

## **MOTION OF THE COUNCIL OF ALLEGHENY COUNTY**

Urging health insurance carriers to offer health insurance premiums at a discount because, as a result of Allegheny County's smoking ban, the overall health and well-being of residents in Allegheny County will greatly improve, and encouraging employers to choose those health insurance carriers that provide discounted rates.

**WHEREAS**, Allegheny County has enacted a smoking ban which prohibits smoking in certain public places and workplaces, and provides for penalties for violations; and

**WHEREAS**, several studies have shown that smoking bans lead to a decrease in the prevalence of smoking and the number of cigarettes smoked daily among workers; and

**WHEREAS**, only 6 months after a smoking ban took effect, a dramatic decline in acute cardiovascular morbidity was observed in Helena, Montana and Pueblo, Colorado; and

**WHEREAS**, while it is too soon to see any immediate effects of Allegheny County's smoking ban, research has shown that after a smoking ban takes effect, individuals either quit smoking or decrease their tobacco use thereby improving their health and lives; and

**WHEREAS**, a discount in health insurance premiums is warranted in Allegheny County now that a smoking ban will lead the way to a healthier workforce; and

**WHEREAS**, businesses can save on health care costs by choosing health insurance carriers that will provide lower health insurance premiums because of the overall health improvement to the residents of Allegheny County;

**NOW THEREFORE, IT IS MOVED** that this Council recognizes that the overall health and well-being of residents in Allegheny County will greatly improve as a result of Allegheny County's smoking ban, and we urge health insurance carriers to offer health insurance premiums at a discount. Furthermore, this Council encourages employers to choose those health insurance carriers that offer discounted rates for Allegheny County residents improved health care outlook.

**PRIMARY SPONSOR: COUNCIL MEMBER DROZD**

**CO-SPONSOR: COUNCIL MEMBER BURN**

In Council October 10, 2006. Read and Approved.



Rich Fitzgerald  
President of Council

Attest:

  
John Mascio  
Chief Clerk of Council



OFFICE OF THE COUNTY COUNCIL  
**County of Allegheny**

ROOM 119 • 436 GRANT STREET • PITTSBURGH, PENNSYLVANIA 15219  
412.350.6490 • 412.350.6499 (FAX)

October 16, 2006

Diane P. Holder, President  
UPMC Health Plan  
One Chatham Center  
112 Washington Place  
Pittsburgh, PA 15219

Dear Ms. Holder,

At the Regular Meeting of Allegheny County Council held on October 10, 2006, Council unanimously approved the attached Motion (Bill No. 2805-06) sponsored by Council Member Matt Drozd and co-sponsored by Council Member Jim Burn.

As you will read, the Motion urges health insurance carriers to offer health insurance premiums at a discount because, as a result of Allegheny County's smoking ban, the overall health and well-being of residents in Allegheny County will greatly improve, and encouraging employers to choose those health insurance carriers that provide discounted rates.

Your attention to this Motion is respectfully requested.

Sincerely,

John Mascio, Chief Clerk  
Allegheny County Council

JM/fb



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October 16, 2006

Dr. Peter J. Keim, VP/Chief Medical Officer  
Gateway Health Plan  
U S Steel Tower - Floor 41  
600 Grant Street  
Pittsburgh, PA 15219-2704

Dear Dr. Keim,

At the Regular Meeting of Allegheny County Council held on October 10, 2006, Council unanimously approved the attached Motion (Bill No. 2805-06) sponsored by Council Member Matt Drozd and co-sponsored by Council Member Jim Burn.

As you will read, the Motion urges health insurance carriers to offer health insurance premiums at a discount because, as a result of Allegheny County's smoking ban, the overall health and well-being of residents in Allegheny County will greatly improve, and encouraging employers to choose those health insurance carriers that provide discounted rates.

