



Policy: MA.2101  
Title: **Non-Monetary Member Incentive**  
Department: Medical Management  
Section: Quality Analytics

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

Effective Date: 10/06/2022

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 OneCare Program.

## II. POLICY

- A. CalOptima Health shall follow the guidelines set forth in this Policy regarding the appropriate use of a Non-Monetary Member Incentive.
- B. Incentives to Medicare Members are issued at the plan level. Both the Target Activity and Reward Item must be offered uniformly and identically to all CalOptima Health OneCare Members.
- C. CalOptima Health may use a Non-Monetary Member Incentive to increase Member participation, learning, and motivation for improving health outcomes, in accordance with the terms and conditions of this Policy and the Centers for Medicare & Medicaid Services (CMS) guidelines. Examples of incentive program efforts may include, but are not limited to:
  - 1. Promoting improved health, preventing injuries and illness, and promoting efficient use of health care resources.
  - 2. Encouraging Members to be actively engaged in their health care and, ultimately, improve and sustain their overall health and well-being.
  - 3. Incentivizing Members to participate in health-promoting services or activities while inspiring a long-term commitment to healthy behaviors.
- D. CalOptima Health shall offer incentives of a value that is expected to affect Members' behavior, the service or activity for which rewards and/or incentives are being offered should be at a level that is meaningful.
- E. CalOptima Health is to ensure that rewards and incentives for each program have values that are expected to elicit intended Member behavior but may not exceed the value of the health-related service or activity.

- F. CalOptima Health shall consider including a Member support component within the incentive program design (e.g., coaches or motivators to encourage and assist Members with program engagement).
- G. CalOptima Health shall ensure compliance with Centers for Medicare & Medicaid Services (CMS) guidelines related to the distribution of incentives to Medicare Members:
1. Only offer a Non-Monetary Incentive to existing Members.
  2. Shall not offer a Non-Monetary Incentive to a potential Member.
  3. Shall not offer a Non-Monetary Incentive that would result in encouraging enrollment or continuing enrollment with CalOptima Health. Rewards should be issued based on the completion of the Target Activity during the contract year of which the incentive program is offered.
  4. May only include a description of a Non-Monetary Member Incentive program in a Member communication targeted to Members currently enrolled with CalOptima Health Medicare. As described in Title 42, Code of Federal Regulations (CFR) §§ 423.2261 submission, review, and distribution of all Member facing materials must comply with updated marketing requirements and be submitted into the Health Plan Management System (HPMS) for CMS review and approval.
  5. Shall not include a description of a Non-Monetary Member Incentive program in a communication intended for the general community or potential Members.
  6. May include an incentive program in marketing materials as long as the communication is shared with all currently enrolled Medicare Members and not done in conjunction with marketing of covered benefits.
  7. Must not discriminate against enrollees based on race, color, national origin, including limited English proficiency, sex, age, disability, chronic disease, whether a person resides or receives services in an institutional setting, frailty, health status, or other prohibited basis in accordance with Title 42, Code of Federal Regulations (CFR) § 422.134.
  8. The incentive program must be designed so that all Medicare Members who qualify for participation are able to participate. Therefore, incentives should not be offered based on health outcomes. For example, Members cannot be rewarded for the amount of weight lost or for lowered blood pressure. However, all eligible Medicare Members may be offered an incentive for reporting their weights or blood pressure at regular intervals.
  9. Must provide the same rewards to all qualifying participants who perform the same action under the covered benefit, not to distinguish Members based on their medical encounter history or good record or participation in preventive care services. For example; CalOptima Health may not incentivize Members who have historically not utilized appropriate/recommended services at a higher level than other Members for participating in an incentive program activity.
  10. Must accommodate incentive program qualified Members who need a modified approach in order to participate, for example; Members who live in an institutional setting, lack transportation or are disabled.
  11. Incentives and rewards must be earned by completing an entire service or activity (or combination of services/activities), as established by the intended program, and may not be

offered for completion of less than any/all required component(s) of the eligible service or activity.

12. CalOptima Health must cover any incentive activation fee or charge on behalf of the Member.
13. Gift cards and vouchers must include a statement that restricts the purchase of products that would pose a health risk such as alcohol, tobacco, and firearms, unless the gift card, gift certificate, or voucher is for a location that does not sell these items (e.g., a farmer's market).
14. Shall not offer a monetary incentive. A monetary incentive may include, but is not limited to:
  - a. Cash;
  - b. Rebates, including reduced cost sharing or premiums;
  - c. An incentive that could convert to cash such as an incentive amount less than ten dollars (\$10) as required by California Civil Code §1749.5 (b)(2) that allow cards with cash value less than ten dollars (\$10) to be redeemable for cash; or
  - d. Any other instrument that may be converted to cash.

