

COVID-19 FAQ: WELLNESS PROGRAM INCENTIVES

The COVID-19 situation is dynamic and rapidly evolving. The development of a contingency plan for your wellness program incentives can help you and your employees avoid additional changes or last-minute decisions and reduce future challenges that your organization may be facing. Whether your incentive program requires completion of biometrics and labs, physician visits, or completion of certain activities/outcomes, here are a few FAQs to consider as you develop your plan.

Does the type of wellness program we have impact our options for adapting the program incentives?

Yes, the type and timing of your organization's wellness program will impact what you can, and should, do with your wellness incentives.

Participatory Wellness Programs are generally available without regard to an individual's health status. An example of a participatory program would be completing an online health risk assessment or annual wellness exam and earning a reward regardless of health results or outcomes. Options to consider:

- Extend deadlines to earn the reward.
- Replace biometrics/physician visits with an alternate option (e.g., home testing kit, telehealth wellness visit, coaching session, or counseling session).
- Suspend the program. The choice of whether to reward those who completed the program and those who have made progress toward the program can be determined by the organization.

Health-Contingent Wellness Programs include Activity-only and Outcome-based programs. Both types of programs require participants to satisfy a standard related to a health factor to obtain a reward. An activity-based program might include walking or

another physical activity. Examples of outcomes-based programs include earning a reward/avoiding a surcharge for being tobacco-free or completing a tobacco cessation program, or for completing a health coaching program if specific health metrics or numbers are not met. Options to consider:

- Remove activity/outcome requirement to transition the program to participatory for the current year.
- Extend deadlines to earn the reward.
- Provide an additional Reasonable Alternative Standard option for members who were not able to complete the activity/meet the outcomes.

We were scheduled to have biometric events this year. How should we handle planning for them moving forward?

There are many variables to consider. For example, state and local executive orders limiting return to the workplace and large gatherings of people (e.g., worksite health fairs) may continue for the remainder of 2020 and potentially beyond. Also, some employees may not feel safe having blood drawn at work or visiting a lab, and others may have had their annual exams postponed due to the pandemic. There is the possibility that biometric vendors will evolve their processes to ensure social distancing by limiting numbers of people, spacing testing sites, PPE, etc.

In place of biometric events, consider alternatives such as home testing kits, registering for telemedicine services, completing a telemedicine well-visit (if services are available), completing an online educational health program or coaching session. With any alternative, consider accessibility to employees, your ability to administer tracking/reporting, cultural fit, and the cost to your organization.

How should we handle incentives for furloughed employees?

The answer to this question depends on several factors, including whether the employee continued to be covered as an active employee or if they were covered under COBRA and whether the employer subsidized the cost of coverage for employees on furlough (e.g., full subsidization, continuation of past employer contributions, or employee covers 100% of the cost of coverage). Very generally,

- If an employee is covered as an active employee and is required to make their usual contributions for coverage, then they should generally receive the incentive that they earned.
- If an employee is covered as an active employee, but the employer is subsidizing the full cost of coverage, then the employer is still providing the incentive as well as additional subsidization.

A question may arise whether the employee is actually receiving the incentive if other employees that did not meet the requirements of the wellness plan are also receiving full subsidization of the coverage. Guidance from the agencies does not address this issue, and consultation with legal counsel is recommended.

- If an employee is covered as an active employee but is required to cover the full cost of coverage, again, then they should generally receive the incentive that they earned.

For COBRA participants, because the wellness incentives provided by an employer do not impact the applicable premium and the employer always has the right to charge 102% of the applicable premium, employers are not required to provide premium discounts to COBRA participants who participate in the employer's wellness program.

The terms in your wellness plan documents and communications may also dictate this analysis and, therefore, should be reviewed as well.

Our incentive involves rewards for gym activity. How do you recommend we modify?

There are a variety of free and low cost online physical activity sources for utilization while shelter-at-home and social distancing rules are in place. While difficult to validate, allowing employees to utilize the resources available from their homes is recommended as a positive substitute that allows for flexibility and encourages the safety, physical health, and emotional well-being of your employees. You may also want to consider alternatives that can be done in an employees' neighborhood (e.g., walking, biking, running, etc.).

Our program offers reimbursement for gym memberships. How can we modify our program to maximize the value to employees at this time?

There are vendors in the market who offer the ability to reward based on a flexible array of physical activity options, such as walking, running, home exercise videos, etc. An additional alternative is to modify your existing program to temporarily reward for achieving a certain amount of physical activity in minutes and/or steps over a specified amount of time. Inclusion of activities like meditation and deep breathing videos could also be included to further increase the spectrum of well-being activities encouraged at this time. When a reimbursement program is adapted to reward for physical activity accomplishments, keep in mind that reasonable alternatives must be in place for employees. With any alternative, consider accessibility to employees, your ability to administer tracking/reporting, cultural fit, and the cost to your organization.

Please be advised that any and all information, comments, analysis, and/or recommendations set forth above relative to the possible impact of COVID-19 on potential insurance coverage or other policy implications are intended solely for informational purposes and should not be relied upon as legal or medical advice. As an insurance broker, we have no authority to make coverage decisions as that ability rests solely with the issuing carrier. Therefore, all claims should be submitted to the carrier for evaluation. The positions expressed herein are opinions only and are not to be construed as any form of guarantee or warranty. Finally, given the extremely dynamic and rapidly evolving COVID-19 situation, comments above do not take into account any applicable pending or future legislation introduced with the intent to override, alter or amend current policy language.