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Allegheny County Council

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October 16, 2006

Unison Health Plan of PA  
300 Oxford Drive  
Monroeville, PA 15146

Dear Sir/Madam,

At the Regular Meeting of Allegheny County Council held on October 10, 2006, Council unanimously approved the attached Motion (Bill No. 2805-06) sponsored by Council Member Matt Drozd and co-sponsored by Council Member Jim Burn.

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October 16, 2006

Humana Corporate Headquarters  
500 West Main Street  
Louisville, KY 40202

Dear Sir/Madam,

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October 16, 2006

H. Edward Hanway, Chairman and CEO  
CIGNA Corporation  
Two Liberty Place  
1601 Chestnut Street  
Philadelphia, PA. 19192

Dear Mr. Hanway,

At the Regular Meeting of Allegheny County Council held on October 10, 2006, Council unanimously approved the attached Motion (Bill No. 2805-06) sponsored by Council Member Matt Drozd and co-sponsored by Council Member Jim Burn.

As you will read, the Motion urges health insurance carriers to offer health insurance premiums at a discount because, as a result of Allegheny County's smoking ban, the overall health and well-being of residents in Allegheny County will greatly improve, and encouraging employers to choose those health insurance carriers that provide discounted rates.

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Allegheny County Council

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October 16, 2006

Coventry Health Care, Inc.  
Health America/Health Assurance  
11 Stanwix Street  
Suite 2300  
Pittsburgh, PA 15222

Dear Sir/Madam,

At the Regular Meeting of Allegheny County Council held on October 10, 2006, Council unanimously approved the attached Motion (Bill No. 2805-06) sponsored by Council Member Matt Drozd and co-sponsored by Council Member Jim Burn.

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Allegheny County Council

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October 16, 2006

Ronald A. Williams  
Chairman, Chief Executive Officer and President Aetna  
151 Farmington Avenue  
Hartford, CT 06156

Dear Mr. Williams,

At the Regular Meeting of Allegheny County Council held on October 10, 2006, Council unanimously approved the attached Motion (Bill No. 2805-06) sponsored by Council Member Matt Drozd and co-sponsored by Council Member Jim Burn.

As you will read, the Motion urges health insurance carriers to offer health insurance premiums at a discount because, as a result of Allegheny County's smoking ban, the overall health and well-being of residents in Allegheny County will greatly improve, and encouraging employers to choose those health insurance carriers that provide discounted rates.

Your attention to this Motion is respectfully requested.

Sincerely,

John Mascio, Chief Clerk  
Allegheny County Council

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October 16, 2006

United Health Care  
339 Sixth Avenue, Suite 700  
Pittsburgh, PA 15222

Dear Sir/Madam,

At the Regular Meeting of Allegheny County Council held on October 10, 2006, Council unanimously approved the attached Motion (Bill No. 2805-06) sponsored by Council Member Matt Drozd and co-sponsored by Council Member Jim Burn.

As you will read, the Motion urges health insurance carriers to offer health insurance premiums at a discount because, as a result of Allegheny County's smoking ban, the overall health and well-being of residents in Allegheny County will greatly improve, and encouraging employers to choose those health insurance carriers that provide discounted rates.

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John Mascio, Chief Clerk  
Allegheny County Council

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October 16, 2006

Kenneth Melani, MD  
Highmark BC/BS  
Office of the President  
120 Fifth Avenue  
Suite FAP 3111  
Pittsburgh PA 15222


Dear Dr. Melani,

At the Regular Meeting of Allegheny County Council held on October 10, 2006, Council unanimously approved the attached Motion (Bill No. 2805-06) sponsored by Council Member Matt Drozd and co-sponsored by Council Member Jim Burn.

As you will read, the Motion urges health insurance carriers to offer health insurance premiums at a discount because, as a result of Allegheny County's smoking ban, the overall health and well-being of residents in Allegheny County will greatly improve, and encouraging employers to choose those health insurance carriers that provide discounted rates.