H. CalOptima Health shall:

1. Include the incentive program in a Medicare bid as a non-benefit expense.
  - a. CalOptima Health must include all costs associated with the reward and incentive program as an administrative cost and non-benefit expense in the bid for the year in which the reward and incentive program operates.
2. Treat disputes on rewards, and incentives as a Grievance. When a Member brings forth a dispute pertaining to a reward or the reward program, CalOptima Health shall ask the Member to submit a grievance request in accordance with CalOptima Health Policy MA.9002: Member Grievance Process.
3. Report on incentive programs through the annual Part C Medicare Advantage Reporting Requirements.
4. Document and track information regarding incentive programs and be prepared to provide this information to CMS upon request.

### III. PROCEDURE

A. Request for Approval

1. The CalOptima Health department offering a Non-Monetary Member Incentive shall submit the appropriate Member Incentive Request form to the CalOptima Health Quality Analytics (Quality Initiatives) Department for review no later than sixty (60) calendar days prior to desired program start date.
  - a. The CalOptima Health department 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. The Quality Analytics (Quality Initiatives) Department shall review Non-Monetary Member Incentive request forms and approve or provide feedback to the requestor. If the request is incomplete, the Quality Analytics (Quality Initiatives) Department shall require the requesting CalOptima Health department to provide further information within ten (10) business days.
- c. Upon approving the request, the Quality Analytics (Quality Initiatives) Department shall notify the requesting department of the decision and shall add the request to the tracking log for record keeping and required reporting to CMS.

#### B. Reporting Requirements

- 1. The CalOptima Health department responsible for the implementation of the incentive program, shall submit a complete Non-Monetary Member Incentive evaluation form to the CalOptima Quality Analytics (Quality Initiatives) Department within thirty (30) calendar days after the program ends or annually, on January 15, whichever occurs first.
  - a. The CalOptima Health department shall submit a completed Member Incentive evaluation form to the CalOptima Health Quality Analytics (Quality Initiatives) Department email at [incentives@CalOptima.org](mailto:incentives@CalOptima.org).
  - b. The Quality Analytics (Quality Initiatives) Department manager or designee shall review Non-Monetary Member Incentive evaluation forms and approve or provide feedback to the requestor. If the evaluation is incomplete, the Quality Analytics (Quality Initiatives) Department shall require the responsible CalOptima Health department to provide further information.
  - c. Upon approving the evaluation, the Quality Analytics (Quality Initiatives) Department shall complete the required CMS report and submit the report to the CalOptima Health Regulatory Affairs & Compliance department for annual reporting no later than January 31.

#### C. CalOptima Health Oversight

- 1. The CalOptima Health Quality Analytics (Quality Initiatives) Department shall maintain a tracking log that includes but is not limited to the following:
  - a. Date(s) of member-specific participation in incentive program services and activities;
  - b. Rewards and/or incentives attained;
  - c. How Member participation is measured;
  - d. Counts required for the Part C reporting requirements data elements, and;
  - e. Available alternative methods of participation.
- 2. The CalOptima Health Quality Analytics (Quality Initiatives) Department shall provide the tracking log to the CalOptima Health Regulatory Affairs and Compliance department or to CMS and/or DHCS upon request.

### IV. ATTACHMENT(S)

- A. Medicare Member Incentive (MI) Program Request For Approval Form
- B. Medicare Member Incentive (MI) Program Evaluation Form
- C. Medicare Member Incentive (MI) Tracking Log Template

**V. REFERENCE(S)**

- A. CalOptima Health Policy: MA.9002: Enrollee Grievance Process
- B. Medicare Managed Care Manuals: Chapter 4: Benefits and Beneficiary Protections (\$100 Rewards & Incentives)
- C. Title 42, Code of Federal Regulations (CFR) §§ 422.134, 423.2261, and Subpart V)

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

None to Date

**VII. BOARD ACTION(S)**

Date	Meeting
10/06/2022	Regular Meeting of the CalOptima Health Board of Directors

**VIII. REVISION HISTORY**

Action	Date	Policy	Policy Title	Program(s)
Effective	10/06/2022	MA.2101	Non-Monetary Member Incentive	OneCare
Revised	08/01/2023	MA.2101	Non-Monetary Member Incentive	OneCare
Revised	08/01/2024	MA.2101	Non-Monetary Member Incentive	OneCare

## IX. GLOSSARY

<b>Term</b>	<b>Definition</b>
CalOptima Health	For purposes of this policy, CalOptima Health shall include CalOptima Health Direct, including CalOptima Health Direct-Administrative and CalOptima Health Community Network.
Centers for Medicare & Medicaid Services (CMS)	The federal agency under the United States Department of Health and Human Services responsible for administering the Medicare and Medicaid programs.
Grievance	An expression of dissatisfaction with any aspect of the operations, activities or behavior of a plan or its delegated entity in the provision of health care items, services, or prescription drugs, regardless of whether remedial action is requested or can be taken.
Member	A beneficiary enrolled in a CalOptima Health program.
Non-Monetary Member Incentive/Non-Monetary Incentive	A Non-Monetary Member Incentive may include: An item, as approved by CMS 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.
Reward Item	The item furnished to a qualifying individual who performs a target activity as specified by the plan in the reward program.
Target Activity	The activity for which the reward is provided to the qualifying individual by the MA plan.