



U.S. State Laws Relevant to Incentives for Health Behavior



Prepared by the UVM Center on Rural Addiction

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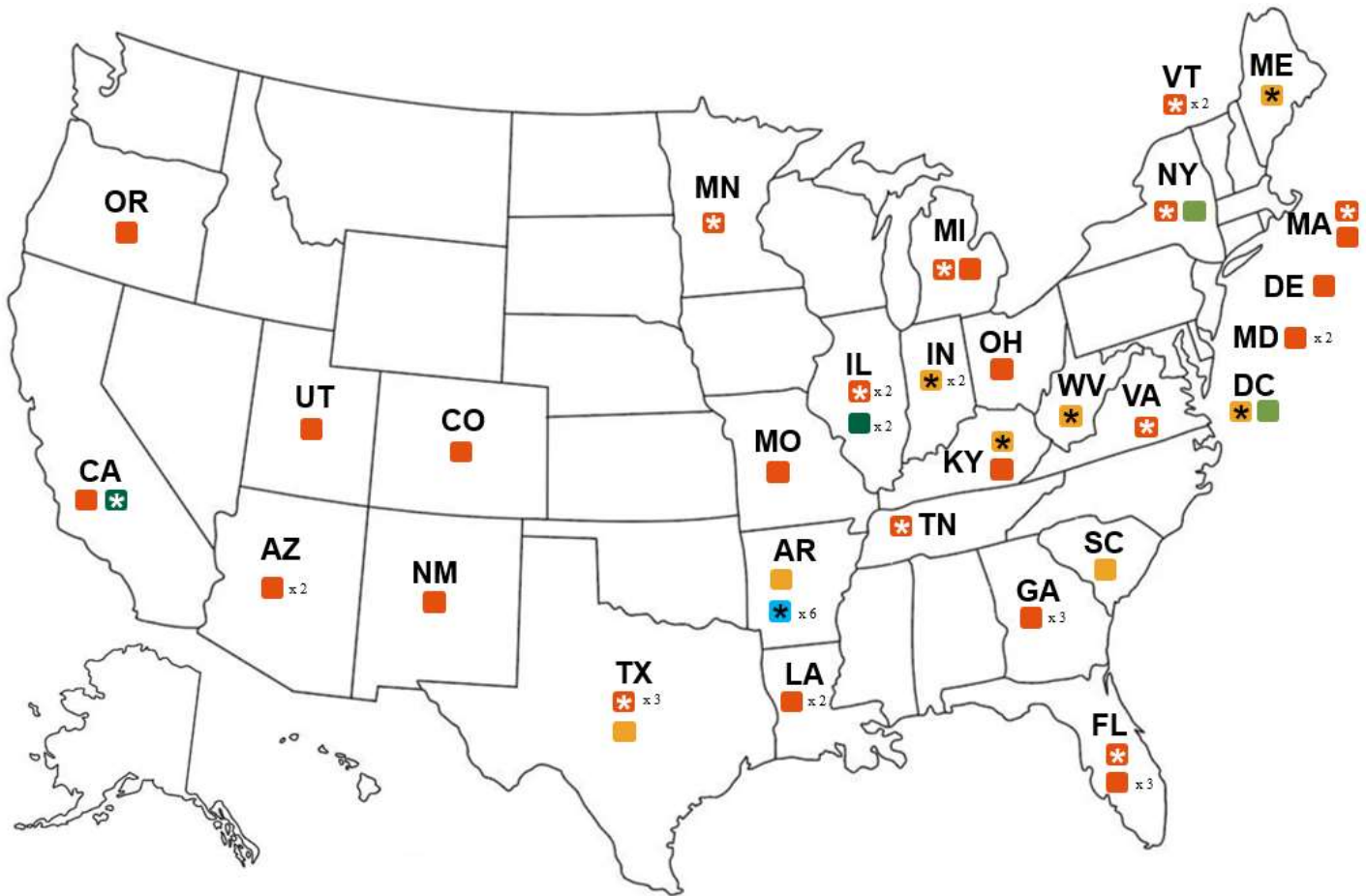
Executive Summary

This information was prepared through systematic search and review of state statutes and regulations effective in 2022* in all 50 US states and Washington, DC. The project systematically identified laws relevant to provision of incentives (monetary or non-monetary) to patients, employees, or insurance beneficiaries, contingent on demonstrating specified health behaviors or outcomes. Twenty-seven laws (shown in red font throughout the document) specifically address providing incentives related to treatment of substance use disorder (SUD). An additional thirty laws permit incentives for health behaviors or outcomes that are not related to SUD treatment. Zero laws were found which explicitly prevent or prohibit providing incentives as a component of SUD treatment.

Further details on this work are described in the following publication:

[Andraka-Christou, B., Williams, M., Buksbaum, S., Karkkainen, J., Stein, B.D., Batchelder, S., Peck, K., Heil, S.H., Rawson, R., & Sigmon, S.C. US state laws relevant to incentives for health behavior: A qualitative analysis. *Preventive Medicine*.](#)

Search by State



Insurance (Health, Life, Disability)	Government Public Health Promotion
Employment Regulations (not specific to insurance)	SUD Treatment Provider Licensing
K-12 Public Education/ Early Intervention Programs	SUD-related Law

*As the legal landscape changes over time, this document can only accurately reflect the laws in effect in 2022.

Search by State

Alabama (AL) – No relevant laws

Alaska (AK) – No relevant laws

Arizona (AZ)

- Two non-SUD laws

Arkansas (AR)

- Six SUD laws
- One non-SUD law

California (CA)

- One SUD law
- One non-SUD law

Colorado (CO)

- One non-SUD law

Connecticut (CT) – No relevant laws

Delaware (DE)

- One non-SUD law

Florida (FL)

- One SUD law
- Three non-SUD laws

Georgia (GA)

- Three non-SUD laws

Hawaii (HI) – No relevant laws

Idaho (ID) – No relevant laws

Illinois (IL)

- Two SUD laws
- Two non-SUD laws

Indiana (IN)

- Two SUD laws

Iowa (IA) – No relevant laws

Kansas (KS) – No relevant laws

Kentucky (KY)

- One SUD law
- One non-SUD law

Louisiana (LA)

- Two non-SUD laws

Maine (ME)

- One SUD law

Maryland (MD)

- Two non-SUD laws

Massachusetts (MA)

- One SUD law
- One non-SUD law

Michigan (MI)

- One SUD law
- One non-SUD law

Minnesota (MN)

- One SUD law

Mississippi (MS) – No relevant laws

Missouri (MO)

- One non-SUD law

Montana (MT) – No relevant laws

Nebraska (NE) – No relevant laws

Nevada (NV) – No relevant laws

New Hampshire (NH) – No relevant laws

New Jersey (NJ) – No relevant laws

New Mexico (NM)

- One non-SUD law

New York (NY)

- One SUD law
- One non-SUD law

North Carolina (NC) – No relevant laws

North Dakota (ND) – No relevant laws

Ohio (OH)

- One non-SUD law

Oklahoma (OK) – No relevant laws

Oregon (OR)

- One non-SUD law

Pennsylvania (PA) – No relevant laws

Rhode Island (RI) – No relevant laws

South Carolina (SC)

- One non-SUD law

South Dakota (SD) – No relevant laws

Tennessee (TN)

- One SUD law

Texas (TX)

- Three SUD laws
- One non-SUD law

Utah (UT)

- One non-SUD law

Vermont (VT)

- Two SUD laws

Virginia (VA)

- One SUD law

Washington, D.C. (DC)

- One SUD law
- One non-SUD law

Washington State (WA) – No relevant laws

West Virginia (WV)

