



Final Wellness Regulations (VOTE)

Ashley Hague
**Chief of Staff & External Affairs/
Assistant General Counsel**

Kristin McCarthy
Health and Wellness Coordinator

Board of Directors Meeting
January 10, 2013



Agenda

- Background
- Regulatory Process Overview & Proposed Final Regulations
- Wellness Track Participation Requirements
- Next Steps



Background

- At the November 16, 2012 Board meeting, we presented draft regulations to the Board establishing eligibility criteria for Wellness Track, the Health Connector's small business wellness rebate program
- By way of background, we launched Wellness Track in 2011 pursuant to Chapter 288 of the Acts of 2010, which created a wellness rebate program through the Health Connector leveraging a state-funded rebate to jump-start wellness activity in the small group market
- The original statutory eligibility criteria was based upon the Affordable Care Act's small business health care tax credit, a credit designed to encourage small businesses with lower-income workers to offer health insurance
- The salary restrictions in the health care tax credit undermined incentives for participation in Wellness Track, so last year's budget included language allowing the Health Connector to redefine eligibility



Summary of Proposed Regulations

- The new eligibility criteria that we presented in November for employers to earn a rebate of up to 15% on their share of health insurance premiums:
 1. Retain prior focus on small employers with up to 25 employees (with some small refinements)
 - This segment of the market is particularly underserved by wellness resources
 2. Eliminate any salary restriction
 - Does not further goal of program to encourage participation in wellness activities
 - Introduces complexity that can deter participation
 3. Make small groups eligible for rebates for three years of completing our wellness requirements
 - Ample time for wellness to be ingrained in the workplace
 - Believe employers' commitment to wellness will extend beyond three years of the rebate in light of benefits realized
 4. Make program available for eligible small groups shopping through the Health Connector and participating in Wellness Track, either as an end-to-end Health Connector customer or through a licensed Sub-connector



Regulatory Process Overview

- After the Board voted to release the draft regulations for public comment in November, we published the draft rule and held a public hearing on January 3, 2012
- We received oral and written testimony during the comment period
- Comments focused primarily on the size of employer groups that should be eligible to earn rebates through Wellness Track and the need to collaborate with other state agencies tasked with developing and regulating wellness programs



Summary of Public Comments

- We received one comment from an employee benefits consulting firm, Longfellow Benefits, recommending that we increase the groups eligible for rebates from 25 to 50 to reflect the perspective that all small groups are underserved by wellness programs
- We also received comments from the Massachusetts Association of Health Plans (MAHP) which did not recommend any specific changes to the criteria proposed in the regulations, but did emphasize the need for the Health Connector to collaborate with other state agencies tasked with developing and regulating wellness programs in the Commonwealth
- MAHP also indicated that all wellness programs approved by the Health Connector should comply with recently proposed federal rules that expand upon existing regulations published in 2006 regarding nondiscriminatory wellness programs



Response to Public Comments

- We appreciate Longfellow Benefits' recommendation to increase the group size from 25 to 50, but we continue to believe that groups 25 and under are particularly underserved by wellness resources and are least likely to offer wellness benefits or programs to their employees
- We also appreciate MAHP's recommendation that we collaborate with other agencies in developing and overseeing our wellness program and other wellness initiatives across the state, and in fact already actively do so
 - Participate in a multi-agency workgroup related to implementing wellness initiatives established under Chapter 224 of the Acts of 2012
 - Required by statute to collaborate with the Department of Public Health in developing our wellness program
- Finally, we have been closely monitoring all federal rules related to wellness activities and do not believe any necessitate changes to the eligibility criteria proposed in our regulations, particularly those recently released, which focus on health-contingent reward programs based on health outcomes



Recommendation

- After reviewing the comments that we received, we do not recommend any changes to the draft regulation voted on in November
- We thus request that the Board vote to publish our proposed Small Group Wellness Incentive Program regulations as final, codified at 956 CMR 7.00
 - Three annually determined premium rebates of up to 15% are available for groups of 25 or less that successfully complete program participation requirements each of the three years
- Before obtaining a vote, we want to first share with you a brief overview of our plans for revised participation requirements, taking into account lessons learned as well as feedback we have obtained from other state agencies, focus groups, surveys and outreach to current wellness track participants



Current Participation Requirements

- **Employer Requirements:**
 - (1) Promote employee engagement in Wellness Track (this requirement is satisfied when an employer enrolls in Wellness Track); and
 - (2) Demonstrate an effort to create a healthier work environment and submit an attestation stating what they've done (examples include adding healthy snacks to a vending machine or creating workplace policies that facilitate an active lifestyle)
- **Employee Requirements:**
 - At least 33% of participants are required to:
 - (1) Schedule a Physical and Submit a Standard Encounter Form (signed by the physician or NP to verify the participant received a preventive care visit); and
 - (2) Complete an Online Wellness Questionnaire



Proposed Participation Requirements

- Employer Requirements:
 - (1) Promote a Healthier Work Environment; and
 - Employer will choose among three distinct pre-packaged wellness toolkits specifically designed to promote wellness in the workplace
 - Nutrition
 - Physical activity
 - Stress management
 - Toolkits include packaged wellness activities, (e.g., walking programs, healthy-eating plans, time management worksheets) resource lists and flyers that employers can easily share with their employees
 - (2) Promote Employee Engagement in Wellness Track by Incentivizing your Employees
 - Employers will now have to indicate how they plan to reward their employees for participating in Wellness Track in order to receive their 15% premium rebate off the employers share of health insurance premiums
 - Options will likely include:
 - Choosing health & wellness related-gift cards distributed by our vendor
 - Offering the employee a paid day off
 - Offering all employees an employer-sponsored healthy lunch



Proposed Participation Requirements (cont'd)

- Employee Requirements:
 - (1) 33% of Employees must check-up on their health by completing one of the following:
 - Complete a 10 minute on-line Health Risk Assessment developed by the University of Michigan; OR
 - Schedule a physical and submit a Standard Encounter Form
 - (2) Individual employees may earn an Employer-sponsored reward by completing specific tasks that correlate to their employer's chosen toolkit (*e.g.*, quizzes, lunch and learns, health challenges, online seminars)
 - Activities will be geared toward encouraging employees to review their toolkit closely and reinforce health and wellness materials
 - If an employee satisfies both employee requirements, depending on the reward, he or she may either redeem their incentive directly from the Wellness Track website or verify that they have obtained their reward before the employer's rebate issues



Next Steps

- We ask the Board to vote on final wellness regulations so they can take effect on February 1, 2013
- We are in the process of modifying the enrollment process in Wellness Track, as well as the web shopping experience, to align with new eligibility criteria for February 1, 2013
- We are performing outreach and education to brokers and other business groups and associations, informing them of Wellness Track eligibility and programmatic changes
- We are collaborating with our vendor to ensure the modified program requirements are in place for April 2013 coverage