



Policy: AA.1208  
Title: **Non-Monetary Member Incentives**  
Department: Medical Management  
Section: Quality Analytics

*CEO Approval: /s/ Michael Hunn 08/08/2024*

Effective Date: 07/01/2009

Revised Date: 08/01/2024

Applicable to: ☒ Medi-Cal  
☐ OneCare  
☐ PACE  
☐ Administrative

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## I. PURPOSE

This policy establishes CalOptima Health's standards for the appropriate use of a Non-Monetary Member Incentive for the CalOptima Health Medi-Cal Program.

## II. POLICY

- A. CalOptima Health and its Health Networks shall follow the guidelines set forth in this Policy regarding the appropriate use of a Non-Monetary Incentive.
- B. CalOptima Health and its Health Networks may use a Non-Monetary Incentive to enhance health education program efforts to increase Member participation, learning, and motivation, in accordance with the terms and conditions of this Policy and the Department of Health Care Services (DHCS) guidelines. Examples of health education program efforts may include, but are not limited to:
  - 1. Informing a Member regarding the effective use of managed health care services including preventive and primary care services, obstetrical care, and health education services;
  - 2. Motivating a Member to modify personal health behaviors, achieve and maintain a healthy lifestyle, and achieve positive health outcomes; or
  - 3. Teaching a Member to follow self-care regimens and treatment therapies for existing medical conditions, chronic diseases, or health conditions.
- C. CalOptima Health and its Health Networks shall only offer a Non-Monetary Incentive to CalOptima Health Members. CalOptima Health and its Health Networks shall not offer a Non-Monetary Incentive to a potential CalOptima Health Member, including a potential Medi-Cal beneficiary with a Share of Cost.
- D. CalOptima Health and its Health Networks shall not offer an incentive that would result in encouraging enrollment or continuing enrollment with CalOptima Health or the Health Network.
- E. CalOptima Health and its Health Networks may only include a description of a Non-Monetary Member Incentive program in a Member communication targeted to Members currently enrolled with CalOptima Health. CalOptima Health and its Health Networks shall not include a description

of a Non-Monetary Member Incentive program in a communication intended for the general community or potential CalOptima Health Members.

- F. Except as provided in Section II.I. of this Policy, CalOptima Health and its Health Networks shall obtain approval from DHCS prior to implementing a Non-Monetary Incentive program, including a Focus Group or a Survey in accordance with this Policy.
- G. CalOptima Health and its Health Networks shall ensure compliance with DHCS guidelines related to the distribution of incentives for Focus Groups and Member Survey participation:
  - 1. CalOptima Health and its Health Networks shall organize a Focus Group with the intent to generate ideas and opinions from Members on a certain topic or to identify and address disparities such as racial, ethnic, or geographic; and
  - 2. CalOptima Health and its Health Networks shall field a Member Survey with the intent to obtain ideas and opinions from Members or elicit appropriate feedback where a group interaction is not needed, such as gathering information about a particular provider.
- H. CalOptima Health and its Health Networks may provide a Non-Monetary Incentive to a Member for participation in the Population Needs Assessment (PNA), Member Advisory Committee (MAC) or field testing of health education materials, without seeking permission from DHCS.
- I. CalOptima Health shall maintain a tracking log of all incentive distributions as outlined in Section III.C. of this Policy.
- J. The value of a Non-Monetary Incentive shall correspond with the value of the service, and the commitment and time required of the Member to complete the desired effort.
- K. In accordance with DHCS guidelines and subject to DHCS approval, an appropriate Non-Monetary Incentive, may include, but is not limited to:
  - 1. A gift, gift cards, gift certificate, or voucher that cannot be redeemed for cash or used to purchase alcohol or tobacco and purchased from businesses that have healthy options available, for example, grocery stores, sporting goods stores, or farmer's market;
  - 2. Tickets to a local event, movies, sporting event, concert, play, or amusement park;
  - 3. A product or merchandise that promotes or is associated with good health practices such as;
    - a. Postpartum visits: diapers, breast pumps;
    - b. Diabetes self-management: glucometers, pedometers, healthy eating cookbooks;
    - c. Hypertension: blood pressure cuff, pedometer, low salt cookbooks; or
    - d. Weight Control: jump ropes, exercise DVDs, pedometer.
  - 4. Transportation assistance such as a voucher for public transportation or taxi service;
  - 5. Enrollment or membership fees for a program that promotes good health practices, such as a weight management or physical activity program; or

