

July 23, 2009

To: Energy and Commerce Committee Members:

As you consider the America's Affordable Health Choices Act of 2009, we ask that you please consider the importance of health promotion and disease prevention. Of particular importance are employer based wellness and prevention programs. We write today to specifically express our support of the Buyer Amendment (Subtitle F-Programs of Health Promotion or Disease Prevention, Section 2551. Programs of Health Promotion or Disease Prevention).

There is general consensus that investments in employer-sponsored wellness programs reduce overall health care cost for employers and employees and thus reduce costs for our health care system as a whole. Further, it has been evidenced that incentives such as discounts in premiums can work to encourage participation in wellness programs.

President Obama himself, in his campaign, as well as throughout the health care reform debate has stressed the need for wellness programs and the role they play in health care cost reduction. In his speech to the American Medical Association, the President specifically referenced Safeway's wellness program and the cost savings it has provided to the company and its employees in terms of health care and premium payments.

This amendment codifies existing wellness plan regulations under the Health Insurance Portability and Accountability Act (HIPAA). The amendment would permit employers to establish premium discounts or rebates, or modify copays or deductibles in the case of employees who adhere to, or participate in, a program of health promotion or disease prevention. Existing regulations limit these rewards or incentives up to 20 % of the cost of employee-only coverage. This amendment increases the percentage allowed. The current privacy and non-discriminatory provisions of the HIPAA regulations would continue to apply.

Recent industry studies published in the American Journal of Health Promotion show the return on investment for rewards programs ranging from \$1.50 to \$3.90 for every dollar spent, depending on plan design. Other studies have shown similar results.

As you can see, the value of health insurance premium discounts or rebates to promote employee participation in wellness programs has had and will continue to have a cost saving effect on multiple levels for our health care system. They clearly motivate healthy behaviors, as well as reduce health care costs. Therefore, we strongly encourage you to vote yes on the Buyer Amendment.

Should you require any additional information or have any questions regarding this amendment please do not hesitate to contact Katie Mahoney at 202-331-3140.

Sincerely,

American Benefits Council

Business Roundtable

Corporate Health Care Coalition

HR Policy Association

National Association of Manufacturers

National Business Group on Health

National Retail Federation

Society Human Resource Management

U.S. Chamber of Commerce