- One SUD law

Wisconsin (WI) – No relevant laws

Wyoming (WY) – No relevant laws

State	Law	Excerpt from the Law Relevant to Incentives for Health Behaviors or Outcomes
Alabama	No relevant laws	-----
Alaska	No relevant laws	-----
Arizona	A.R.S. § 20-2310	<p><u>Context: Health, Life, or Disability Insurance</u> “N. This section does not prohibit any health benefits plan from providing or offering to provide rewards or incentives under a wellness program that satisfies the requirements for an exception from the general prohibition against discrimination based on a health factor under the health insurance portability and accountability act of 1996 (P.L. 104-191; 110 stat. 1936), including any federal regulations that are adopted pursuant to that act.”</p>
	A.R.S. § 20-450	<p><u>Context: Health, Life, or Disability Insurance</u> “B. Sections 20-448 and 20-452 do not prohibit any person from providing or offering to provide: 1. In the case of group disability insurance, rewards or incentives under a wellness program that satisfies the requirements for an exception from the general prohibition against discrimination based on a health factor under the health insurance portability and accountability act of 1996 (P.L. 104-191; 110 Stat. 1936), including any federal regulations that are adopted pursuant to that act. 2. In the case of individual disability insurance, rewards or incentives under a wellness program that satisfies the equivalent of the requirements for an exception from the general prohibition against discrimination based on a health factor under the health insurance portability and accountability act of 1996 (P.L. 104-191; 110 Stat. 1936), including any federal regulations that are adopted pursuant to that act.”</p>
Arkansas	A.C.A. § 21-4-106	<p><u>Context: Employment Regulations (not specific to insurance)</u> “(a) As used in this section: (1) “Agency” means a department, agency, bureau, including the Bureau of Legislative Research, board, or commission of any branch of state government; (2) “Employee” means a full-time employee of the State of Arkansas or any branch, department, agency, board, bureau, including the Bureau of Legislative Research, or commission of any branch of state government; and (3) “Healthy Employee Lifestyle Program” means the incentive program of the Department of Health that will reward regular exercise, good nutrition, and other healthy lifestyle choices. (b) (1) Upon completion of a pilot program to be conducted by the department, the department shall: (A) Make the Healthy Employee Lifestyle Program available to all agency directors; and</p>

State	Law	Excerpt from the Law Relevant to Incentives for Health Behaviors or Outcomes
Arkansas continued		<p><i>[continued A.C.A. § 21-4-106]</i></p> <p>(B) Assist the agencies in the Healthy Employee Lifestyle Program's implementation.</p> <p>(2) Upon completion of the pilot program, every agency director shall consider making the Healthy Employee Lifestyle Program available to the agency's employees.</p> <p>(c) (1) At the discretion of the agency director, an employee may be granted paid leave of up to three (3) days per calendar year for satisfactory compliance with the Healthy Employee Lifestyle Program.</p> <p>(2) The leave shall be used in the calendar year in which it was granted.</p> <p>(3) The leave is not compensable at termination.</p> <p>(d) Each agency shall identify and maintain, if practicable, in or near each agency building an area or areas that employees may use for walking exercise."</p>
	016 04 CARR 004	<p><i>Context: SUD Treatment Provider Licensing</i></p> <p>"The Program shall not use incentives or rewards or unethical advertising practices to attract new clients. This shall not forbid the Program from rewarding clients that maintain exemplary compliance with program rules and their individualized treatment plans."</p>
	016 04 CARR 005	<p><i>Context: SUD Treatment Provider Licensing</i></p> <p>"The Program shall not use incentives or rewards or unethical advertising practices to attract new clients. This shall not forbid the Program from rewarding clients that maintain exemplary compliance with program rules and their individualized treatment plans."</p>
	2003 AR Regulation Text 3611	<p><i>Context: SUD Treatment Provider Licensing</i></p> <p>"The Program shall not use incentives or rewards or unethical advertising practices to attract new clients. This shall not forbid the Program from rewarding clients that maintain exemplary compliance with program rules and their individualized treatment plans."</p>
	2010 AR Regulation Text 5865	<p><i>Context: SUD Treatment Provider Licensing</i></p> <p>"The Program shall not use incentives or rewards or unethical advertising practices to attract new clients. This shall not forbid the Program from rewarding clients that maintain exemplary compliance with program rules and their individualized treatment plans."</p>
	2019 AR Regulation Text 8796	<p><i>Context: SUD Treatment Provider Licensing</i></p> <p>"The Program shall not use incentives or rewards or unethical advertising practices to attract new clients. This shall not forbid the Program from rewarding clients that maintain exemplary compliance with program rules and their individualized treatment plans."</p>
	2020 AR Regulation Text 9048	<p><i>Context: SUD Treatment Provider Licensing</i></p> <p>"The Program shall not use incentives or rewards or unethical advertising practices to attract new clients. This shall not forbid the Program from rewarding clients that maintain exemplary compliance with program rules and their individualized treatment plans."</p>

State	Law	Excerpt from the Law Relevant to Incentives for Health Behaviors or Outcomes
California	Cal Wel & Inst Code § 14407.1	<p><u>Context: Health, Life, or Disability Insurance</u></p> <p>“(a) A contractor that has entered into a contract with the department under this chapter, or under another Medi-Cal managed care contracting authority, may offer nonmonetary incentives to promote good health practices by its existing Medi-Cal enrollees.</p> <p>(b) No Medi-Cal managed care contractor may offer an incentive to promote good health practices by its Medi-Cal enrollees prior to written approval by the department. In the absence of other countervailing considerations, the department shall approve, to the extent permitted by federal law, the use by health plans of nonmonetary incentives to enhance health education program efforts to increase member participation, learning, and motivation to do any of the following:</p> <p>(1) Effectively use managed health care services, including preventive and primary care services, obstetric care, and health education services.</p> <p>(2) Modify personal health behaviors, achieving and maintaining healthy lifestyles and treatment therapies and positive health outcomes.</p> <p>(3) Follow self-care regimens and treatment therapies for existing medical conditions, chronic diseases, or health conditions.</p> <p>(c) If a contractor is a publicly operated entity, the offering of a department-approved, nonmonetary incentive to promote good health practices by enrollees shall not constitute a gift of public funds.</p> <p>(d) Violations of this section shall be subject to the requirements and penalties set forth in Sections 14408 and 14409, and any regulations adopted by the department pursuant to this article.</p> <p>(e) The department shall develop and publish written guidelines for the appropriate use of nonmonetary incentives that may be offered to Medi-Cal enrollees.”</p>
	Cal Health & Saf Code § 104565	<p><u>Context: Government Public Health Promotion</u></p> <p>“(a) Health education services shall be an integral part of each county’s program pursuant to Section 104564 to provide coordinated services to pregnant and postpartum women.</p> <p>(b) Services may be funded through the Unallocated Account in the Cigarette and Tobacco Surtax Fund for purposes of this chapter, including, but not limited to, all of the following:</p> <p>(1) Outreach.</p> <p>(2) Assessment of smoking status and exposure to secondhand smoke.</p> <p>(3) Development and implementation of an individualized strategy to prevent smoking and exposure to smoke during pregnancy and the postpartum period, including counseling and advocacy services, public health nursing services, provision of motivational messages,</p> <p>(4) Provision of follow-up, reassessment, maintenance, and relapse prevention services.</p> <p>(c) The services provided pursuant to this section shall expand and enhance the health education services provided under the comprehensive perinatal services program and shall be coordinated with other services provided to pregnant and postpartum women.”</p>