6. Raffle for an item that promotes good health practices.
- L. CalOptima Health and its Health Networks shall not offer a monetary incentive. A monetary incentive may include, but is not limited to:
  1. Cash;
  2. Coupons that could be converted to cash, except as required by California Civil Code §1749.5 (b)(2) that gift certificates of less than ten dollars (\$10) may be redeemed for cash for its value; and
  3. Any other instrument that may be converted to cash.

### **III. PROCEDURE**

#### **A. Non-Monetary Member Incentive Request for Approval**

1. The CalOptima Health department or Health Network responsible for the implementation of a health education program offering a Non-Monetary Member Incentive shall submit the appropriate Member Incentive Request for Approval form to CalOptima Health's Quality Analytics (Quality Initiatives) Department for review by a Qualified Health Educator no later than forty-five (45) business days prior to the implementation of the proposed Incentive Program, Focus Group, or Member Survey.
  - a. The CalOptima Health department or Health Network shall email a Non-Monetary Member Incentive Request for Approval form to the Quality Analytics (Quality Initiatives) Department via [incentives@CalOptima.org](mailto:incentives@CalOptima.org).
  - b. A Qualified Health Educator shall review Non-Monetary Member Incentive Request forms and approve or provide feedback to the requestor. If the request is incomplete, the Qualified Health Educator shall require the requesting CalOptima Health department or Health Network to provide further information within ten (10) business days.
  - c. Upon approving the request, the Quality Analytics (Quality Initiatives) Department shall forward the request to CalOptima Health's Regulatory Affairs & Compliance Department for processing within twenty-five (25) business days prior to the requested incentive implementation date.
  - d. If the request is incomplete, the Regulatory Affairs & Compliance Department shall require the Quality Analytics (Quality Initiatives) Department Qualified Health Educator to have the requestor provide additional information.
  - e. The Regulatory Affairs & Compliance Department shall submit the completed request form to DHCS no later than ten (10) business days prior to the desired start date, in accordance with DHCS All Plan Letter (APL) 16-005 (Revised): Non-Monetary Member Incentives for Incentive Programs, Focus Groups, and Member Surveys requirements.
  - f. The Regulatory Affairs & Compliance Department shall notify the CalOptima Health Quality Analytics (Quality Initiatives) Qualified Health Educator of the decision rendered for the Non-Monetary Incentive request.

- g. The Quality Analytics (Quality Initiatives) Department shall notify the requesting CalOptima Health department or the Health Network of the decision.

