full or partial reimbursement of the cost of participating in  
8 smoking cessation, weight management, stress and/or hypertension, worker  
9 injury prevention, nutrition education, substance or alcohol abuse  
10 cessation, or chronic pain management and coping programs;

11 (B) full or partial reimbursement of the cost of membership in a  
12 health club or fitness center;

13 (C) the waiver or reduction of copayments, coinsurance and deductibles  
14 for preventive services covered under the group policy or subscriber  
15 contract;

16 (D) monetary rewards in the form of gift cards or gift certificates,  
17 so long as the recipient of the reward is encouraged to use the reward  
18 for a product or a service that promotes good health, such as healthy  
19 cook books, over the counter vitamins or exercise equipment;

20 (E) full or partial reimbursement of the cost of participating in a  
21 stress management program or activity; and

22 (F) full or partial reimbursement of the cost of participating in a  
23 health or fitness program.

24 (3) Where the reward involves a group member's meeting a specified  
25 standard based on a health condition, the wellness program must meet the  
26 requirements of 45 CFR Part 146.

27 (4) A reward or incentive which involves a discounted premium rate or  
28 a rebate or refund of premium shall be based on actuarial demonstration  
29 that the wellness program can reasonably be expected to result in the  
30 overall good health and well being of the group as provided in section  
31 three thousand two hundred thirty-one of this article, sections four  
32 thousand two hundred thirty-five, four thousand three hundred seventeen  
33 and four thousand three hundred twenty-six of this chapter, and section  
34 forty-four hundred five of the public health law.

35 § 3. Subsection (h) of section 4235 of the insurance law is amended by  
36 adding a new paragraph 5 to read as follows:

37 (5) Each insurer doing business in this state, when filing with the  
38 superintendent its schedules of premium rates, rules and classification  
39 of risks for use in connection with the issuance of its policies of  
40 group accident, group health or group accident and health insurance, may  
41 provide for an actuarially appropriate reduction in premium rates or  
42 other benefits or enhancements approved by the superintendent to encour-  
43 age an enrollee's or insured's active participation in a qualified well-  
44 ness program. A qualified wellness program can be a risk management  
45 system that identifies at-risk populations or any other systematic  
46 program or course of medical conduct which helps to promote physical and  
47 mental fitness, health and well-being, helps to prevent or mitigate the  
48 conditions of acute or chronic sickness, disease or pain, or which mini-  
49 mizes adverse health consequences due to lifestyle. Such a wellness  
50 program may have some or all of the following elements to advance the  
51 physical health and mental well-being of its participants:

52 (A) an education program to increase the awareness of and dissem-  
53 ination of information about pursuing healthier lifestyles, and which  
54 warns about risks of pursuing environmental or behavioral activities  
55 that are detrimental to human health. In addition, information on the  
56 availability of health screening tests to assist in the early identifi-

1 cation and treatment of diseases such as cancer, heart disease, hyper-  
2 tension, diabetes, asthma, obesity or other adverse health afflictions;

3 (B) a program that encourages behavioral practices that either encour-  
4 age healthy living activities or discourage unhealthy living activities.  
5 Such activities or practices may include wellness programs, as provided  
6 under section three thousand two hundred thirty-nine of this chapter;

7 (C) the monitoring of the progress of each covered person to track his  
8 or her adherence to such wellness program and to provide assistance and  
9 moral support to such covered person to assist him or her to attain the  
10 goals of the covered person's wellness program.

11 Such wellness program shall demonstrate actuarially that it encourages  
12 the general good health and well-being of the covered population. The  
13 insurer or health maintenance organization shall not require specific  
14 outcomes as a result of an enrollee's or insured's adherence to the  
15 approved wellness program.

16 § 4. Section 4317 of the insurance law is amended by adding a new  
17 subsection (c-1) to read as follows:

18 (c-1) Subject to the approval of the superintendent, an insurer or  
19 health maintenance organization issuing an individual or group health  
20 insurance contract pursuant to this section may provide for an actuari-  
21 ally appropriate reduction in premium rates or other benefits or  
22 enhancements approved by the superintendent to encourage an enrollee's  
23 or insured's active participation in a qualified wellness program. A  
24 qualified wellness program can be a risk management system that identi-  
25 fies at-risk populations or any other systematic program or course of  
26 medical conduct which helps to promote physical and mental fitness,  
27 health and well-being, helps to prevent or mitigate the conditions of  
28 acute or chronic sickness, disease or pain, or which minimizes adverse  
29 health consequences due to lifestyle. Such a wellness program may have  
30 some or all of the following elements to advance the physical health and  
31 mental well-being of its participants:

32 (1) an education program to increase the awareness of and dissem-  
33 ination of information about pursuing healthier lifestyles, and which  
34 warns about risks of pursuing environmental or behavioral activities  
35 that are detrimental to human health. In addition, information on the  
36 availability of health screening tests to assist in the early identifi-  
37 cation and treatment of diseases such as cancer, heart disease, hyper-  
38 tension, diabetes, asthma, obesity or other adverse health afflictions;

39 (2) a program that encourages behavioral practices that either encour-  
40 age healthy living activities or discourage unhealthy living activities.  
41 Such activities or practices may include wellness programs, as provided  
42 under section three thousand two hundred thirty-nine of this chapter;  
43 and

44 (3) the monitoring of the progress of each covered person to track his  
45 or her adherence to such wellness program and to provide assistance and  
46 moral support to such covered person to assist him or her to attain the  
47 goals of the covered person's wellness program.

