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Get paid on your way to better health

Earn a Fitbit and a \$200 incentive

by Melanie Gothman
Director of Administrative Services

We're making changes to the Wellness Alliance Incentive Program for the 2016 year. The updated plan will be easier to administer and gives employees options. Eligible employees can earn a Fitbit and a \$200 incentive for participating in a 6-week fitness challenge, knowing your biometric numbers and completing the health risk assessment. Individuals must register for the Fitbit between January 1-29th. The incentive will run from Feb. 1-Apr. 30 for Schools that participate in the health insurance pool and pre-register with Resource. See the steps below for the details to participate in the incentive:

- Step 1** Register to participate online at resourcetraining.com by January 29. Your Fitbit will be sent to your school no later than February 12, 2016.
- Step 2** Once you receive your Fitbit activate the device online. On February 16th the 6-week fitness challenge begins. Watch for more information coming through your Fitbit. thru April 30th
- Step 3** Obtain current blood pressure, cholesterol and glucose results from a health clinic. Optimal ranges: Blood Pressure 120/80 or less, Total Cholesterol 200 or less and Fasting Glucose 100 or less.
- Step 4** Take a confidential online health risk assessment and create an account with ClearCost Health.
- Step 5** Submit the verification form to report in-range/out-of-range data and confirm participation.



It's confidential The health risk assessment and biometric results are all about you. Nobody else will have access to your individual results. Your employer will only see non-personalized combined results based on all employees' responses logged. We will use these results to consider what health resources and programs will be most useful for our members in the years to come.

Get paid The incentive will be paid in the fall of 2016 as long as you are still enrolled in the Resource BlueCross BlueShield insurance plan at the time of payout and employed by the same school district.

Get started Once the incentive is under way detailed instructions with links will be posted on the Resource website. We will also provide schools with a marketing flier and an email to help promote the incentive at your site.



If this program sounds like something your school would like to participate in contact **Melanie Gothman at mgothman@resourcetraining.com or call (320) 255-3236.**

LETTER OF AGREEMENT FOR WELLNESS ALLIANCE SERVICES

12/03/15

Resource Wellness Alliance
Resource Training & Solutions
Mark Schmitz, Executive Director/CEO
137 23rd Street South
Sartell, MN 56377

Laureen Frost
Rush City Public Schools
51001 Fairfield Avenue
PO Box 566
Rush City, MN 55069

Dear Laureen,

This letter is to affirm our mutual understanding and agreement between Resource Training & Solutions Wellness Alliance (“Wellness Alliance”) and Rush City Public Schools (“Employer”) with respect to the operation of the Wellness Program outlined in the attached Memorandum dated June 17, 2015. The following is a summary of each party’s obligation for the 2016-17 plan years.

The Wellness Alliance agrees as follows:

- Upon annual certification of the Service Cooperative’s Executive Director as to adequacy of reserves, the Wellness Alliance will pay wellness incentives to qualifying employees for health plan years beginning on October 1, 2015 and 2016. FitBits will be provided to participating employees at no cost to employers for wellness programs in the plan year beginning October 1, 2015.
- Incentives relating to the 2015-16 plan year will be paid in the last quarter of 2016, not later than December 31, 2016. To be eligible for incentives, employees must complete certain activities between February 1, 2016 and May 31, 2016. The total amount of available incentives and wellness program terms and conditions for 2016 are described on the attached document entitled, “Resource Wellness Alliance Wellness Programs for School Districts in 2016.”
- Employees will be asked to complete and submit the Resource Training & Solutions Wellness Incentive Verification Form to EBIS, Inc. on or before May 31, 2015. ClearCost Health and FitBit will forward a report on who has registered for their website on or before May 31, 2015. EBIS, Inc. will maintain all information in confidence consistent with the HIPAA privacy and security rules.
- BCBS will determine incentives payable to each employee based on their completion of health risk assessments, and reports from EBIS, Inc. on whether employees registered online with ClearCost and FitBit.

- The Wellness Institute will direct Blue Cross Blue Shield (“BCBS”) to send a report to the Employer listing individuals by name and incentives earned.
- BCBS will send a report to the Wellness Institute with the total amount of funds to transfer to Employer. No additional information shall be provided to the Wellness Institute by BCBS.
- The Wellness Institute will send funds to the Employer in the last quarter of 2016 based on the total amount of incentives earned.
- Resource Wellness Alliance may change the wellness programs and incentives for the 2016-17 plan year, and will communicate the new programs in late 2016.

