Medicaid Participant Incentive Workgroup
QA&I Report

In the on-going effort to drive participant behavior toward healthier choices, health plans continue to try new and innovative strategies. One strategy that has shown signs of success is the use of incentives to influence participants to take steps toward healthier behaviors and benefitting from the preventive healthcare services that are available to them. Additionally, incentives have been included in Section 4108 of the Affordable Care Act: Medicaid Incentives for Prevention of Chronic Diseases. Therefore, each state has the opportunity to use funding to promote healthy behaviors.

A workgroup made up of representatives from each of the MO HealthNet Managed Care Organizations conducted a review of incentive plans and current regulations in order to develop a recommendation for implementation of participant incentives. Attachment 1 contains a number of examples of incentive programs used by various health plans. For the most part, the incentive programs have been successful at demonstrating behavior change in areas such as immunization, well-care exams and diabetes screenings.

The current guidance from MO HealthNet for the Managed Care Organizations to follow for participant incentives is as follows:

a. **Member Incentives:** The health plan may offer member incentives with a value of $30.00 or less per eligible member per month. All member incentives must be prior approved by the state agency. The state approval process includes an evaluation of the health plan's member incentive using a state designated evaluation period.
   1) The purpose of the health plan's member incentives:

      - Must be directly related to a health plan quality initiative;
      - Must be measurable via the quality activity;
      - Cannot have any relationship to the health plan's marketing activities; and
      - Cannot be convertible to cash or redemption in any way for alcohol, tobacco products, firearms, or ammunition.

   2) The health plan must monitor their member incentives program to ensure that the program has met the health plan's quality initiative and to evaluate on an ongoing basis the effectiveness of the member incentive program.
   3) The health plan must report the status and results of member incentives to the state agency as requested.

The Office of Inspector General (OIG) issued a Special Advisory Bulletin: "Offering Gifts and other Inducements to Beneficiaries" (Attachment 2) dated August 2002 . Within this bulletin, the OIG make a clear exemption for incentives promoting the delivery of preventive care from the item and annual dollar limits.

One of the more enticing incentives that have been used is the offer to be included in a chance to be selected by drawing for a desirable prize. Items offered have been: a game system, laptop, or other item that appeals to the adolescent population. This is beneficial for two purposes. First, the adolescent population is difficult to motivate to complete well-child exams and other preventive screenings. An incentive that targets this population specifically needs to be more significant and relevant to them. Second, by offering a number of higher-cost items given away in a drawing, it reduces the administrative burden on the health plans. To give away five laptops instead of thousands of gift cards requires less administrative support resulting in less money being used for administration of incentive programs and a higher percentage of each dollar going toward the incentive The actual dollars invested toward incentives is a fixed cost and ultimately may be less than a low-value gift card for each qualified participant who may or may not utilize the card.

In order to allow such raffle incentive programs to be used, the participant incentive guidance would need to be amended to either eliminate the item and annual dollar limits that are currently in place or by adding language that would provide guidance for such a program. Since all incentive programs must be approved by the state, each proposed incentive would be screened to ensure they meet the remaining criteria of the guidance.

Attachment 1: Examples of incentive programs
Attachment 2: OIG Special Advisory Bulletin: Offering Gifts and other Inducements to Beneficiaries

ATTACHMENT 1

Examples of incentive programs

San Francisco Health Plan HEDIS Measure Incentives

HEDIS Measure	Eligible Members, Required Services	SFHP Incentive Program	2009 Member Response Rate
Prenatal Care	Expectant mothers. Must attend a prenatal medical visit during first trimester, or within 42 days of SFHP enrollment.	Women's health mailer includes description of incentive. Interested members call SFHP for incentive card. If provider signs, member gets incentive. $25 gift card.	35% of members who request incentive info submit a card that qualified for incentive gift.
Postpartum Care (New for 2011)	New mothers. Must attend a postpartum medical visit within 3 to 8 weeks of delivery.	Women's health mailer includes description of incentive. Members may call for incentive card. SFHP also does live outreach calls to postpartum women. $25 gift card.	NEW! This incentive will launch in 2011.
Childhood Immunizations	Children up to their second birthday. Must receive all doses for 10 immunizations: DTaP, Flu, HepA, HepB, HiB, MMR, Polio, Pneumococcal, Rotavirus, Varicella.	Incentive-specific mailer to all eligible member-parents includes card for provider to sign for completed immunizations. Live and automated reminder calls to member-parents reminding them to make/keep appointments and reminder of incentive. $50 gift card.	23% of all eligible members returned fully completed cards that qualified for incentive gift.
Well-child Visits	Children between ages of 3 and 6. Must attend a well-child medical visit within the calendar year.	Mailer to all eligible member-parents each year at child's birthday. Automated phone call reminders go out just prior to mailing. $25 gift card.	41% of eligible members returned fully completed cards that qualified for incentive gift.
Well-adolescent Visits **-SFHP Members** **-SFHP Providers**	Adolescents between ages of 12 to 21. Must attend a well-adolescent medical visit within the calendar year.	Mailer and automated reminder calls to all eligible members at birthday. $15 gift card or 2 movie tickets; entered in annual raffle of iPod Nano and laptop. Providers can receive $20 for each patient with a complete annual visit.	26% of eligible members returned an incentive card that qualified for the incentive gift.
Comprehensive Diabetes Care	Members with diabetes, ages 18 to 75. Must receive six screening tests in the year: hemoglobin A1c, blood pressure, cholesterol (LDL-C), neuropathy, eye exam, diabetic foot exam.	Mailer to all eligible members includes card for provider to sign attesting to the completion of the six required screening tests. $25 gift card.	8% of all eligible members returned an incentive card. Of these, 46% qualified for the incentive gift.