48 Such wellness program shall demonstrate actuarially that it encourages  
49 the general good health and well-being of the covered population. The  
50 insurer or health maintenance organization shall not require specific  
51 outcomes as a result of an enrollee's or insured's adherence to the  
52 approved wellness program.

53 § 5. Subsection (m) of section 4326 of the insurance law is amended by  
54 adding a new paragraph 4 to read as follows:

55 (4) approval of the superintendent, an insurer or health maintenance  
56 organization issuing a contract for qualifying small employers or indi-

1 viduals pursuant to this section may provide for an actuarially appro-  
2 priate reduction in premium rates or other benefits or enhancements  
3 approved by the superintendent to encourage an enrollee's or insured's  
4 active participation in a qualified wellness program. A qualified well-  
5 ness program can be a risk management system that identifies at-risk  
6 populations or any other systematic program or course of medical conduct  
7 which helps to promote physical and mental fitness, health and well-be-  
8 ing, helps to prevent or mitigate the conditions of acute or chronic  
9 sickness, disease or pain, or which minimizes adverse health conse-  
10 quences due to lifestyle. Such a wellness program may have some or all  
11 of the following elements to advance the physical health and mental  
12 well-being of its participants:

13 (A) an education program to increase the awareness of and dissem-  
14 ination of information about pursuing healthier lifestyles, and which  
15 warns about risks of pursuing environmental or behavioral activities  
16 that are detrimental to human health. In addition, information on the  
17 availability of health screening tests to assist in the early identifi-  
18 cation and treatment of diseases such as cancer, heart disease, hyper-  
19 tension, diabetes, asthma, obesity or other adverse health afflictions;

20 (B) a program that encourages behavioral practices that either encour-  
21 age healthy living activities or discourage unhealthy living activities.  
22 Such activities or practices may include wellness programs, as provided  
23 under section three thousand two hundred thirty-nine of this chapter;  
24 and

25 (C) the monitoring of the progress of each covered person to track his  
26 or her adherence to such wellness program and to provide assistance and  
27 moral support to such covered person to assist him or her to attain the  
28 goals of the covered person's wellness program.

29 Such wellness program shall demonstrate actuarially that it encourages  
30 the general good health and well-being of the covered population. The  
31 insurer or health maintenance organization shall not require specific  
32 outcomes as a result of an enrollee's or insured's adherence to the  
33 approved wellness program.

34 § 6. Section 4405 of the public health law is amended by adding a new  
35 subdivision 5-a to read as follows:

36 5-a. subject to the approval of the superintendent of financial  
37 services, the possible providing of an actuarially appropriate reduction  
38 in premium rates or other benefits or enhancements approved by the  
39 superintendent of financial services to encourage an enrollee's active  
40 participation in a qualified wellness program. A qualified wellness  
41 program can be a risk management system that identifies at-risk popu-  
42 lations or any other systematic program or course of medical conduct  
43 which helps to promote physical and mental fitness, health and well-be-  
44 ing, helps to prevent or mitigate the conditions of acute or chronic  
45 sickness, disease or pain, or which minimizes adverse health conse-  
46 quences due to lifestyle. Such a wellness program may have some or all  
47 of the following elements to advance the physical health and mental  
48 well-being of its participants:

49 (1) an education program to increase the awareness of and dissem-  
50 ination of information about pursuing healthier lifestyles, and which  
51 warns about risks of pursuing environmental or behavioral activities  
52 that are detrimental to human health. In addition, information on the  
53 availability of health screening tests to assist in the early identifi-  
54 cation and treatment of diseases such as cancer, heart disease, hyper-  
55 tension, diabetes, asthma, obesity or other adverse health afflictions;

1 (2) a program that encourages behavioral practices that either encour-  
2 age healthy living activities or discourage unhealthy living activities.  
3 Such activities or practices may include wellness programs, as provided  
4 under section three thousand two hundred thirty-nine of the insurance  
5 law; and

6 (3) the monitoring of the progress of each covered person to track his  
7 or her adherence to such wellness program and to provide assistance and  
8 moral support to such covered person to assist him or her to attain the  
9 goals of the covered person's wellness program.

10 Such wellness program shall demonstrate actuarially that it encourages  
11 the general good health and well-being of the covered population. The  
12 health maintenance organization shall not require specific outcomes as a  
13 result of an enrollee's adherence to the approved wellness program;

14 § 7. This act shall take effect on the one hundred eightieth day after  
15 it shall have become a law. Effective immediately, the addition, amend-  
16 ment and/or repeal of any rule or regulation necessary for the implemen-  
17 tation of this act on its effective date are authorized to be made and  
18 completed on or before such effective date.