State	Law	Excerpt from the Law Relevant to Incentives for Health Behaviors or Outcomes
Colorado	3 Colo. Code Regs. § 702-4;4-2-46	<p><u>Context: Health, Life, or Disability Insurance</u></p> <p>“C. Wellness and prevention programs: A carrier offering individual and/or small group health coverage in this state may offer incentives or rewards to encourage the individual and other covered persons under the plan to participate in wellness and prevention programs, pursuant to § 10-16-136, C.R.S.(2012), and shall be subject to the following:</p> <ol style="list-style-type: none"> 1. The incentives or rewards shall be made to all participants in the program and may include, but are not limited to: premium discounts or rebates; modifications to copayment, deductible, or coinsurance amounts; the absence of a surcharge; the value of a benefit that would otherwise not be provided; or, a combination of these incentives or rewards. 2. The program shall be voluntary and a penalty shall not be imposed on a covered person for not participating. 3. The carrier shall not use the wellness and prevention programs, or incentives or rewards under such programs, to increase rates or premiums for any individuals covered by the carrier’s plans. 4. The carrier shall demonstrate in each filing that the incentive or reward offered under the wellness program: <ol style="list-style-type: none"> a. Does not shift costs to individuals that decline to participate in the program; and b. Is reasonably related to the program. 5. For wellness and prevention programs providing incentives or rewards based upon satisfaction of a standard related to a health risk factor: <ol style="list-style-type: none"> a. The carrier shall provide in each filing, proof that the wellness program has been accredited by a nationally recognized nonprofit entity that accredits wellness programs pursuant to § 10-16-136(3.7), C.R.S.; b. The carrier shall document that the wellness program is scientifically proven to improve health and that the incentives are not provided based on an individual’s actual health status; and CODE OF COLORADO REGULATIONS 3 CCR 702-4 Series 4-2 Division of Insurance 432 c. The carrier shall demonstrate in each filing that the incentive or reward offered under the wellness program: <ol style="list-style-type: none"> (1) Does not exceed 20% of the premium; and (2) Is not a subterfuge for discriminating based upon a health status-related factor. 6. The carrier shall include any information required by the Commissioner to ensure that the filed rates, in conjunction with the incentives and rewards available under the wellness program, are not excessive, inadequate, or unfairly discriminatory.”
Connecticut	No relevant laws	-----

State	Law	Excerpt from the Law Relevant to Incentives for Health Behaviors or Outcomes
Delaware	Code Del. Regs. 1405-7.0	<p><u>Context: Health, Life, or Disability Insurance</u></p> <p>“7.4 The Commissioner may permit an insurer to establish rewards, premium discounts, split benefit designs, rebates, or otherwise waive or modify applicable co-payments, deductibles, or other cost-sharing amounts in return for adherence by a member or subscriber to programs of health promotion and disease prevention that are satisfactory to the Commissioner.”</p>
Florida	Fla. Stat. § 409.973	<p><u>Context: Health, Life, or Disability Insurance</u></p> <p>“(3) HEALTHY BEHAVIORS.-Each plan operating in the managed medical assistance program shall establish a program to encourage and reward healthy behaviors. At a minimum, each plan must establish a medically approved smoking cessation program, a medically directed weight loss program, and a medically approved alcohol or substance abuse recovery program. Each plan must identify enrollees who smoke, are morbidly obese, or are diagnosed with alcohol or substance abuse in order to establish written agreements to secure the enrollees' commitment to participation in these programs”</p>
	Fla. Stat. Ann. § 626.9541	<p><u>Context: Health, Life, or Disability Insurance</u></p> <p>“(4) PARTICIPATION IN A WELLNESS OR HEALTH IMPROVEMENT PROGRAM.-</p> <p>(a)Authorization to offer rewards or incentives for participation.-An insurer issuing a group or individual health benefit plan may offer a voluntary wellness or health improvement program and may encourage or reward participation in the program by authorizing rewards or incentives, including, but not limited to, merchandise, gift cards, debit cards, premium discounts, contributions to a member's health savings account, or modifications to copayment, deductible, or coinsurance amounts. Any advertisement of the program is not subject to the limitations set forth in paragraph (1)(m).</p> <p>(b)Verification of medical condition by nonparticipants due to medical condition.-An insurer may require a member of a health benefit plan to provide verification, such as an affirming statement from the member's physician, that the member's medical condition makes it unreasonably difficult or inadvisable to participate in the wellness or health improvement program in order for that nonparticipant to receive the reward or incentive.</p> <p>(c)Disclosure requirement. A reward or incentive offered under this subsection shall be disclosed in the policy or certificate.</p> <p>(d)Other incentives. This subsection does not prohibit insurers from offering other incentives or rewards for adherence to a wellness or health improvement program if otherwise authorized by state or federal law.”</p>

State	Law	Excerpt from the Law Relevant to Incentives for Health Behaviors or Outcomes
Florida continued	Fla. Stat. Ann. § 627.4105	<p><u>Context: Health, Life, or Disability Insurance</u></p> <p>“Section 627.4105 - Life and health insurance; reduced premiums upon rigorous physical examination Upon request, the office may approve special life and health insurance policy forms providing for reduced premiums for each applicant passing a rigorous physical examination.”</p>
	Fla. Stat. Ann. § 641.3903	<p><u>Context: Health, Life, or Disability Insurance</u></p> <p>“(15) PARTICIPATION IN A WELLNESS OR HEALTH IMPROVEMENT PROGRAM.- (a)Authorization to offer rewards or incentives for participation.-A health maintenance organization issuing a group or individual health benefit plan may offer a voluntary wellness or health improvement program and may encourage or reward participation in the program by authorizing rewards or incentives, including, but not limited to, merchandise, gift cards, debit cards, premium discounts, contributions to a member's health savings account, or modifications to copayment, deductible, or coinsurance amounts. (b)Verification of medical condition by nonparticipants due to medical condition. A health maintenance organization may require a member of a health benefit plan to provide verification, such as an affirming statement from the member's physician, that the member's medical condition makes it unreasonably difficult or inadvisable to participate in the wellness or health improvement program in order for that nonparticipant to receive the reward or incentive. (c)Disclosure requirement. A reward or incentive offered under this subsection shall be disclosed in the policy or certificate. (d)Other incentives. This subsection does not prohibit health maintenance organizations from offering other incentives or rewards for adherence to a wellness or health improvement program if otherwise authorized by state or federal law.”</p>
Georgia	Ga. Comp. R. & Regs. r. 120-2-96-.05	<p><u>Context: Health, Life, or Disability Insurance</u></p> <p>“(5) (a) Wellness or Health Promotion Programs should be adequately disclosed by an insurer, either as an integral component of the health insurance product itself, or by attachment of such wellness or health promotion product as a rider to be sold or offered in connection with allowable high deductible health insurance products under Rule 120-2-96-.02. Insurers shall be required to clearly disclose the relationship between any proposed health promotion or wellness program and the high deductible health product within application materials, within any advertisement or other solicitation materials and within the evidence of coverage, if applicable. Health Promotion or Wellness Programs shall disclose any and all applicable costs in terms of premium, contribution or other costs, as well as clearly and accurately disclose potential incentives, rewards, discounts, or other benefits, and how</p>

State	Law	Excerpt from the Law Relevant to Incentives for Health Behaviors or Outcomes
<p>Georgia continued</p>		<p><i>[continued Ga. Comp. R. & Regs. r. 120-2-96-.05]</i> enrollees may claim or otherwise earn and receive any such incentives, rewards or discounts. Such disclosures must be provided by the insurer to any interested party on request. (b) Health Promotion or Wellness programs that are not designed, controlled, operated by and offered by insurers within their health insurance policies must be filed by insurers wishing to use them in connection with High Deductible Health Plan products seeking protection from rebates, illegal inducements or other unfair trade practices under O.C.G.A. Section 33-51-4.”</p>
	<p>O.C.G.A. § 33-51-2</p>	<p><u>Context: Health, Life, or Disability Insurance</u> “3) To enhance the affordability of insurance with the flexible health savings account eligible high deductible plans allowed under this chapter by allowing rewards and incentives for participation in and adherence to health behaviors that recognize the value of the personal responsibility of each citizen to maintain good health, seek preventive care services, and comply with approved treatments.”</p>
	<p>O.C.G.A. § 33-24-59.13</p>	<p><u>Context: Health, Life, or Disability Insurance</u> “Section 33-24-59.13 - Exemptions from certain unfair trade practices for certain wellness and health improvement programs; incentives (a) An insurer issuing life, comprehensive, major medical group, or individual health insurance benefit plans may, in keeping with federal requirements, offer wellness or health improvement programs, including voluntary wellness or health improvement programs that provide for rewards or incentives, including, but not limited to, merchandise, gift cards, debit cards, premium discounts, credits or rebates, contributions towards a member's health savings account, modifications to copayment, deductible, or coinsurance amounts, cash value, or any combination of these incentives, to encourage participation in such wellness or health improvement programs and to reward insureds for participation in such programs. (b) The offering of such rewards or incentives to insureds under such wellness or health improvement programs shall not be considered an unfair trade practice under Code Section 33-6-4 if such programs are filed with the Commissioner and made a part of the life or health insurance master policy and certificates or the individual life or health insurance evidence of coverage as a policy amendment, endorsement, rider, or other form of policy material as agreed upon by the Commissioner. The Commissioner shall be authorized to develop an automatic or expedited approval process for review of such wellness or health improvement programs, including those programs already approved under the laws and regulations of other states.”</p>
<p>Hawaii</p>	<p>No relevant laws</p>	<p>-----</p>
<p>Idaho</p>	<p>No relevant laws</p>	<p>-----</p>