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Sincerely,

  
John Mascio, Chief Clerk  
Allegheny County Council

JM/tb



**HEALTH AMERICA**  
**HEALTH ASSURANCE**  
*Coventry Health Care Plans*

**Robert L. Dawson**

*President & Chief Executive Officer*

October 18, 2006

John Mascio, Chief Clerk  
Allegheny County Council  
436 Grant Street, Room 119  
Pittsburgh, Pennsylvania 15219

Dear Mr. Mascio:

Thank you for your letter of October 16, 2006 informing me of the unanimous approval of Bill No. 2805-06. HealthAmerica and HealthAssurance applaud the Council of Allegheny County for enacting a smoking ban in certain public places and workplaces. We are pleased to learn that you have joined with the many governmental bodies and public venues throughout the country that have implemented this policy. Efforts such as this play a key role in improving the health status of the community.

Our company has long-supported wellness programs and an emphasis on healthy individual behavior. We provide incentives to our employees for smoking cessation, weight loss and many other wellness and fitness programs. Smoking is a problem that has a proven impact on health status and associated health care costs, and we are encouraged by Allegheny County's efforts to be a positive influence on behalf of smoking cessation.

I think you will also agree with me that there are many additional drivers of healthcare cost increases including, but not limited to, lifestyle choices, an aging population, new technologies, inappropriate selection of prescription drugs and many others. Please be assured that we are vigilant in recognizing positive results in the claims experience of all our customers, regardless of how they come about. When such a positive result occurs, we respond accordingly with premium rates that reflect this experience.

Again, we congratulate the County Council for taking this important step for the citizens of Allegheny County.

Regards,



Robert L. Dawson

RLD/sw

Cc: M. L. Osborne



Kenneth R. Melani, M.D.  
President and  
Chief Executive Officer

November 1, 2006

Mr. John Mascio, Chief Clerk  
Allegheny County Council  
County of Allegheny  
Room 119  
436 Grant Street  
Pittsburgh, PA 15219

Dear Mr. Mascio:

Thank you for the opportunity for Highmark to respond to the Motion recently approved by the Allegheny County Council encouraging employers to select health insurance carriers whose premiums reflect the potential impact of a countywide smoking ban.

As you know, Highmark strongly supported the smoke-free workplace ordinance that was passed by the Council and signed by the County Executive. Our chief medical officer, Dr. Donald Fischer, testified at a County Council public hearing in support of the smoking ban ordinance. I believe that the County's action to ban smoking in public places demonstrated leadership on this vital public health issue. By doing so, we have joined the ranks of other localities and states – as well as other countries – that have taken decisive steps against a product that is the source of so much illness, both individually and collectively, to our citizens and patients.

Consistent with the intent of this Motion, I would like to emphasize that Highmark makes programs available to employers by which they can receive premium discounts by participating in our lifestyle improvement programs. Additionally, employers are encouraged to offer incentives such as premium credits or discounts to their employees who participate in lifestyle improvement activities.

These programs – which offer financial incentives to individuals to stop smoking, eat healthier diets, exercise more and take prescribed medications more consistently – are gaining more widespread acceptance in the marketplace among employers and workers. In fact, Highmark has had an overwhelmingly favorable response from our own employees to a lifestyle improvement program with financial incentives that we launched earlier this year.

Mr. John Mascio  
November 1, 2006  
Page 2

As an additional incentive for employers, Highmark also supports tax credits for businesses that institute wellness and lifestyle enrichment programs for their employees. Employers view lifestyle enhancement programs as a key to a more productive workforce and as an important means to reduce their health care costs. Individuals are embracing these programs to reduce their out-of-pocket health care spending and, more importantly, to improve their quality of life.

Once again, I want to applaud the County Council for doing the right thing by taking action to ban smoking. The Council's action – in conjunction with the efforts being undertaken by health insurers and the business community – is helping to build the foundation for programs that financially reward people who stop smoking and pursue healthier lifestyles.

Sincerely,

A handwritten signature in black ink, appearing to read "Kenneth R. Melani". The signature is fluid and cursive, with a large initial "K" and "M".

Kenneth R. Melani, M.D.