## B. Annual Updates and Evaluations

1. End of Program Evaluation: Upon completion of the Non-Monetary Member Incentive Program, Focus Group, or Survey, the requesting CalOptima Health department or Health Network shall submit a completed Member Incentive Evaluation to CalOptima Health's Quality Analytics (Quality Initiatives) Department email at [incentives@CalOptima.org](mailto:incentives@CalOptima.org).
  - a. A Non-Monetary Member Incentives evaluation form is due to Quality Analytics (Quality Initiatives) Department thirty (30) calendar days after the approved Incentive Program ends.
  - b. Upon completion of a Focus Group or Survey, the CalOptima Health requesting department or Health Network shall complete and submit a Focus Group Incentive or Survey Incentive Evaluation Form to CalOptima Health's Quality Analytics (Quality Initiatives) Department within forty-five (45) calendar days of the approved incentive program end date.
    - i. The Focus Group Incentive Evaluation Form shall include recruitment, participation methodology and results summary, as well as indicate if policy and program changes are warranted.
    - ii. The Survey Incentive Evaluation Form shall include a copy of the survey along with an evaluation that includes findings and recommendations.
2. Annual Update for an on-going program: The requesting CalOptima Health department or Health Network, shall submit the Completed Member Incentive Annual Update form to CalOptima Health's Quality Analytics (Quality Initiatives) Department to [incentives@CalOptima.org](mailto:incentives@CalOptima.org).
  - a. The Annual Update Form for the approved CalOptima Health Non-Monetary Member Incentives shall be due fifteen (15) calendar days post-completion of the initial twelve (12) months of Member Incentive program implementation, and annually thereafter (based on the due date of the initial update).
  - b. The requestor shall identify in the evaluation and annual update forms any variations from the original approval.
  - c. When there are substantial changes to an approved Member Incentive Program, Focus Group, or Survey, CalOptima Health's requesting department or Health Network shall submit a new Member Incentive request form and include the approved Member Incentive request form with the re-submission.
3. Upon approving the annual update or evaluation form, the Quality Analytics (Quality Initiatives) Department shall forward it to CalOptima Health's Regulatory Affairs & Compliance Department for processing by the DHCS due date, in accordance with All Plan Letter 16-005 (Revised): Non-Monetary Member Incentives for Incentive Programs, Focus Groups, and Member Surveys. If the evaluation is incomplete, Regulatory Affairs & Compliance shall request the Quality Analytics (Quality Initiatives) Department to request CalOptima Health department or Health Network to provide the missing information within five (5) calendar days.

**C. CalOptima Health Oversight**

1. CalOptima Health's Quality Analytics (Quality Initiatives) Department shall maintain a tracking log that shows the type, cost, and value of all the incentives distributed, including the stipends or non-monetary incentives given to members who participate in the MAC.
2. CalOptima Health's Quality Analytics (Quality Initiatives) shall provide the tracking log to CalOptima Health's Regulatory Affairs & Compliance department or to DHCS upon request.

**IV. ATTACHMENT(S)**

- A. Member Incentive (MI) Program Request for Approval Form
- B. Member Incentive (MI) Program Evaluation Form
- C. Focus Group Incentive (FGI) Request for Approval Form
- D. Focus Group Incentive (FGI) Evaluation Form
- E. Survey Incentive (SI) Request for Approval Form
- F. Survey Incentive (SI) Evaluation Form
- G. Member Incentive (MI) Program Log Template

**V. REFERENCE(S)**

- A. CalOptima Health Contract for Health Care Services
- B. CalOptima Health Contract with Department of Health Care Services (DHCS) for Medi-Cal
- C. Department of Health Care Services (DHCS) All Plan Letter (Revised) 16-005: Non-Monetary Member Incentives for Incentive Programs, Focus Groups, and Member Surveys (Supersedes Policy Letters 09-005 and 12-002) (Revised 11/23/2016)
- D. Department of Health Care Services All Plan Letter 23-021: Population Needs Assessment and Population Health Management Strategy (Supersedes APL 19-011)
- E. Title 28, California Code of Regulations (C.C.R), §1300.46
- F. California Civil Code, § 1749.5(b)(2)
- G. Welfare and Institutions Code, § 14407.1

**VI. REGULATORY AGENCY APPROVAL(S)**

Date	Regulatory Agency	Response
09/17/2009	Department of Health Care Services (DHCS)	Approved as Submitted
03/25/2015	Department of Health Care Services (DHCS)	Approved as Submitted
12/23/2021	Department of Health Care Services (DHCS)	Approved as Submitted

**VII. BOARD ACTION(S)**

None to Date

**VIII. REVISION HISTORY**

Action	Date	Policy	Policy Title	Program(s)
Effective	07/01/2009	AA.1208	Non-Monetary Member Incentives	Medi-Cal
Revised	03/01/2012	AA.1208	Non-Monetary Member Incentives	Medi-Cal
Revised	10/01/2014	AA.1208	Non-Monetary Member Incentives	Medi-Cal
Revised	03/01/2016	AA.1208	Non-Monetary Member Incentives	Medi-Cal