State	Law	Excerpt from the Law Relevant to Incentives for Health Behaviors or Outcomes
Illinois	50 Ill. Adm. Code 2001.9	<p><u>Context: Health, Life, or Disability Insurance</u></p> <p>“b) Prohibited Discrimination in Rules for Eligibility</p> <p>1) In General</p> <p>A) A group health plan, and a health insurance issuer offering health insurance coverage in connection with a group health plan, may not establish any rule for eligibility (including continued eligibility) of any individual to enroll for benefits under the terms of the plan or group health insurance coverage that discriminates based on any health factor that relates to that individual or a dependent of that individual. This rule is subject to the provisions of subsection (b)(2) (explaining how this Section applies to benefits), subsection (b)(3) (allowing plans to impose certain preexisting condition exclusions), subsection (d) (containing rules for establishing groups of similarly situated individuals), subsection (e) (relating to nonconfinement, actively-at-work, and other service requirements), subsection (f) (relating to wellness programs), and subsection (g) (permitting favorable treatment of individuals with adverse health factors).</p> <p>C) This subsection (c)(2) is illustrated by the examples appearing in 45 CFR 146.121(c)(2)(iii).</p> <p>3) Exception for Wellness Programs</p> <p>Notwithstanding subsections (c)(1) and (c)(2), a plan or issuer may vary the amount of premium or contribution it requires similarly situated individuals to pay based on whether an individual has met the standards of a wellness program that satisfies the requirements of subsections (f) through (k). (45 CFR 146.121)”</p> <p>... “f) Nondiscriminatory Wellness Programs - In General</p> <p>A wellness program is a program of health promotion or disease prevention. Subsections (b)(2)(B) and (c)(3) provide exceptions to the general prohibitions against discrimination based on a health factor for plan provisions that vary benefits (including cost-sharing mechanisms) or the premium or contribution for similarly situated individuals in connection with a wellness program that satisfies the requirements of subsections (f) through (k). The following definitions govern in applying the provisions of subsections (f) through (k):</p> <p>1) Reward</p> <p>Except where expressly provided otherwise, references in this Section to an individual obtaining a reward include both obtaining a reward (such as a discount or rebate of a premium or contribution, a waiver of all or part of a cost-sharing mechanism, an additional benefit, or any financial or other incentive) and avoiding a penalty (such as the absence of a premium surcharge or other financial or nonfinancial disincentive). References in this Section to a plan providing a reward include both providing a reward (such as a discount or rebate of a premium or contribution, a waiver of all or part of a cost-sharing mechanism, an additional benefit, or any financial or other incentive) and imposing a penalty (such as a surcharge or other financial or nonfinancial disincentive).</p>

State	Law	Excerpt from the Law Relevant to Incentives for Health Behaviors or Outcomes
Illinois continued		<p><i>[continued 50 Ill. Adm. Code 2001.9]</i></p> <p>2) Participatory Wellness Programs If none of the conditions for obtaining a reward under a wellness program is based on an individual satisfying a standard that is related to a health factor (or if a wellness program does not provide a reward), the wellness program is a participatory wellness program.”</p> <p>... “3) Health-Contingent Wellness Programs A) health-contingent wellness program is a program that requires an individual to satisfy a standard related to a health factor to obtain a reward (or requires an individual to undertake more than a similarly situated individual based on a health factor in order to obtain the same reward). A health-contingent wellness program may be an activity-only wellness program or an outcome-based wellness program.</p> <p>4) Activity-Only Wellness Programs An activity-only wellness program is a type of health-contingent wellness program that requires an individual to perform or complete an activity related to a health factor in order to obtain a reward but does not require the individual to attain or maintain a specific health outcome. Examples include walking, diet or exercise programs, which some individuals may be unable to participate in or complete (or have difficulty participating in or completing) due to a health factor, such as severe asthma, pregnancy or a recent surgery. See subsection (h) for requirements applicable to activity-only wellness programs.</p> <p>5) Outcome-Based Wellness Programs An outcome-based wellness program is a type of health-contingent wellness program that requires an individual to attain or maintain a specific health outcome (such as not smoking or attaining certain results on biometric screenings) in order to obtain a reward.</p> <p>... “g) Requirement for Participatory Wellness Programs A participatory wellness program, as described in subsection (f)(2), does not violate the provisions of this Section only if participation in the program is made available to all similarly situated individuals, regardless of health status.</p> <p>h) Requirements for Activity-Only Wellness Programs A health-contingent wellness program that is an activity-only wellness program, as described in subsection (f)(4), does not violate the provisions of this Section only if all of the following requirements are satisfied:</p> <p>1) Frequency of Opportunity to Qualify The program must give individuals eligible for the program the opportunity to qualify for the reward under the program at least once per year.</p>

State	Law	Excerpt from the Law Relevant to Incentives for Health Behaviors or Outcomes
Illinois continued		<p><i>[continued 50 Ill. Adm. Code 2001.9]</i></p> <p>2) Size of Reward The reward for the activity-only wellness program, together with the reward for other health-contingent wellness programs with respect to the plan, must not exceed the applicable percentage (as defined in subsection (j)) of the total cost of employee-only coverage under the plan. However, if, in addition to employees, any class of dependents (such as spouses, or spouses and dependent children) may participate in the wellness program, the reward must not exceed the applicable percentage of the total cost of the coverage in which an employee and any dependents are enrolled. For purposes of this subsection (h)(2), the cost of coverage is determined based on the total amount of employer and employee contributions towards the cost of coverage for the benefit package under which the employee is (or the employee and any dependents are) receiving coverage.</p> <p>3) Reasonable Design The program must be reasonably designed to promote health or prevent disease. A program satisfies this standard if it has a reasonable chance of improving the health of, or preventing disease in, participating individuals, and it is not overly burdensome, is not a subterfuge for discriminating based on a health factor, and is not highly suspect in the method chosen to promote health or prevent disease. This determination is based on all the relevant facts and circumstances.</p> <p>4) Uniform Availability and Reasonable Alternative Standards The full reward under the activity-only wellness program must be available to all similarly situated individuals.</p> <p>A) Under this subsection (h)(4), a reward under an activity-only wellness program is not available to all similarly situated individuals for a period unless the program meets both of the following requirements:</p> <p>i) The program allows a reasonable alternative standard (or waiver of the otherwise applicable standard) for obtaining the reward for any individual for whom, for that period, it is unreasonably difficult due to a medical condition to satisfy the otherwise applicable standard; and</p> <p>ii) The program allows a reasonable alternative standard (or waiver of the otherwise applicable standard) for obtaining the reward for any individual for whom, for that period, it is medically inadvisable to attempt to satisfy the otherwise applicable standard.</p> <p>B) While plans and issuers are not required to determine a particular reasonable alternative standard in advance of an individual's request for one, if an individual is described in either subsection (h)(4)(A)(i) or (ii), a reasonable alternative standard must be furnished by the plan or issuer upon the individual's request or the condition for obtaining the reward must be waived.</p> <p>C) All the facts and circumstances are taken into account in determining whether a plan or issuer has furnished a reasonable alternative standard, including but not limited to the following:</p>