PARTICIPANT INCENTIVE SUMMARY

MCO Name: Blue-Advantage Plus

Submitter's Name: Tee-Ka Johnson

Telephone Number: 816-395-2328

Name of Project: Fidelis Care Mammography Incentive Program

Study Dates: 01 / 01 / 2007 to Current

Incentive Description : Fidelis Care Mammography Incentive Program - $15 dollar monetary incentive for eligible participants who receive their annual mammogram.

Cost of Incentive per participant $15.00 Cost of Incentive Overall $173,895 in 2007

COMPONENT/STANDARD NUMBER	COMMENTS
Project Description	
Describe the study topic; study population; data examined, and incentive implemented.	Fidelis Care is a Medicaid Plan in New York. Fidelis Care Mammography Incentive Program encourages their participants to have their annual mammography by offering a $15 monetary incentive. Participants will receive their incentive after completion of a mammogram and the processing of a claim from their provider. The study population is any participant who is eligible to receive a mammogram. The BCS HEDIS data is examined to determine if there is an increase in rates.
Improvement	
Does the incentive appear to have been successful in improving performance?	Yes
Describe the statistical evidence of observed improvement.	The incentive program began in January 2007 and prior to the program, their CY2006 BCS HEDIS Rate was at 59%. The CY2007 BCS rate increased to 61%.
Sustained Improvement	
Has this project demonstrated sustained improvement? If so, please describe.	The project has demonstrated sustained improved. CY2008 BCS rate increased to 64% and CY2009 BCS rate increased to 65%.
Additional Information	

COMPONENT/STANDARD NUMBER	COMMENTS
	In late 2010, Fidelis sent out a reminder letter to non-compliant participants, reminding them to go and receive their mammogram and cervical cancer screening. For those who received one of the screenings, a $50.00 monetary incentive would be awarded. Participants who received both would get a $70.00 monetary incentive.

PARTICIPANT INCENTIVE SUMMARY

MCO Name: Blue Advantage Plus

Submitter's Name: Tee-Ka Johnson

Telephone Number: 816-395-2328

Name of Project: Health Rewards Program

Study Dates: 07 / 2009 to Current

Incentive Description : Participants can earn up to $45 through a rewards card by going to all health check screenings

Cost of Incentive per participant $45 Cost of Incentive Overall _____

Component/Standard Number	Comments
Project Description	
Describe the study topic; study population; data examined, and incentive implemented.	Participants of the Peach State Health Plan, a Georgia Medicaid Plan, can ear $45 through a rewards care by going taking their newborn baby to all well-child check-ups. Data examined is the W15 (six or more visits) HEDIS rate.
Improvement	
Does the incentive appear to have been successful in improving performance?	Yes
Describe the statistical evidence of observed improvement.	The baseline measurement for W15 was 51.58% for HEDIS 2009 and the rate increased to 52.31% for HEDIS 2010.

Component/Standard Number	Comments
Sustained Improvement	
Has this project demonstrated sustained improvement? If so, please describe.	Measurement Just started in Mid 2009 so it is too soon to determine if there has been sustained improvement.
Additional Information	

PARTICIPANT INCENTIVE SUMMARY

MCO Name: Harmony Health Plan of Missouri

Submitter's Name: Ramona M. Kaplenk

Telephone Number: 314-444-7502

Name of Project: Pediatric Obesity

Study Dates: __01__ / 01____ / 2008____ to ___/____/____

Incentive Description : A mailing will be conducted to all new-participant households with a child or adolescent ages 2 – 19 years. The mailing will include a letter informing parents of an incentive for receiving a preventive care visit between May and December 2009 which includes:

- BMI determination
- Counseling/referral for Nutrition
- Counseling/referral for Physical Activity

Participants who return a PCP-completed form to the Plan by January 15th 2010 will be included in a drawing to win a prize (≤$50). A minimum of 15 prizes will be awarded.

