A MEMORIAL

REQUESTING THE RISK MANAGEMENT DIVISION OF THE GENERAL SERVICES DEPARTMENT TO CONDUCT A STUDY ON EMPLOYEE WELLNESS INCENTIVES PROGRAMS, TO REPORT THE RESULTS OF ITS STUDY TO THE LEGISLATIVE HEALTH AND HUMAN SERVICES COMMITTEE AND TO ESTABLISH A PROGRAM THAT PROVIDES RESULTS-BASED WELLNESS INCENTIVES.

WHEREAS, health care costs continue to rise at a yearly rate much higher than the general rate of inflation; and

WHEREAS, the national business group on health reports that, in 2011, large employers expect health care costs to rise by nearly nine percent over 2010 costs; and

WHEREAS, a survey of employers by Towers Watson and the national business group on health found that sixty-seven percent of employers consider employees' poor health habits as the greatest challenge to maintaining affordable health care.
 coverage; and

  WHEREAS, in recent years, many employers have begun
providing incentives to employees to promote healthy lifestyle
choices and thereby reduce health care costs; and

  WHEREAS, incentives for employee wellness that employer
wellness programs provide may include, among other incentives,
reduced health insurance premiums, extra vacation days and
gifts; and

  WHEREAS, according to a study published by the national
institute for health care reform, the design of employer
wellness programs is crucial to achieving the goals of wellness
and cost savings among employees, with well-designed programs
achieving significant gains in wellness, cost savings and
employee retention and other programs having little, if any,
effect on these measures; and

  WHEREAS, a study published in the *Harvard Business Review*
reports that employers may save as much as six dollars ($6.00)
for every one dollar ($1.00) spent on wellness incentives; and

  WHEREAS, researchers Leonard L. Berry, Ann M. Mirabito and
William B. Baun report in the *Harvard Business Review* that the
MD Anderson cancer center saved one million five hundred
thousand dollars ($1,500,000) through increased productivity
and decreased costs due to its closely monitored employee
wellness program; and

  WHEREAS, a study by Towers Watson and the national
business group on health shows that organizations with highly
effective wellness programs report significantly lower
voluntary employee turnover rates than those whose wellness
programs are less effective; and

WHEREAS, according to a 2010 national business group on
health study, a majority of employers consider having effective
employee wellness programs to be one of the top three ways to
cut health care costs; and

WHEREAS, as in the rest of the state and the country, the
cost of health care for New Mexico's public employees continues
to rise rapidly;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF
REPRESENTATIVES OF THE STATE OF NEW MEXICO that the risk
management division of the general services department be
requested to study the best practices among other employers'
employee wellness incentive programs; and

BE IT FURTHER RESOLVED that the deputy director of the
risk management division of the general services department
report, by November 1, 2011, to the legislative health and
human services committee on the best practices that the
division has identified among results-based employee wellness
incentive programs and on the division's recommendations for
designing an employee wellness incentive program for state
employees; and

BE IT FURTHER RESOLVED that the risk management division
of the general services department be requested to implement,
by July 1, 2012, a results-based employee wellness incentive
program using the best practices that it has identified and to
tie the cost of a public employee's premium for the group
benefits self-insurance plan health care coverage to employee
achievement in the wellness program; and

BE IT FURTHER RESOLVED that copies of this memorial be
transmitted to the governor, the secretary of general services,
the deputy director of the risk management division of the
general services department and the chair and vice chair of the
legislative health and human services committee.

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