

NORTH CAROLINA STATE HEALTH PLAN

A Case Study

In

**Failed Wellness Initiative
Policy**

QUESTION

Is It Possible to Design An Ethical
Wellness Program
In
The Public Sector?

CONFLICT



DIVISION



POLITICS



PEOPLE



PEOPLE HAVE CONCLUDED

The Primary Purpose of Wellness
Programs

Is To

Cost-Shift to Plan Members

**NORTH CAROLINA
STATE HEALTH PLAN
(SHP)**

www.shpnc.org

STATE HEALTH PLAN

- Established in 1982 As Self-Funded Indemnity Plan
- Provided a 95/5 Benefit Structure— Referred to as “Cadillac of a Plan”
- Benefits Have Eroded As Costs Increased

CURRENT BENEFIT DESIGN

- **Two Preferred Provider Organization Plans**
PPO Basic 70/30
PPO Standard 80/20
- **State Pays 100% of Employee Premium
(May Change July 1, 2011)**
- **State Pays 0% of Family Coverage**

SHP DEMOGRAPHIC DATA

- Average age of non-Medicare eligible State Health Plan members is 46.4 years compared to an average age of 32 for private health insurance plans.
- 69% Female
- 30% Racial Minority
- 31.5% under 40
- 68.5% are 40 or over

MEMBER HEALTH STATUS

- 12% estimated to use tobacco vs. statewide average of 21%
- 32% are obese vs. 29.4% of all North Carolinian adults
- 50% have a chronic or catastrophic illness

**COMPREHENSIVE
WELLNESS
INITIATIVE
(CWI)**

CWI PROVISIONS

- Places the Plan Member and **ALL** Covered Dependents into the PPO 70/30 Plan Unless:
 1. Member/Covered Dependents Abstain from Tobacco Use
 2. Member/Covered Dependents Meet Body Mass Index (BMI) Requirements of 35 BMI (35 kg/m²=intermediate range of obesity)

CWI (Continued)

- Members/covered dependents must attest to abstaining from tobacco and meeting bmi requirements
- Waivers might be granted only for:
 1. Participation in certified smoking/weight cessation programs
 2. Having a physician-certified medical condition preventing attainment of BMI
 3. Medicare Eligible Retirees

CWI VERIFICATION

- Members Attesting to Abstaining from Tobacco and meeting BMI Requirements Subject to Random Testing
- Refusal to Test or Positive Tests for Tobacco Use or Excessive BMI Results In:
 1. Placement in 70/30 Plan for Current Year and Following Year
 2. No Credits for Accrued Co-Pays/Deductibles

CWI TOBACCO/BMI ASSISTANCE

- Counseling
- Coaching
- Prescription Medications (Still Require Co-Pays)
- Worksite Wellness Programs

ADVERSE IMPACTS

- Collateral Damage: Everyone in the family is penalized even when only one member uses tobacco or fails to meet BMI.
- Racial Minorities constitute more than 30% of the state workforce, but 60% of all workers in the lowest salary grades.
- Women constitute 69% of SHP members and will be disproportionately impacted.

ADVERSE IMPACTS

- The SHP estimates the average additional costs for CWI at \$480/year, some members will face thousands of dollars in additional out-of-pocket costs.
- Additional costs for these members may actually lead to increased Plan costs due to delays in seeking essential medical care.
- CWI testing requirements create the potential for a hostile working environment.

ADVERSE IMPACTS

- CWI provisions intrude on the doctor/patient relationship involving medical record data on BMI or tobacco.
- CWI provisions are discriminatory since some employees have access to free fitness facilities while others don't.
- No positive incentives are offered to employees, such as credits toward deductibles or co-pays.

ETHICAL WELLNESS PRINCIPLES

- PEOPLE Involvement
- “Do No Harm” and avoid collateral damage!
- Maintain doctor/patient relationship.
- Ensure economic neutrality in the financial impact of penalties and personal circumstances such as secondary employment, access to fitness facilities, environmental factors, and others.

ETHICAL WELLNESS PRINCIPLES

- Include positive incentives and not just punitive measures.
- Have a solid scientific foundation.
- Give consideration to issues which have been linked to obesity including medications, access to nutritious meals, culture, genetics, etc.