<b>Action</b>	<b>Date</b>	<b>Policy</b>	<b>Policy Title</b>	<b>Program(s)</b>
Revised	03/01/2017	AA.1208	Non-Monetary Member Incentives	Medi-Cal
Revised	09/01/2018	AA.1208	Non-Monetary Member Incentives	Medi-Cal
Revised	10/01/2019	AA.1208	Non-Monetary Member Incentives	Medi-Cal
Revised	12/01/2020	AA.1208	Non-Monetary Member Incentives	Medi-Cal
Revised	12/01/2021	AA.1208	Non-Monetary Member Incentives	Medi-Cal
Revised	11/01/2022	AA.1208	Non-Monetary Member Incentives	Medi-Cal
Revised	08/01/2023	AA.1208	Non-Monetary Member Incentives	Medi-Cal
Revised	08/01/2024	AA.1208	Non-Monetary Member Incentives	Medi-Cal

## IX. GLOSSARY

<b>Term</b>	<b>Definition</b>
Department of Health Care Services (DHCS)	The single State Department responsible for administration of the Medi-Cal Program, California Children's Services (CCS), Genetically Handicapped Persons Program (GHPP), Child Health and Disabilities Prevention (CHDP), and other health related programs as provided by statute and/or regulation.
Focus Group	A demographically diverse group of people assembled to generate ideas and opinions about a certain topic.
Health Network	A Physician Hospital Consortium (PHC), physician group (PMG) under a shared risk contract, or health care service plan, such as a Health Maintenance Organization (HMO) that contracts with CalOptima Health to provide Covered Services to Members assigned to that Health Network.
Member	A Medi-Cal eligible beneficiary as determined by the County of Orange Social Services Agency, the California Department of Health Care Services (DHCS) Medi-Cal Program, or the United States Social Security Administration, who is enrolled in the CalOptima Health program.
Member Survey	A data collection tool utilized to obtain ideas and opinions from Members on certain topics.
Non-Monetary Member Incentive/Non-Monetary Incentive	A Non-Monetary Member Incentive may include: An item, as approved by the Department of Health Care Services, that promotes good health practices, including but not limited to, a gift, gift card, or gift certificate that cannot be redeemed for cash; tickets to a local event, movies, sporting event, concert, play, or amusement park; a product or merchandise that promotes or is associated with good health practices; transportation assistance such as a voucher for public transportation or taxi service; enrollment or membership fees for a program that promotes good health practices, such as a weight management or physical activity program; or raffle for an item that promotes good health practices as approved by DHCS.
Population Needs Assessment (PNA)	A process for: <ol style="list-style-type: none"> <li>1. Identifying Member health needs and Health Disparities;</li> <li>2. Evaluating health education, Cultural and Linguistic (C&amp;L), delivery system transformation and Quality Improvement (QI) activities and other available resources to address identified health concerns; and</li> <li>3. Implementing targeted strategies for health education, C&amp;L, and QI programs and services.</li> </ol>
Qualified Health Educator	A Qualified Health Educator is defined as a health educator with one (1) of the following qualifications: <ol style="list-style-type: none"> <li>1. Master of Public Health (MPH) degree with a specialization in health education or health promotion from a program of study accredited by the Council on Education for Public Health, sanctioned by the American Public Health Association; or</li> <li>2. MCHES (Masters Certified Health Education Specialist) awarded by the National Commission for Health Education Credentialing, Inc.</li> </ol>

<b>Term</b>	<b>Definition</b>
Share of Cost	The amount of health care expenses that a recipient must pay for each month before he or she becomes eligible for Medi-Cal benefits. A recipient's Share of Cost is determined by the county Social Services Agency.