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Using incentives for health risk appraisals

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More employers are telling workers who fail to take a health risk questionnaire that they will pay more for health coverage, compared to employees who complete the assessment.

Employers, however, should not fear that some workers might start to view a positive wellness program as a negative, Roger Chizek, director of U.S. benefits at Medtronic told attendees last week at the Employer Health and Human Capital Congress.

In 2006, the Minneapolis-based company rolled out a health risk questionnaire aligned with incentives in the form of prizes, which included gym membership reimbursement and \$2,000 for home exercise equipment. Medtronic, a medical technology firm, also deposited \$100 into a "healthy incentives account" for employees who completed a behavior change program.

"We also told employees, giving them a year advance notice, that if they are not going to participate in the HRQ, they will pay \$50 more per month for health coverage, compared to workers who completed an HRQ," said Chizek at the Washington, D.C. event, which focused on health care issues and corporate performance.

However, the company --which employs 26,000 U.S. workers-- didn't want the HRQ to get a bad wrap.

"We did not want [employees] to go through open enrollment and see that their first or second paychecks had that deduction and yet they had no way to remedy that. We told employees you can do it any time of the year," he explained.

"Let's say the worker completes the HRQ in March. The individual will get credit for it and we will stop the deduction on the next paycheck. We thought that was probably a good compromise instead of having the person mad at us for the whole year."

So far, 91% of employees have registered to take the HRQ, while 86% have completed the assessment. "We are pretty pleased about that," Chizek says.

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- Incentives for HRAs can violate HIPAA if not handled properly. When I introduced incentives in the Wild Oats plan in 2005, I set up a system with our health insurance provider where we, the employer, had no knowledge of who did or didn't take the assessment. It was all managed by our health insurance provider. In order to make the incentive rewarding, and not punitive, we set up a system where the insurance provider would lower the deductible for anyone completing the HRA. If no risk was found, the deductible was lowered again. If a risk was found and the employee completed the suggested wellness plan, the deductible was lowered upon completion.