State	Law	Excerpt from the Law Relevant to Incentives for Health Behaviors or Outcomes
Illinois continued		<p><i>[continued 50 Ill. Adm. Code 2001.9]</i></p> <p>i) If the reasonable alternative standard is completion of an educational program, the plan or issuer must make the educational program available or assist the employee in finding such a program (instead of requiring an individual to find such a program unassisted), and may not require an individual to pay for the cost of the program;</p> <p>ii) The time commitment required must be reasonable (for example, requiring attendance nightly at a one-hour class would be unreasonable);</p> <p>iii) If the reasonable alternative standard is a diet program, the plan or issuer is not required to pay for the cost of food but must pay any membership or participation fee;</p> <p>iv) If an individual's personal physician states that a plan standard (including, if applicable, the recommendations of the plan's medical professional) is not medically appropriate for that individual, the plan or issuer must provide a reasonable alternative standard that accommodates the recommendations of the individual's personal physician with regard to medical appropriateness. Plans and issuers may impose standard cost sharing under the plan or coverage for medical items and services furnished pursuant to the physician's recommendations.</p> <p>D) To the extent that a reasonable alternative standard under an activity-only wellness program is, itself, an activity-only wellness program, it must comply with the requirements of this subsection (h) in the same manner as if it were an initial program standard. (Thus, for example, if a plan or issuer provides a walking program as a reasonable alternative standard to a running program, individuals for whom it is unreasonably difficult due to a medical condition to complete the walking program (or for whom it is medically inadvisable to attempt to complete the walking program) must be provided a reasonable alternative standard to the walking program.) To the extent that a reasonable alternative standard under an activity-only wellness program is, itself, an outcome based wellness program, it must comply with the requirements of subsection (i), including subsection (i)(4)(D).</p> <p>E) If reasonable under the circumstances, a plan or issuer may seek verification, such as a statement from an individual's personal physician, that a health factor makes it unreasonably difficult for the individual to satisfy, or medically inadvisable for the individual to attempt to satisfy, the otherwise applicable standard of an activity-only wellness program. Plans and issuers may seek verification with respect to requests for a reasonable alternative standard for which it is reasonable to determine that medical judgment is required to evaluate the validity of the request.</p> <p>5) Notice of Availability of Reasonable Alternative Standard The plan or issuer must disclose in all plan materials describing the terms of an activity-only wellness program the availability of a reasonable alternative standard to qualify for the reward (and, if applicable, the possibility of waiver of the otherwise applicable</p>

State	Law	Excerpt from the Law Relevant to Incentives for Health Behaviors or Outcomes
Illinois continued		<p><i>[continued 50 Ill. Adm. Code 2001.9]</i> standard), including contact information for obtaining a reasonable alternative standard and a statement that recommendations of an individual's personal physician will be accommodated. If plan materials merely mention that such a program is available, without describing its terms, this disclosure is not required. Sample language is provided in subsection (k), as well as in certain examples of this Section. (45 CFR 146.121)</p> <p>6) The provisions of this subsection (h) are illustrated by the example appearing at 45 CFR 146.121(f)(4)(vi).</p> <p>i) Requirements for Outcome-Based Wellness Programs A health-contingent wellness program that is an outcome-based wellness program, as described in subsection (f)(5), does not violate the provisions of this Section only if all of the following requirements are satisfied:</p> <p>1) Frequency of Opportunity to Qualify The program must give individuals eligible for the program the opportunity to qualify for the reward under the program at least once per year.</p> <p>2) Size of Reward The reward for the outcome-based wellness program, together with the reward for other health-contingent wellness programs with respect to the plan, must not exceed the applicable percentage (as defined in subsection (j)) of the total cost of employee-only coverage under the plan. However, if, in addition to employees, any class of dependents (such as spouses, or spouses and dependent children) may participate in the wellness program, the reward must not exceed the applicable percentage of the total cost of the coverage in which an employee and any dependents are enrolled. For purposes of this subsection (i)(2), the cost of coverage is determined based on the total amount of employer and employee contributions towards the cost of coverage for the benefit package under which the employee is (or the employee and any dependents are) receiving coverage.</p> <p>3) Reasonable Design The program must be reasonably designed to promote health or prevent disease. A program satisfies this standard if it has a reasonable chance of improving the health of, or preventing disease in, participating individuals, and it is not overly burdensome, is not a subterfuge for discriminating based on a health factor, and is not highly suspect in the method chosen to promote health or prevent disease. This determination is based on all the relevant facts and circumstances. To ensure that an outcome-based wellness program is reasonably designed to improve health and does not act as a subterfuge for underwriting or reducing benefits based on a health factor, a reasonable alternative standard to qualify for the reward must be provided to any individual who does not meet the initial standard based on a measurement, test or screening that is related to a health factor, as explained in subsection (i)(4).</p> <p>4) Uniform Availability and Reasonable Alternative Standards The full reward under the outcome-based wellness program must be available to all similarly situated individuals.</p>

State	Law	Excerpt from the Law Relevant to Incentives for Health Behaviors or Outcomes
Illinois continued		<p><i>[continued 50 Ill. Adm. Code 2001.9]</i></p> <p>A) Under this subsection (i)(4), a reward under an outcome-based wellness program is not available to all similarly situated individuals for a period unless the program allows a reasonable alternative standard (or waiver of the otherwise applicable standard) for obtaining the reward for any individual who does not meet the initial standard based on the measurement, test or screening, as described in this subsection (i)(4).</p> <p>B) While plans and issuers are not required to determine a particular reasonable alternative standard in advance of an individual's request for one, if an individual is described in subsection (i)(4)(A), a reasonable alternative standard must be furnished by the plan or issuer upon the individual's request or the condition for obtaining the reward must be waived.</p> <p>C) All the facts and circumstances are taken into account in determining whether a plan or issuer has furnished a reasonable alternative standard, including but not limited to the following:</p> <p>i) If the reasonable alternative standard is completion of an educational program, the plan or issuer must make the educational program available or assist the employee in finding such a program (instead of requiring an individual to find such a program unassisted), and may not require an individual to pay for the cost of the program.</p> <p>ii) The time commitment required must be reasonable (for example, requiring attendance nightly at a one-hour class would be unreasonable).</p> <p>iii) If the reasonable alternative standard is a diet program, the plan or issuer is not required to pay for the cost of food but must pay any membership or participation fee.</p> <p>iv) If an individual's personal physician states that a plan standard (including, if applicable, the recommendations of the plan's medical professional) is not medically appropriate for that individual, the plan or issuer must provide a reasonable alternative standard that accommodates the recommendations of the individual's personal physician with regard to medical appropriateness. Plans and issuers may impose standard cost sharing under the plan or coverage for medical items and services furnished pursuant to the physician's recommendations.</p> <p>D) To the extent that a reasonable alternative standard under an outcome-based wellness program is, itself, an activity-only wellness program, it must comply with the requirements of subsection (h) in the same manner as if it were an initial program standard. To the extent that a reasonable alternative standard under an outcome-based wellness program is, itself, another outcome-based wellness program, it must comply with the requirements of this subsection (i), subject to the following special rules:</p> <p>i) The reasonable alternative standard cannot be a requirement to meet a different level of the same standard without additional time to comply that takes into account the individual's circumstances. For example, if the initial standard is to achieve a BMI less than 30, the reasonable alternative standard cannot be to achieve a BMI less than 31 on that same date. However, if the initial standard is to achieve a BMI less</p>

