

A stylized silhouette of a city skyline in shades of blue and black. The skyline includes various buildings, a prominent tower with a circular top, and a bridge with multiple arches. The background is a light blue gradient with faint circular patterns.

Tax in the City[®]

A Women's Tax Roundtable

Wellness Initiatives and Designing Consumer Driven Health Plans

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The Rise of Consumer Driven Health Care

- Wellness programs
- Smoking programs
- High deductible health plans & HSAs
- Telemedicine
- Direct contracting
- Affordable Care Organizations



CDHP – Compliance Complexities

- ERISA – DOL issues regulations as exception to HIPAA nondiscrimination
- ADA – EEOC issues regulations as exception to discrimination based upon a disability for voluntary plans
- FLSA – DOL issued guidance 9/2018 regarding compensation for time spent on wellness
- GINA – EEOC and DOL have issued guidance specific to health risk assessments
- Internal Revenue Code-IRS rules on non-taxable benefits
- HIPAA Privacy – Data security complexities with employee medical data



Wellness Initiatives

- Wellness programs are typically designed to promote health and educate employees about prevention and disease management
- To achieve participation, premium discounts, rebates or prizes are offered to the individuals who participate
- Recent studies suggest limited return on investment for life-style programs
- Increased DOL scrutiny on wellness programs
- Long winding road of compliance guidance from the EEOC



The Data On Wellness

- Employers spent more than \$8 billion on wellness programs in 2016
- Studies suggest little or no impact on health from this spend-University of Chicago Harris School of Public Policy Associate Professor Damon Jones, along with University of Illinois faculty members David Molitor and Julian Reif, designed and implemented the Illinois Workplace Wellness Study. The randomized study covers 12,500 individuals and divides them into a control group and a treatment group.



Smoking Cessation Programs

- Difficult if not impossible to enforce
- DOL “hot button” currently
- Costly for reasonable alternative standard coaching
- Must give reward for completing cessation program even if the employee continues to use tobacco
- Cost of tobacco use is typically borne by Medicare



HDHP

- Growing in popularity... with some
- Trigger sensitive to many other initiatives causing individuals to be ineligible for HSAs
- Can cause hardships for lower wage earners
- Congressional bipartisan initiative to ease legal complexities



Telemedicine/Second Opinions

- TPAs to manage employee health care
- Audit actual use – negotiate performance guarantees
- Slow adoption of telemedicine except in rural areas
- Have all incentives in a health plan vetted by legal



Accountable Care Organizations

- Originally designed for Medicare
- Rolled out for self-funded plans without plan's knowledge
- Plan will pay bonuses and incentives to providers based upon outcomes

