

WELLNESS PLAN CHECKUP GUIDE

Laws governing wellness programs vary depending on program design. To help avoid noncompliance, it's important to understand the components of your wellness program. The summary below outlines common wellness program designs and highlights the federal laws most likely to apply when implementing a program; however, it is not an exhaustive list.



INTEGRATION WITH A HEALTH PLAN

Program Type	Program Type
<p>Health-contingent, activity-only wellness program Available to employees enrolled in the employer's health plan. Participants must complete a health-related activity to earn a reward; however, they are not required to achieve a specific health outcome. Reasonable alternative standards must be offered to individuals for whom the activity is medically inadvisable or unreasonably difficult due to a medical condition.</p> <p>Example: Employees enrolled in the group health plan receive a monthly premium reduction for completing a walking or fitness program, regardless of the results achieved.</p>	<p>HIPAA: The program must comply with HIPAA wellness program rules, including annual opportunity to qualify, reasonable alternative standards, disclosure requirements, and limits on incentives. HIPAA privacy and security rules may also apply to protected health information. A wellness vendor may need to sign a Business Associate agreement.</p> <p>ACA: Incorporates HIPAA wellness program requirements for group health plans and preserves rules addressing incentive limits</p> <p>ADA: Medical examinations and disability-related inquiries must be voluntary and certain employee notices or disclosures may apply.</p> <p>IRC: Premium reductions may generally be provided on a tax-free basis through a cafeteria plan.</p> <p>GINA: Limits the collection and use of genetic information, including family medical history.</p>
<p>Health-contingent, outcomes-based wellness program Available only to employees enrolled in the employer's health plan. Participants must achieve or maintain a specific health outcome to earn a reward. Individuals who do not meet the required standard must be offered a reasonable alternative standard or waiver opportunity. These programs are considered part of the group health plan.</p> <p>Example: Employees enrolled in the group health plan receive a monthly premium discount if they meet specific biometric targets, such as maintaining blood pressure within a defined range or achieving tobacco-free status. Employees who do not meet the target may still earn the reward by completing a medically appropriate alternative program, such as a coaching program or tobacco-cessation course.</p>	<p>HIPAA: The program must comply with HIPAA wellness program rules, including annual opportunity to qualify, reasonable alternative standards, disclosure requirements, and limits on incentives. HIPAA privacy and security rules may also apply to protected health information. A wellness vendor may need to sign a Business Associate agreement.</p> <p>ACA: Incorporates HIPAA wellness program requirements for group health plans and preserves rules addressing incentive limits</p> <p>ADA: Medical examinations and disability-related inquiries must be voluntary and certain employee notices or disclosures may apply.</p> <p>IRC: Premium reductions may generally be provided on a tax-free basis through a cafeteria plan.</p> <p>GINA: Limits the collection and use of genetic information, including family medical history.</p>
<p>Participation-only wellness program: Limited to employees enrolled in the employer's health plan. The program requires voluntary participation in a health-related activity to achieve a reward; however, the reward is not conditioned on achieving a particular outcome. These programs are generally considered participatory wellness programs under HIPAA rules.</p> <p>Ex: A company sponsors an onsite biometric screening for employees enrolled in the group health plan. Participants receive a monthly premium reduction. Biometric screening results are not used to determine eligibility for the reward.</p>	<p>HIPAA: The program must be available to all similarly situated individuals and comply with privacy and security requirements protecting personal health information. A wellness vendor may need to sign a Business Associate agreement.</p> <p>ADA: Participation in medical examinations or disability-related inquiries must be voluntary, and certain employee notices or disclosures may apply.</p> <p>IRC: Premium reductions may generally be provided on a tax-free basis through a cafeteria plan.</p> <p>GINA: Limits the collection and use of genetic information, including family medical history.</p>

NO HEALTH PLAN INTEGRATION

Program Type	Applicable laws
<p>Education-only wellness program: Open to all employees regardless of benefit eligibility or enrollment status. Participation is voluntary and no reward is offered.</p> <p>Ex: Wellness brochures and nutrition information are posted on the company bulletin board.</p>	<p>Generally not considered a group health plan. As a result, most federal health plan laws, including HIPAA wellness program rules and certain ERISA and ACA requirements, typically do not apply.</p>
<p>Participation-only wellness program: Available to all employees, regardless of benefit eligibility or enrollment status. Participation is voluntary. A reward may or may not be offered for participating in the activity.</p> <p>Ex: A company sponsors a 3K walk and provides a \$20 gift card to participants to the company merchandise store.</p>	<p>Generally not considered a health plan.</p> <p>IRC: A \$20 gift card awarded for participation is subject to federal wage withholding. In contrast, items such as a T-shirt may qualify as de minimis fringe benefit and generally aren't taxable.</p>