The Employer agrees as follows:

- Employer will communicate the wellness program to employees.
- Employer will sponsor this program for its employees pursuant to either a personnel policy or memorandum of understanding substantially in the form attached hereto. If an employer already has a memorandum of understanding in place from 2015, the employer will provide its unions with a memorandum substantially in the form attached hereto entitled, “Renewal of wellness pilot program.”
- Rather than describe the program in collective bargaining language, Resource is recommending that employers describe the program using the wellness program description in the document entitled “Resource Wellness Alliance Wellness Programs for School Districts in 2016.” The wellness program description contains program specifics that may change from year-to-year. To maximize tax efficiencies, we recommend that employers apply wellness program incentives through premium reduction or contributions to the VEBA, HSAs or HRAs. But employers may also distribute incentives as taxable cash compensation, subject to applicable withholding and employment taxes. Employers are responsible for W-2 and related reporting with regard to incentives. Incentives that are not allocated for any reason shall be retained by or returned to the Wellness Alliance.
- Employer will permit occasional, limited audits of their wellness program pursuant to agreed-upon-procedures. The purpose of the audits will be to ensure that the incentives due to employees are properly applied.

Both the Employer and the Wellness Alliance agree as follows:

- BCBS does not access, or use, any individual health assessment results or other health information from the wellness program to determine any individual's or employer's group's rates.
- BCBS does not share any individual health assessment results or other health information from the wellness program with employers; an individual's name, address and program selection, if applicable, may be shared with an employer for purposes of incentive determinations only.

- The Wellness Program is a pilot program, and will sunset on September 30, 2017, except for payment of earned incentives on or prior to December 31, 2017. The Wellness Alliance may renew the Wellness Program on an annual basis at its option.
- Incentives will be paid from the Service Cooperative's reserves. Resource authorizes payment from reserves because incentive-based wellness programs are designed to reduce health care costs for the pool, which benefits all members. But Resource cannot use pool assets to pay for incentives or provide other benefits to former pool members or their employees. Accordingly, incentives are only available to employees who are enrolled in group health plans made available through the Minnesota Service Cooperatives at the time that incentives are paid. If a group or class of employees moves to other coverage, no incentives will be paid from Resource.
- The Wellness Alliance will charge an administrative fee in the amount of \$5.00 per employee per month (PEPM) who is enrolled in the Employer's group health plan. The administrative fee shall be paid during the Pilot Program from pool reserves rather than assessed directly to participating employers or added to equivalent premium rates.
- Nothing herein shall contravene the Joint Power Agreement for Group Employee Benefits and other Financial and Risk Management Services.

Agreed and Accepted,

[Employer]

[Wellness Alliance]

Dated: _____

Dated: _____

MEMORANDUM

TO: Dan Weir
FROM: Mark J. Kinney
DATE: June 17, 2015
RE: Service Cooperative Wellness Institutes

Issue: You asked me to summarize the obligations of member employers that participate in the Service Cooperative wellness initiative

Background: Several Minnesota Service Cooperatives have established Wellness Institutes to design and administer incentive programs for member employers that reward employees and their dependents for participating in wellness programs. Wellness programs will be offered in conjunction with, and become part of, group health plans sponsored by employer members. In order to participate in these programs, employers must enter into agreements with the Service Cooperatives regarding their obligations with respect to funds provided for incentives, and assume certain additional responsibilities. This Memorandum summarizes those duties.

1. Incentives and Wellness Programs

Participating Service Cooperatives will pay wellness incentives in amounts to be determined from pool reserves while those reserves are adequately funded in the judgment of each Service Cooperative's Executive Director. Your agreement with the Service Cooperative will also have a sunset date, and the Service Cooperative does not agree to pay for incentives on a permanent basis. Incentives may be used for a variety of wellness programs made available by the Wellness Institute, including participatory wellness programs and health contingent wellness programs. These programs are described below.

a. Participatory wellness programs.

A wellness program is "participatory" if none of the conditions for obtaining a reward under a wellness program is based on an individual satisfying a standard that is related to a health factor. An example of a participatory wellness program includes a program that provides an incentive to employees who take a health risk assessment, but does not require the employee to complete additional programs (educational or otherwise) based on health issues that are identified. Many employers introduce participatory wellness programs as a first step towards more comprehensive wellness programs.

b. Health contingent wellness programs.