State	Law	Excerpt from the Law Relevant to Incentives for Health Behaviors or Outcomes
Illinois continued		<p><i>[continued 50 Ill. Adm. Code 2001.9]</i></p> <p>than 30, a reasonable alternative standard for the individual could be to reduce the individual's BMI by a small amount or small percentage, over a realistic period of time, such as within a year.</p> <p>ii) An individual must be given the opportunity to comply with the recommendations of the individual's personal physician as a second reasonable alternative standard to meeting the reasonable alternative standard defined by the plan or issuer, but only if the physician joins in the request. The individual can make a request to involve a personal physician's recommendations at any time and the personal physician can adjust the physician's recommendations at any time, consistent with medical appropriateness.</p> <p>E) It is not reasonable to seek verification, such as a statement from an individual's personal physician, under an outcome-based wellness program that a health factor makes it unreasonably difficult for the individual to satisfy, or medically inadvisable for the individual to attempt to satisfy, the otherwise applicable standard as a condition of providing a reasonable alternative to the initial standard. However, if a plan or issuer provides an alternative standard to the otherwise applicable measurement, test or screening that involves an activity that is related to a health factor, then the rules of subsection (h) for activity-only wellness programs apply to that component of the wellness program and the plan or issuer may, if reasonable under the circumstances, seek verification that it is unreasonably difficult due to a medical condition for an individual to perform or complete the activity (or it is medically inadvisable to attempt to perform or complete the activity). (For example, if an outcome-based wellness program requires participants to maintain a certain healthy weight and provides a diet and exercise program for individuals who do not meet the targeted weight, a plan or issuer may seek verification, as described in subsection (i)(4)(D), if reasonable under the circumstances, that a second reasonable alternative standard is needed for certain individuals because, for those individuals, it would be unreasonably difficult due to a medical condition to comply, or medically inadvisable to attempt to comply, with the diet and exercise program, due to a medical condition.)</p> <p>5) Notice of Availability of Reasonable Alternative Standard The plan or issuer must disclose in all plan materials describing the terms of an outcome-based wellness program, and in any disclosure that an individual did not satisfy an initial outcome-based standard, the availability of a reasonable alternative standard to qualify for the reward (and, if applicable, the possibility of waiver of the otherwise applicable standard), including contact information for obtaining a reasonable alternative standard and a statement that recommendations of an individual's personal physician will be accommodated. If plan materials merely mention that such a program is available, without describing its terms, this disclosure is not required. Sample language is provided in subsection (k), as well as in certain examples of this Section. (45 CFR 146.121)</p> <p>6) This subsection (i) is illustrated by the examples at 45 CFR 146.121(f)(4).</p> <p>j) Applicable Percentage For purposes of subsections (f) through (k), the applicable percentage is provided in Section 356z.17(e)(iii) of the Code.</p>

State	Law	Excerpt from the Law Relevant to Incentives for Health Behaviors or Outcomes
Illinois continued		<p><i>[continued 50 Ill. Adm. Code 2001.9]</i></p> <p>k) Sample Language</p> <p>The following language, or substantially similar language, can be used to satisfy the notice requirement of subsection (h)(5) or (i)(5): "Your health plan is committed to helping you achieve your best health. Rewards for participating in a wellness program are available to all employees. If you think you might be unable to meet a standard for a reward under this wellness program, you might qualify for an opportunity to earn the same reward by different means. Contact us at [insert contact information] and we will work with you (and, if you wish, with your doctor) to find a wellness program with the same reward that is right for you in light of your health status." (45 CFR 146.121)"</p>
	215 ILCS 5/356z.17	<p><i>Context: Health, Life, or Disability Insurance</i></p> <p>"a) A group or individual policy of accident and health insurance or managed care plan amended, delivered, issued, or renewed after January 1, 2010 (the effective date of Public Act 96-639) that provides coverage for hospital or medical treatment on an expense incurred basis may offer a reasonably designed program for wellness coverage that allows for a reward, a contribution, a reduction in premiums or reduced medical, prescription drug, or equipment copayments, coinsurance, or deductibles, or a combination of these incentives, for participation in any health behavior wellness, maintenance, or improvement program approved or offered by the insurer or managed care plan. The insured or enrollee may be required to provide evidence of participation in a program. Individuals unable to participate in these incentives due to an adverse health factor shall not be penalized based upon an adverse health status.</p> <p>(b) For purposes of this Section, "wellness coverage" means health care coverage with the primary purpose to engage and motivate the insured or enrollee through: incentives; provision of health education, counseling, and self-management skills; identification of modifiable health risks; and other activities to influence health behavior changes.</p> <p>For the purposes of this Section, "reasonably designed program" means a program of wellness coverage that has a reasonable chance of improving health or preventing disease; is not overly burdensome; does not discriminate based upon factors of health; and is not otherwise contrary to law.</p> <p>(c) Incentives as outlined in this Section are specific and unique to the offering of wellness coverage and have no application to any other required or optional health care benefit.</p> <p>(d) Such wellness coverage must satisfy the requirements for an exception from the general prohibition against discrimination based on a health factor under the federal Health Insurance Portability and Accountability Act of 1996 (P.L. 104-191; 110 Stat. 1936), including any federal regulations that are adopted pursuant to that Act.</p> <p>(e) A plan offering wellness coverage must do the following:</p> <p>(i) give participants the opportunity to qualify for offered incentives at least once a year;</p>

State	Law	Excerpt from the Law Relevant to Incentives for Health Behaviors or Outcomes
Illinois continued		<p><i>[continued 215 ILCS 5/356z.17]</i></p> <p>(ii) allow a reasonable alternative to any individual for whom it is unreasonably difficult, due to a medical condition, to satisfy otherwise applicable wellness program standards. Plans may seek physician verification that health factors make it unreasonably difficult or medically inadvisable for the participant to satisfy the standards; and</p> <p>(iii) not provide a total incentive that exceeds 30% of the cost of self-only or employee-only coverage, except that the incentive may be increased by up to an additional 20%, for a total incentive of 50%, to the extent that the additional percentage is in connection with a program designed to prevent or reduce tobacco use. The cost of employee-only or family coverage provided through group health insurance coverage includes both employer and employee contributions. For group or individual plans offering family coverage, the limitation applies to cost of family coverage and applies to the entire family.</p> <p>(f) A reward, contribution, or reduction established under this Section and included in the policy or certificate does not violate Section 151 of this Code [215 ILCS 5/151].”</p>
	20 ILCS 1605/21.14	<p><u><i>Context: Government Public Health Promotion</i></u></p> <p>“(a) As a response to the COVID-19 public health emergency, and notwithstanding any other provision of law to the contrary, the Department, in coordination with the Department of Public Health, may develop and offer a promotion and award prizes for the purpose of encouraging Illinois residents to be vaccinated against coronavirus disease 2019 (COVID-19). The promotion will be structured as determined jointly by the Department and the Department of Public Health. The promotion will be aimed at Illinois residents receiving COVID-19 vaccinations. A portion of the promotion may include scholarships or educational awards for the benefit of minors.</p> <p>(b) The promotion may commence as soon as practical, as determined by the Department and the Department of Public Health. The form, operation, administration, parameters and duration of the promotion shall be governed by this Section, by Section 2310-628 of the Department of Public Health Powers and Duties Law [20 ILCS 2310/2310-628], and by rules adopted by the Department and the Department of Public Health, including emergency rules pursuant to Section 5-45 of the Illinois Administrative Procedure Act [5 ILCS 100/5-45].</p> <p>(c) The Department may use the State Lottery Fund for expenses incurred in awarding prizes and administering the promotion. A maximum of \$7,000,000 from the State Lottery Fund may be used for prizes awarded to adults 18 and older through the promotion.</p> <p>(d) The State Lottery Fund may be reimbursed for amounts actually used for expenses incurred in awarding prizes and administering the promotion from amounts in the State CURE Fund.</p> <p>(e) The funds expended and reimbursed under this section are separate and apart from the priority order established in Sections 9.1 [20 ILCS 1605/9.1] and 9.2 [20 ILCS 1605/9.2] of this Act.</p> <p>(f) This Section is repealed one year after the effective date of this amendatory Act of the 102nd General Assembly.”</p>

