

- SUBJECT:** Allowing health insurers to advertise wellness programs
- COMMITTEE:** Insurance — favorable, without amendment
- VOTE:** 8 ayes — Smithee, T. Smith, Taylor, Eiland, Hancock, Thompson, Vo, Woolley
- 0 nays
- 1 absent — Martinez
- WITNESSES:** For — Melissa Eason, UniCare Life & Health Insurance Company; Jenny Fowler, Humana, Inc.; Susan M. Strate, M.D., Texas Medical Association; (*Registered, but did not testify:* Tom Banning, Texas Academy of Family Physicians; Shelton Green, Texas Association of Business; Patricia Kolodzey, Texas Hospital Association; Carrie Kroll, Texas Pediatric Society; Lee Manross, Texas Association of Health Underwriters; Shannon Meroney, Aetna; John Oates, CIGNA; Laurie Reece, Texas Society for Gastroenterology and Endoscopy; Jared Wolfe, Texas Association of Health Plans)
- Against — (*Registered, but did not testify:* John F. Moore, Texas Medical Group Management Association)
- BACKGROUND:** Insurance Code, sec. 541.056 prohibits insurers from offering incentives or rebates as part of a life insurance, life annuity, or accident and health policy if they are not plainly expressed as part of the policy contract. Exceptions, which are listed in Insurance Code, sec. 541.058, include offering bonuses to life insurance policyholders out of surplus funds and waiving surrender charges for life insurance policies when a policyholder exchanges one policy for another with the same company.
- DIGEST:** HB 2252 would allow health insurers and health maintenance organizations to provide policy or certificate holders with information about the availability of health-related services or health-related information that were not included as benefits in the policy, contract, or evidence of coverage.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2007.

**SUPPORTERS
SAY:**

HB 2252 would allow health plans to advertise such “health and wellness” benefits as smoking cessation, weight loss programs, discounts on health club memberships, and other preventive health programs. These wellness programs help improve or maintain the member’s health and reduce overall health care costs for insurers. While other states allow health insurers to advertise such programs on company web sites and in printed materials, the Texas Department of Insurance (TDI) has interpreted statutory prohibitions against rebates or incentives to include advertisements for wellness programs that are not part of a health insurance policy.

Health plans should be able to provide members with access to services to keep them healthy and to give them more control over their health and health-care-related financial decisions. Insurers also should be able to include this information on publicly accessible web sites so that individuals and employers shopping for insurance know which resources are available to them to help them stay healthier and make better health care decisions.

These benefits are not offered as part of the policy and are not likely to be the major factor influencing a decision of whether or not to purchase a particular health insurance policy. Insurers are not likely to misrepresent these benefits or withdraw them, but if they were to do so, it would not affect the actual policy benefits. These programs are simply extra benefits used for advertising and loss control purposes.

**OPPONENTS
SAY:**

Wellness benefits that are not included as part of a health insurance policy would not be subject to oversight or regulation by TDI. If an insurer misrepresented its “wellness” benefits or withdrew them after a customer agreed to purchase a policy, TDI would not have the authority to intervene.

NOTES:

The companion bill, SB 808 by Williams, has been referred to the Senate State Affairs Committee.