A health-contingent wellness program is a program that requires an individual to satisfy a standard related to a health factor to obtain a reward (or requires an individual to undertake more than a similarly situated individual based on a health factor in order to obtain the same reward). A health-contingent wellness program may be an activity-only wellness program or an outcome-based wellness program.

(i) Activity-only programs. An activity-only wellness program is a type of health-contingent wellness program that requires an individual to perform or complete an activity in order to obtain a reward but does not require the individual to attain or maintain a specific health outcome. Examples include walking, diet, or exercise programs.

(ii) Outcome based programs. An outcome-based wellness program is a type of health-contingent wellness program that requires an individual to attain or maintain a specific health outcome (such as a healthy cholesterol reading) in order to obtain a reward.

Activity-only and outcome-based programs are subject to additional requirements, including the requirement to offer reasonable alternative methods for earning incentives. These rules are described in federal regulations issued under the Patient Provider and Affordable Care Act. See, *Incentives for Nondiscriminatory Wellness Programs in Group Health Plans*, 78 FR 33157 (June 3, 2013).

The Wellness Institutes make a variety of programs available that are designed to satisfy the federal wellness rules. It is likely that programs will change over time and new program will be made available each year. Employers that wish to modify standard Wellness Institute programs or procedures must obtain approval from the Wellness Institute. To ensure compliance with federal law they may need to seek legal advice.

2. Payment of Incentives

Cities, counties and other governmental entities may pay incentives in the form of taxable cash compensation. We have advised in the past that, due to limitations under Minnesota law, school districts are not permitted to pay wellness program incentives in the form of taxable cash compensation. The Health Insurance Transparency Act (2014) amended Minnesota Statutes Section 123B.09, subdivision 12 to provide that compensation or benefits based on incentives or other money provided to the school district by a source of group insurance coverage (including Minnesota Service Cooperatives) may be paid to school district employees through a wellness plan that is mutually agreed upon by the district and the exclusive representatives of employees. Provided that collectively bargained employees agree, incentives may be paid in the form of taxable cash compensation, applied to reduce premiums, or may be contributed to the employee's health savings account (HSA) if applicable, or to the employee's account in the Minnesota Service Cooperative VEBA Plan or another health reimbursement arrangement (HRA).

Rules issued in September of 2013 prohibit contributions to the VEBA or an HRA on behalf of individuals who are not enrolled in employer-sponsored group health coverage. See IRS Notice

2013-54. Incentives made available through the Wellness Institute are only payable on behalf of individuals who are enrolled in group health coverage through a Minnesota Service Cooperative at the time incentives are paid, so this standard should be met in all circumstances.

Employers should be aware that such incentives will be subject to payroll and income tax withholding. Incentives may not be taken into account for purposes of determining benefits under the Public Employee Retirement Act (PERA). *See* Minn. Stat. sections 353.01, Subd. 10.

3. Audits

As a condition for providing administrative support to the incentive program, Blue Cross Blue Shield of Minnesota requires that employers permit occasional, limited audits of their programs pursuant to agreed-upon-procedures. The purpose of the audits will be to ensure that the incentives due to employees are properly applied.

4. Agreement with Service Cooperatives

Employers will be asked to enter into a written agreement with the Service Cooperatives regarding the scope of the program, its intended purpose, and the respective obligations of the parties.

5. Personnel Policy and Memorandum of Understanding (MOU)

A model Personnel Policy and Memorandum of Understanding is attached. It is appropriate for Employers to adopt a policy or reach agreement with its unions so that the program is properly communicated. In particular, it is important that employees understand that the pilot program may sunset after a specific period and will not be a permanent part of their employee benefits package unless otherwise agreed.

6. Administrative Fees

The Wellness Institute will charge an administrative fee substantially below market rates for third party vendors of wellness programs. The administrative fee shall be paid from pool reserves rather than assessed directly to participating employers or added to equivalent premium rates.

7. In General

Incentives shall be allocated among the member employer's health programs in a uniform manner consistent with law. It is intended that incentives comply with state and federal law. All similarly situated individuals in the employer's group health plan must have an equal opportunity to earn the same amount of incentives during each year.