State	Law	Excerpt from the Law Relevant to Incentives for Health Behaviors or Outcomes
Illinois continued	20 ILCS 2310/2310-628	<p><u>Context: Government Public Health Promotion</u></p> <p>“(a) As a response to the COVID-19 public health emergency, and notwithstanding any other provision of law to the contrary, the Department, in coordination with the Department of the Lottery, may develop and offer a promotion and award prizes for the purpose of encouraging Illinois residents to be vaccinated against coronavirus disease 2019 (COVID-19). The promotion will be structured as determined jointly by the Department and the Department of the Lottery. The promotion will be aimed at Illinois residents receiving COVID-19 vaccinations. A portion of the promotion may include scholarships or educational awards for the benefit of minors.</p> <p>(b) The promotion may commence as soon as practical, as determined by the Department and the Department of the Lottery. The form, operation, administration, parameters and duration of the promotion shall be governed by this Section, by Section 21.14 of the Illinois Lottery Law [20 ILCS 1605/21.14], and by rules adopted by the Department and the Department of Public Health, including emergency rules pursuant to Section 5-45 of the Illinois Administrative Procedure Act [5 ILCS 100/5-45].</p> <p>(c) The Department may use funds appropriated to it for use in promoting vaccination for expenses incurred in awarding prizes and administering the promotion. A maximum of \$3,000,000 from such appropriated funds may be used for prizes awarded through the promotion for scholarships and educational awards.</p> <p>(d) If any other state fund is used to pay for expenses incurred in awarding prizes and administering the promotion, such fund may be reimbursed for amounts actually expended therefrom for such expenses from amounts in the State CURE Fund.</p> <p>(e) This Section is repealed one year after the effective date of this amendatory Act of the 102nd General Assembly.”</p>
Indiana	Burns Ind. Code Ann. § 22-5-4-1	<p><u>Context: Employment Regulations (not specific to insurance)</u></p> <p>“(B) terms and conditions of employment; based on the employee's use of tobacco products outside the course of the employee's or prospective employee's employment.</p> <p>(b) An employer may implement financial incentives:</p> <ol style="list-style-type: none"> (1) intended to reduce tobacco use; and (2) related to employee health benefits provided by the employer.”

State	Law	Excerpt from the Law Relevant to Incentives for Health Behaviors or Outcomes
Indiana continued	2007 IN Regulation Text 7673	<p><i>Context: Employment Regulations (not specific to insurance)</i></p> <p>“SECTION 13. To be a wellness program considered for certification, the wellness program must include the following criteria for each of the three (3) program components (employee appropriate weight loss, smoking cessation, and the pursuit of preventative health care services):</p> <p>(1) Education materials that provide information to employees about each component of the wellness program.</p> <p>(2) Assessments that serve as a means of evaluating health status of the employer's workforce.</p> <p>(3) Rewards program that provides incentives for motivating employees to complete one (1) or more of the components of the wellness program.</p> <p>(4) Measurement tool that evaluates the success and validity of each wellness program component.”</p>
Iowa	No relevant laws	-----
Kansas	No relevant laws	-----
Kentucky	KRS § 65.159	<p><i>Context: Employment Regulations (not specific to insurance)</i></p> <p>“(2) Any local government or group of local governments may elect, through the adoption of an ordinance, or identical ordinances in the case of a group of local governments, to establish an incentive program for emergency services personnel to be rewarded for their leadership in achieving health and fitness goals that can be a model for others in the community.</p> <p>(3) The ordinance or ordinances shall specify what measures shall be part of the incentive program, which may include the following health and fitness indicators:</p> <p>(a) Fasting blood lipid levels that include total cholesterol, low density lipoproteins, high density lipoproteins, and triglycerides;</p> <p>(b) Fasting glucose levels;</p> <p>(c) Systolic and diastolic blood pressure levels, the measurement of which is encouraged to be recorded when the participant is in a more-relaxed state;</p> <p>(d) Fitness levels, including activities such as distances walked, push-ups, sit-ups, pull-ups, and, in lieu of pull-ups for females, timed hangs;</p> <p>(e) Body fat percentages;</p> <p>(f) Body mass index; and</p> <p>(g) Any other measure of fitness or health as determined by the local government, such as a reduction in the use of tobacco products or sodium.</p> <p>The ordinance or ordinances may provide considerations for differences in age and gender of the emergency services personnel. Local governments are encouraged, at a minimum, to include in their program the measures indicated in paragraphs (a) to (c) of this subsection.</p>

State	Law	Excerpt from the Law Relevant to Incentives for Health Behaviors or Outcomes
Kentucky continued		<p><i>[continued KRS § 65.159]</i></p> <p>(4)(a) Local governments may reward participants who make the most positive gains in the health and fitness indicators measured by the local government.</p> <p>(b) The ordinance or ordinances shall clearly set out what health and fitness standards will be rewarded within the selected measures.</p> <p>(5) The ordinance or ordinances may include a step-based system of awards, in the instance if a certain standard is met consistently or consecutively for an established duration of time, the reward is to be incrementally increased.</p> <p>(6) The ordinance or ordinances, in addition to or in lieu of rewarding individual emergency services personnel performance, may reward performance to a particular department or any combination of departments either in the local government or among different local governments.</p> <p>(7) The reward may be monetary in nature, or any other consideration or reward not otherwise prohibited by state or federal law.</p> <p>(8) A local government may, by ordinance, elect to repeal the program.</p> <p>(9) Any monetary reward provided under this section shall not be included in the calculation for a retirement allowance for any emergency services personnel participating in the County Employees Retirement System set out in KRS 78.510 to 78.852.</p> <p>(10) A local government shall follow any applicable state and federal laws in the gathering of any health and fitness data from participants in the program, including the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.</p> <p>(11) Local governments are encouraged to acquire health and fitness baseline data for the participants by using previously collected health and fitness data or by collecting health and fitness data on the participants at the beginning of the program or when they begin participating in the program.</p> <p>(12) Each local government adopting an ordinance pursuant to this section shall send a copy of its ordinance, and any amendments thereto, to the Kentucky Department for Local Government. The ordinance or amendment may be sent electronically or by any other method deemed suitable by the local government. The ordinances and amendments shall be deemed public records pursuant to KRS 61.870 to 61.884.</p> <p>(13) A local government may accept money by grant, gift, donation, bequest, legislative appropriation, or other conveyance to be used for the sole purpose of this section and shall be placed in a separate account apart from all other funds of the local government.</p> <p>(14) Nothing in this section shall be construed to prohibit any local government from enacting or establishing alternative incentives or from participating in other incentive programs for the rewarding of health or fitness levels or goals.</p> <p>(15) Participation in the program shall be voluntary on the part of emergency services personnel. The failure of any emergency services personnel to meet a standard set out in this program, or to participate in the program, shall not be used as a measure of his or her job-related performance.”</p>

State	Law	Excerpt from the Law Relevant to Incentives for Health Behaviors or Outcomes
Kentucky continued	KRS § 304.17A-098	<p><u>Context: Health, Life, or Disability Insurance</u></p> <p>“(1) An insurer issuing a group or individual health benefit plan may offer a voluntary wellness or health improvement program that allows for rewards or incentives to encourage participation or to reward members for participation, including but not limited to:</p> <ul style="list-style-type: none"> (a) Merchandise; (b) Gift cards; (c) Debit cards; (d) Premium discounts or rebates; (e) Contributions toward a member’s health savings account; (f) Modification to copayment, deductible, or coinsurance amounts; or (g) Any combination of the incentives authorized by paragraphs (a) to (f) of this subsection. <p>(2) Any reward or incentive established under this section shall not be deemed an inappropriate inducement to obtain or retain insurance, in violation of KRS 304.12-090 and 304.12-110, or a violation of Section 1 of this Act, if disclosed in the policy or certificate of coverage.</p> <p>(3) The health plan member may be required to provide verification, such as a statement from his or her physician, that a medical condition makes it unreasonably difficult or medically inadvisable for the member to participate in the wellness or health improvement program.</p> <p>(4) Nothing in this section shall prohibit an insurer from offering incentives or rewards to members for adherence to a voluntary wellness or health improvement program, if otherwise allowed by state or federal law.”</p>
Louisiana	La. R.S. § 46:979.3	<p><u>Context: Health, Life, or Disability Insurance</u></p> <p>“D. The purposes of this state in implementing the Louisiana First America Next Freedom and Empowerment Plan are as follows:</p> <ul style="list-style-type: none"> (1) To lower health care costs by providing incentives for Louisiana consumers to serve as smart health care shoppers, to save money by engaging in healthy behaviors, and to take control of their health care choices.”
	LA Rev Stat § 22:1017	<p><u>Context: Health, Life, or Disability Insurance</u></p> <p>“A. A health insurance issuer may offer a voluntary wellness or health improvement program that allows for rewards or incentives including but not limited to merchandise, gift cards, debit cards, premium discounts or rebates, contributions toward a member's health savings account, modifications to copayment, deductible, or coinsurance amounts, or any combination of these incentives to encourage participation or to reward for participation in the program.</p> <p>B. Any reward or incentive established under this Section shall not violate Part IV of Chapter 7 of this Title if disclosed in the policy or certificate of authority of the health insurance issuer and filed with the Department of Insurance in accordance with existing state requirements.</p>

