

Wellness Rewards and Incentives Programs: Tips for Medicare-Medicaid Plans

Many health plans promote member participation in preventive care and other wellness activities through rewards and incentives programs. Rewards and incentives have the potential to increase participation in preventive care, which may in turn improve member health outcomes. Medicare-Medicaid Plans (MMPs) may be particularly interested in establishing rewards and incentives programs since individuals dually eligible for Medicare and Medicaid overall have a higher prevalence of chronic conditions than Medicare-only beneficiaries and are more likely to report poor health status.¹ MMPs that design rewards and incentives programs tailored to their member populations may also benefit from higher member satisfaction and engagement.

All enrollees must be able to participate in and earn rewards through available rewards and incentive programs, and rewards programs cannot discriminate against members based on race, gender, chronic disease, institutionalization, frailty, or health status.² MMPs have flexibility to choose the **activities** for which to reward or incentivize their members within certain CMS requirements. For example, MMPs cannot reward members based on health outcomes or health status and, therefore, may reward reporting of weight but not weight loss.³ Although rewards and incentives cannot be cash or gift cards that enrollees could redeem for cash, MMPs have significant flexibility to choose the **rewards and incentives** they offer, including whether the amounts of the reward or the incentive items vary based on the activities enrollees complete.⁴ MMPs should be careful to check their state-specific marketing guidance for what is allowable.⁵

This tip sheet highlights promising practices for MMPs in establishing or improving rewards and incentives programs promoting wellness activities.

¹ Medicare-Medicaid Coordination Office (2018). *FY 2018 Report to Congress*. Retrieved from <https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/Downloads/FY-2018-Report-to-Congress.pdf>

² Centers for Medicare & Medicaid Services (2016). *Medicare Managed Care Manual Chapter 4 - Benefits and Beneficiary Protections*. Retrieved from <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/mc86c04.pdf>

³ Ibid.

⁴ Ibid.

⁵ MMPs can find state-specific marketing guidance for rewards and incentives programs here: <https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/FinancialAlignmentInitiative/MMPInformationandGuidance/MMPMarketingInformationandResources.html>.

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Tips for Selecting Rewards/Incentives Activities

Plans may consider the following promising practices when selecting reward activities:

- **Identifying gaps in health promotion activities.** Plans can analyze member data on current utilization of preventive services to identify gaps in care (e.g., vaccination rates, dental visits). This strategy can help plans identify specific activities to reward; it can also help plans identify activities less likely to benefit from incentives if members are already completing those activities.
- **Choosing broadly applicable activities.** Members have a variety of health conditions and priorities. By selecting broadly applicable activities (e.g., annual wellness exams, health risk assessments), plans can maximize participation. In addition to clinical activities, plans may also consider offering incentives for non-clinical activities, such as attendance at nutrition classes.
- **Adding incentives for condition-specific wellness activities.** Plans have the flexibility to also offer specific incentives for individuals with chronic conditions. For example, plans may choose to incentivize blood glucose tests for members with diabetes.

Example Activities

- Preventive screenings (e.g., mammogram, colorectal screening)
- Annual wellness exam
- Flu vaccine
- Health risk assessment
- Follow-up visits after inpatient hospitalization
- Dental check-up
- Blood glucose test

Special Considerations for Individuals with Chronic Conditions

Individuals with complex or chronic conditions may not be able to participate in some preventive services, such as colonoscopies.⁶ Plans should be aware of such limitations and ensure that incentives do not promote participation when contraindicated.

Tips for Identifying Types of Rewards and Incentives

Plans may consider the following promising practices for selecting rewards and incentives:

- **Asking for member feedback.** Gathering member feedback can help plans identify the types of rewards or incentives that are most valuable to members. To obtain member feedback, some plans facilitate discussions during member advisory council meetings or conduct targeted focus groups to assess member preferences.
- **Offering greater incentives for time-intensive activities.** Although some preventive services, such as colonoscopies or mammograms, are uncomfortable or time-consuming, plans may be able to encourage greater member participation with higher value rewards. Some plans

Example Rewards

Non-Monetary

- Backpack
- T-shirt
- Book of stamps

Monetary

- Gift cards, typically prepaid cards preloaded with a certain amount

⁶ Agency for Health Research and Quality (2013). *Multimorbidity and Screening Colonoscopy: A Framework for Patients and Policy*. Retrieved from https://www.ahrq.gov/sites/default/files/wysiwyg/professionals/prevention-chronic-care/decision/mcc/gross_grant.pdf

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offer gift cards valued between \$25 and \$75, depending on the activity completed. Reward values cannot exceed the value of the service or activity.⁷

- **Offering non-monetary incentives.** Non-monetary incentives can also promote health activities, and several plans have received positive feedback from members on non-monetary rewards. One plan sent a stamp book to members who had completed specific wellness activities; the plan received notes of appreciation from members, many of whom were older adults who preferred to write handwritten letters and, therefore, used stamps regularly. One plan serving individuals with disabilities offers a choice of non-monetary rewards to their members—many of their members who use wheelchairs have selected backpacks, which can help them carry personal possessions. Incentives cannot have a value that exceeds the value of the service or activity.⁸

Tips for Improving Member Engagement and Participation in Wellness Rewards Programs

- **Involve Care Managers:** As the front-line staff most frequently interacting with members, care managers offer a unique lens into member needs. Care managers can promote wellness activities and provide education to members who may have concerns, questions, or barriers to participation. One plan called rewards and incentives an additional “tool in the toolbox” for care managers to facilitate member engagement.
- **Use Multiple Outreach Methods:** Plans may advertise rewards and incentives to members through welcome packets, newsletters, and social media. Plans may also consider targeted marketing for specific rewards activities; for example, one plan targets marketing for mammograms (an incentivized activity) around Breast Cancer Awareness Month and Mother’s Day.

Additional Resource

This resource provides additional information on wellness rewards and incentives programs.⁹

- **Medicare Managed Care Manual:** The fourth chapter of the Medicare Managed Care Manual includes information on rewards and incentives guidance for Medicare Advantage plans.

The Medicare-Medicaid Coordination Office (MMCO) in the Centers for Medicare & Medicaid Services (CMS) seeks to help beneficiaries dually eligible for Medicare and Medicaid have access to seamless, high-quality health care that includes the full range of covered services in both programs. This tip sheet is intended to support health plans and providers in integrating and coordinating care for dually eligible beneficiaries. It does not convey current or anticipated health plan or provider requirements. For additional information, please go to <https://www.resourcesforintegratedcare.com/>

⁷ Centers for Medicare & Medicaid Services (2016).

⁸ Ibid.

⁹ Note: MMPs should consult state-specific marketing guidance for rewards and incentives programs here: <https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/FinancialAlignmentInitiative/MMPInformationandGuidance/MMPMarketingInformationandResources.html>.

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