

## Health Connector Policy: Wellness Program

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Approved by: **Ed DeAngelo**

Date reviewed:

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**This policy applies to the Wellness Program, which is available to Small Groups only.**

Eligible employer groups and their employees may receive premium rebates and other incentives by participating in the Health Connector's Wellness Program, as outlined below.

### Eligible Employer Groups

To qualify as a Wellness Program Employer Group, an employer group must:

1. Enroll in a small group Qualified Health Plan (QHP) through the Health Connector for Business; and
2. Have at least one and no more than 25 enrolled employees as of the employer group's effective date of coverage; and
3. Have received Wellness Program rebates in fewer than three prior plan years.

The Health Connector identifies employer groups by their Federal Employer Identification Number (FEIN), a unique, nine-digit number used by the IRS to identify businesses operating in the US.

Employer eligibility criteria for the Wellness Program is determined at the time of initial enrollment in the employer group's QHP coverage and at time of renewal for the next plan year. Once eligibility is determined as of the first day of the first month of initial enrollment in a health plan, the employer group will remain eligible for the Wellness Program throughout the balance of the QHP plan year. Employer groups will not lose Wellness Program enrollment status throughout the QHP plan year on the basis of a fluctuating number of employees, or changes to any other factors that determine eligibility criteria. Employer groups that did not meet eligibility criteria at the time of initial enrollment will not be able to gain Wellness Program eligibility during the course of the plan year.

Eligibility for the Wellness Program does not guarantee a premium rebate. Please refer to the Wellness Program Employer Rebate Requirements section below for further information.

### Employee Incentive Eligibility

Employees of a Wellness Program Employer Group must be enrolled in a small group QHP through the Health Connector for Business to qualify as eligible employees in the Wellness Program.

To qualify for the Wellness Program Employee Incentive, an employee must:

1. Complete a Health Connector approved activity during the QHP plan year,

2. Submit acceptable documentation verifying completion of the approved activity through the Health Connector activity web form; and
3. Have not received an incentive payment as part of their current Wellness Program Employer Group for the plan year.

If the Health Connector verifies completion of the approved activity, the Health Connector will issue the Employee Incentive to the employee within between 30 and 45 days of submission of documentation verifying completion of the approved activity. Individual Employees will be eligible for the Employee Incentive even if the Wellness Program Employer Group does not ultimately meet the participation requirements for a Wellness Program Employer Rebate.

Eligible employees will have until the end of the calendar month after the end of the plan year to submit proof of their qualified wellness activity. If an employee's coverage ends prior to the end of the plan year, for instance because of termination of employment, the timelines included in the "Termination-Individual Employee" section below will apply.

Determination of whether an employee has satisfactorily documented an approved wellness activity is in the sole discretion of the Health Connector.

#### **Termination - Employer Group**

In the event a Wellness Program Employer Group's QHP is terminated prior to the end of the plan year, both the group and its employees will lose eligibility for rebates and incentives for subsequent months when they are not enrolled in a QHP through Health Connector for Business. If the Wellness Program Employer Group is successfully reinstated into coverage, employer and employee eligibility for the Wellness Program will be concurrently reinstated. Eligibility for the Wellness Program Employer Rebate will be determined as of the date of termination. Employer Groups that have satisfied the rebate requirements by the date of termination will still be eligible for the Wellness Program Employer Rebate payment for previous months enrolled and fully paid by the Employer Group. This includes any employee verifications submitted after termination according to the following timelines assuming the whole group is terminated:

- Employees of Wellness Program Employer Groups who are terminated for non-payment will have until the end of the reinstatement period to submit proof of their qualified wellness activity.
- Employees of Wellness Program Employer Groups who are terminated without an opportunity for reinstatement will have until the end of the calendar month following the date of their termination to submit proof of their qualified wellness activity.

#### **Termination – Individual Employee**

In the event an eligible employee's employment with their Wellness Program Employer Group is terminated (voluntarily or involuntarily):

- The employee will lose eligibility for further incentives, but will receive the Incentive earned for verified wellness activities that were completed prior to termination.
- Terminated employees will have until the end of the calendar month after the end of the plan year to submit proof of their qualified wellness activity.

