



## MEMORANDUM

**TO:** Health Care Commission  
Duane Goossen, Chair  
Sandy Praeger  
Nancy Ruoff  
John Staton

**FROM:** Doug Farmer

**DATE:** January 22, 2010

**SUBJECT:** **Enforcement Options for Non Tobacco Users Discount**

At the December 18, 2009 Health Care Commission (HCC) meeting, you asked that we research possible enforcement options to determine if members are in violation of the non tobacco usage agreement. After some discussion, we have a number of ideas for consideration by the HCC to address the concerns about members that are tobacco users and falsifying their enrollment in order to receive the non tobacco user discount.

In order to be able to enforce the non tobacco use agreement, we must identify members who have signed up to receive the discount but who do not qualify because they use tobacco products. One option that has previously been discussed by the HCC is to require a nicotine test of anyone who wishes to obtain the non tobacco use discount. Nicotine testing of each employee at the health screening would cost between \$25 and \$30 per member. To reduce screening costs, members could be randomly selected and required to be nicotine tested or we could randomly elect to test all employees at a specific location. We would need to have policies in place that address the employees out or on vacation on the date of the screening at their location and employees who refused to be screened. Without testing, it will be almost impossible for us to determine if someone is not eligible to receive the non tobacco user discount of \$480 annually.

If a member is found to have violated the non tobacco use agreement, we have identified several potential enforcement options for consideration. The member could lose the tobacco discount for the rest of the plan year or a longer period of time that the HCC determines. The member could be removed from the health plan for falsifying their enrollment to obtain the discount. The member could lose the employer contribution toward the cost of their health insurance for the rest of the plan year or a longer period of time that the HCC determines.

### **DISCUSSION:**

How would the HCC like for the SEHP to monitor and enforce the Non Tobacco Use Discount policy?