Cost of Incentive per participant ____$50_____ Cost of Incentive Overall ____UKN_____

Component/Standard Number	Comments
Project Description	
Describe the study topic; study population; data examined, and incentive implemented.	Pediatric Obesity Among Medicaid WellCare Participants **Denominator:** The eligible population **Numerators:** • BMI percentile: BMI percentile during the measurement year as identified by administrative data or medical record review • Counseling for Nutrition: Documentation of counseling for nutrition or referral for nutrition education during the measurement year as identified by administrative data or medical record review • Counseling for Physical Activity: Documentation of counseling for Physical Activity or referral for Physical Activity during the measurement year as identified by administrative data or medical record review Participants who return a PCP-completed form to the Plan by January 15th 2010 will be included in a drawing to win a prize (≤$50). A minimum of 15 prizes will be awarded.
Improvement	
Does the incentive appear to have been successful in improving performance?	To date the health plan has received over 400 completed forms for the incentive. The health plan is now providing the incentive to all completed forms received and not as part of a drawing.
Describe the statistical evidence of observed improvement.	Will be determined after HEDIS 2011 (CY 2010) and the number of gift cards awarded by June 30, 2011.
Sustained Improvement	
Has this project demonstrated sustained improvement? If so, please describe.	Sustained improvement will be evaluated after HEDIS 2011 (CY 2010).
Additional Information	

ATTACHMENT 2

OIG Special Advisory Bulletin: Offering Gifts and other Inducements to Beneficiaries

The Office of Inspector General (OIG) is responsible for enforcing section 1128A(a)(5) through administrative remedies. Given the broad language of the prohibition and the number of marketing practices potentially affected, this Bulletin is intended to alert the health care industry as to the scope of acceptable practices. To that end, this Bulletin

[1]For convenience, in this Special Advisory Bulletin, the term "provider" includes practitioners and suppliers, as defined in 42 CFR 400.202. provides bright-line guidance that will protect the Medicare and Medicaid programs, encourage compliance, and level the playing field among providers. In particular, the OIG will apply the prohibition according to the following principles:

- First, the OIG has interpreted the prohibition to permit Medicare or Medicaid providers to offer beneficiaries inexpensive gifts (other than cash or cash equivalents) or services without violating the statute. For enforcement purposes, inexpensive gifts or services are those that have a retail value of no more than $10 individually, and no more than $50 in the aggregate annually per patient.
- Second, providers may offer beneficiaries more expensive items or services that fit within one of the five statutory exceptions: waivers of cost-sharing amounts based on financial need; properly disclosed copayment differentials in health plans; incentives to promote the delivery of certain preventive care services; any practice permitted under the federal anti-kickback statute pursuant to 42 CFR 1001.952; or waivers of hospital outpatient copayments in excess of the minimum copayment amounts.
- Third, the OIG is considering several additional regulatory exceptions. The OIG may solicit public comments on additional exceptions for complimentary local transportation and for free goods in connection with participation in certain clinical studies.
- Fourth, the OIG will continue to entertain requests for advisory opinions related to the prohibition on inducements to beneficiaries. However, as discussed below, given the difficulty in drawing principled distinctions between categories of beneficiaries or types of inducements, favorable opinions have been, and are expected to be, limited to situations involving conduct that is very close to an existing statutory or regulatory exception.

In sum, unless a provider's practices fit within an exception (as implemented by regulations) or are the subject of a favorable advisory opinion covering a provider's own activity, any gifts or free services to beneficiaries should not exceed the $10 per item and $50 annual limits.[2]

Elements of the Prohibition

Remuneration. Section 1128A(a)(5) of the Act prohibits the offering or transfer of "remuneration". The term "remuneration" has a well-established meaning in the context of various health care fraud and abuse statutes. Generally, it has been interpreted broadly to include "anything of value." The definition of "remuneration" for purposes of section 1128A(a)(5) – which includes waivers of coinsurance and deductible amounts, and transfers of items or services for free or for other than fair market value – affirms this broad reading. (See section 1128A(i)(6).) The use of the term "remuneration" implicitly recognizes that virtually any good or service has a monetary value.[3]

The definition of "remuneration" in section 1128A(i)(6) contains five specific exceptions:

- Non-routine, unadvertised waivers of copayments or deductible amounts based on individualized determinations of financial need or exhaustion of reasonable collection efforts. Paying the premiums for a beneficiary's Medicare Part B or supplemental insurance is not protected by this exception.
- Properly disclosed differentials in a health insurance plan's copayments or deductibles. This exception covers incentives that are part of a health plan design, such as lower plan copayments for using preferred providers, mail order pharmacies, or generic drugs. Waivers of Medicare or Medicaid copayments are not protected by this exception.
- Incentives to promote the delivery of preventive care. Preventive care is defined in 42 CFR 1003.101 to mean items and services that (i) are covered by Medicare or Medicaid and (ii) are either pre-natal or post-natal well-baby services or are services described in the Guide to Clinical Preventive Services published by the U.S. Preventive Services Task Force (available online at http://odphp.osphs.dhhs.gov/pubs/guidecps). Such incentives may not be in the form of cash or cash equivalents and may not be disproportionate to the value of the preventive care provided. (See 42 CFR 1003.101; 65 FR 24400 and 24409.)
- Any practice permitted under an anti-kickback statute safe harbor at 42 CFR 1001.952.[4]
- Waivers of copayment amounts in excess of the minimum copayment amounts under the Medicare hospital outpatient fee schedule.