If the employee begins employment at a new Wellness Program Employer Group during the same plan year, the employee will regain eligibility for the Employee Incentive under employment of the new small business, if the above qualifications are met again.

### **Reinstatement**

If a terminated employer group reinstates their health plan coverage, their eligibility for the Wellness Program as determined at the beginning of the plan year will also be reinstated. Employee participation during the plan year will continue to count toward the participation requirement, regardless of whether activities occurred before or after the reinstatement.

### **Program Term**

Eligible employers will be registered in the Wellness Program automatically when they effectuate their initial or renewal enrollment in a QHP through the Health Connector for Business. The Wellness Program term will begin on the date of initial enrollment and continue for a subsequent 12 months or end upon group termination, whichever happens first. The Wellness Program term will therefore cover the same span of time as the plan year.

For example, an employer who initiates QHP enrollment for June 1 will have a Wellness Program term from June 1 to May 31. If an eligible employee is hired by that employer and is enrolled in a QHP starting on December 1, the employee will be eligible to participate in the Wellness Program from December 1 to the end of the Wellness Program term on May 31.

If an employer does not wish to participate in the Wellness Program, they may opt out by calling the Health Connector for Business Customer Service Line (**1-888-813-9220**). Employees of an employer who chooses not to participate are not eligible for Employee Incentives.

### **Wellness Program Employer Rebate Requirements**

A Wellness Program Employer Rebate payment is only available to Wellness Program Employer Groups that meet the participation requirements during the plan year.

To qualify for a Wellness Program Employer Rebate, at least 33 percent (one-third) of the Wellness Program Employer Group's eligible employees, must have completed an approved wellness activity and provided satisfactory verification documentation to the Health Connector as outlined in this policy. The Employer Group's number of eligible employees is calculated at the start of the plan year. That number will be used to determine the percentage participation for the Wellness Program throughout the plan year, even if the actual number of eligible employees changes during the course of the plan year.

### **Wellness Program Employer Rebate Calculation**

The Wellness Program Employer Rebate amount will total up to 15 percent of the eligible group's employer contribution portion of QHP premiums paid to the Health Connector over the Wellness Program term, less the cost of the Employee Incentives awarded. Rebates are based on employer contribution premiums paid by the eligible group for each employee by month.

For example, a coffee shop has five enrolled employees. Three of the five employees complete an approved wellness activity and are awarded an incentive. The rebate calculation is:

Total Monthly Cost of Qualified Health Plan (Premiums)	\$2,500
Employer contribution is 60% of QHP premiums	\$1,500 per month
Monthly rebate amount	15% x \$1,500 = \$225
Annual rebate amount	\$225 x 12 months = \$2,700
Minus employee incentive awarded	\$300
Final Annual Rebate Amount Paid to Employer	\$2,400

**Wellness Program Employer Rebate Payment Process**

Once the deadline for employees to submit verification has passed, the Health Connector will send a completed Wellness Program Employer Rebate Disbursement Form via email to the employer point of contact for any employer group that has met the Wellness Program participation requirements of 33 percent participation. The Wellness Program Employer Rebate Disbursement Form will include:

- A list of each employee who was enrolled in a QHP at any time during the plan year
- For each employee, the total QHP premium amount paid for each month the employee was enrolled in a QHP
- The employer contribution amount paid by the employer
- The total amount of employee incentives paid out
- The calculation of the final rebate amount due to the employer

The Wellness Program Employer Group must return a signed copy of the rebate form to the Health Connector within 30 calendar days of the date the form is sent. This form will serve as confirmation and agreement by the Wellness Program Employer Group to the rebate amount. If the employer group believes there are inaccuracies in the form, the group must notify the Health Connector of any identified discrepancies in the information on the disbursement form.

The Wellness Program Employer Rebate payment will be issued between 30 and 60 days of the Health Connector’s receipt of the completed forms from the Wellness Program Employer Group after the end of the plan year.

**Audit and Verification**

The Health Connector, at its discretion, may seek to verify any of the factors used to calculate the rebate payment, including the amount of the employer contribution payments and/or employee completion of the required activities.

If a Wellness Program Employer Group fails to sufficiently verify their contribution, the Health Connector reserves the right to adjust the rebate amount to the actual Wellness Program Employer Group contribution amount or not issue the rebate.