State	Law	Excerpt from the Law Relevant to Incentives for Health Behaviors or Outcomes
Louisiana continued		<p><i>[continued LA Rev Stat § 22:1017]</i></p> <p>C. The insured or enrollee may be required to provide verification, such as a statement from his physician, that a medical condition makes it unreasonably difficult or medically inadvisable for the individual to participate in the wellness or health improvement program.</p> <p>D. Nothing in this Section shall prohibit health insurance issuers from offering incentives or rewards to members for adherence to wellness or health improvement programs if otherwise allowed by state or federal law.”</p>
Maine	36 M.R.S. § 5219-FF	<p><u>Context: Employment Regulations (not specific to insurance)</u></p> <p>“D. “Wellness program” means a program instituted by an employing unit that improves employee health, morale and productivity, including, without limitation:</p> <ol style="list-style-type: none"> (1) Health education programs; (2) Behavioral change programs, such as counseling or seminars or classes on nutrition, stress management or smoking cessation; and (3) Incentive awards to employees who engage in regular physical activity. <p>2. Credit allowed. A taxpayer constituting an employing unit with 20 or fewer employees, on an average monthly basis during the taxable year, is allowed a credit against the tax imposed by this Part for each taxable year beginning on or after January 1, 2014, for a qualified wellness program expenditure made during the taxable year.</p> <p>3. Record keeping. An employing unit seeking a credit under subsection 2 is responsible for recording the amount of time employees engage in wellness programs for which the employing unit is claiming an expense.</p> <p>4. Limit; carry-over. The total credit for each taxpayer under this section is limited to \$100 per employee or \$2,000, whichever is less, per tax year. The credit may not reduce the tax otherwise due under this Part to less than zero. A taxpayer entitled to a credit under this section for any taxable year may carry over the portion, as reduced from year to year, of any unused credit and apply it to the tax liability for any one or more of the next succeeding 5 taxable years.”</p>
Maryland	COMAR 31.11.14.03	<p><u>Context: Health, Life, or Disability Insurance</u></p> <p>“A. Each wellness benefit shall include:</p> <ol style="list-style-type: none"> (1) A health risk assessment that is: <ol style="list-style-type: none"> (a) Available at no cost to all employees covered under the small employer's wellness benefit; and (b) Completed by each employee on a voluntary basis; (2) Written feedback to each employee who completes the health risk assessment, with recommendations for lowering risks identified in the completed health risk assessment; and (3) A financial incentive to promote: <ol style="list-style-type: none"> (a) Preventive care;

State	Law	Excerpt from the Law Relevant to Incentives for Health Behaviors or Outcomes
Maryland continued		<p><i>[continued COMAR 31.11.14.03]</i></p> <p>(b) Healthy behavior and lifestyle choices; or</p> <p>(c) Participation in a disease management program or case management program.</p> <p>B. The financial incentive described in § A(3) of this regulation may be in the form of:</p> <p>(1) A direct reward of financial value given to the employee, such as a monetary reward or a gift card; or</p> <p>(2) A reduction in the employee's copayments, coinsurance, or deductible that would otherwise be payable under the small employer's health benefit plan.</p> <p>C. A carrier shall be considered to have satisfied the requirement of § A(3) of this regulation, if the wellness benefit offered by the carrier eliminates the deductible for preventive services only."</p>
	Md. Insurance Code Ann. _ 15-509	<p><u>Context: Health, Life, and Disability Insurance</u></p> <p>"c) (1) A carrier may include a participatory wellness program as part of an individual or group health benefit plan.</p> <p>(2) A participatory wellness program shall be made available to all similarly situated individuals regardless of health status.</p> <p>(d) A carrier may condition a reward for an activity-only wellness program in a group health benefit plan if:</p> <p>(1) the activity-only wellness program provides individuals with an opportunity to qualify for the reward at least once a year;</p> <p>(2) the reward for the activity-only wellness program, together with the reward for other health-contingent wellness programs with respect to the health benefit plan, does not exceed:</p> <p>(i) 30% of the total cost of employee-only coverage under the health benefit plan, except that the applicable percentage is increased by an additional 20 percentage points to the extent that the additional percentage is in connection with a program designed to prevent or reduce tobacco use; or</p> <p>(ii) when the plan provides coverage for family members, and when family members are permitted to participate in the activity-only wellness program, 30% of the cost of the coverage in which the family members are enrolled, except that the applicable percentage is increased by an additional 20 percentage points to the extent that the additional percentage is in connection with a program designed to prevent or reduce tobacco use;</p> <p>(3) the activity-only wellness program is reasonably designed to promote health or prevent disease;</p> <p>(4) the full reward under the activity-only wellness program is available to all similarly situated individuals; and</p> <p>(5) the carrier discloses the availability of a reasonable alternative standard to qualify for the reward in all plan materials describing the terms of an activity-only wellness program."</p>

State	Law	Excerpt from the Law Relevant to Incentives for Health Behaviors or Outcomes
Massachusetts	211 CMR 151.15	<p><u>Context: Health, Life, or Disability Insurance</u></p> <p>“1) The Wellness Program shall be administered by the certified Group Purchasing Cooperative or by an entity that has contracted with the certified Group Purchasing Cooperative. The certified Group Purchasing Cooperative shall be responsible for all the features of the Wellness Program(s), which shall be conducted pursuant to a written plan, under the supervision of a properly trained health practitioner and staffed by appropriately trained and qualified personnel, and shall include a documented process to:</p> <ul style="list-style-type: none"> (a) Conduct health risk assessments, at least annually, of all Insureds participating in the Wellness Program(s), according to a tool that has been accredited by the National Committee on Quality Assurance; (b) Develop reasonable health maintenance or improvement goals with each Wellness Program participant based upon factors derived from the participant's health risk assessment; (c) Record each participant's activities designed to address wellness goals and, as appropriate, provide workplace or other geographically convenient wellness monitoring locations; (d) Monitor participants' progress toward meeting wellness goals and assign trained and qualified lifestyle coaches to assist participants to keep on track with goals and develop ways to encourage continued activities to achieve desired goals including through financial or other incentives, periodic reminders and/or motivational interviewing; (e) Measure, at least annually, the Wellness Program's effectiveness at developing goals that improve participants' health status, promoting adherence to planned goals and changing overall trends in health status, and redesigning the program to address new or persistent health issues; (f) Maintain the confidentiality of each participant's health risk assessment and progress toward reaching the participant's individualized health goals; and (g) Maintain Wellness Programs consistent with state and federal statutes, regulations and guidelines, including required accommodations made for those with physical or other disabilities that could prevent participation in standard programs. <p>(2) The Wellness Program shall, at minimum, be designed to address the prevention and management of heart disease, stroke, diabetes, asthma, cancer and the following risk factors:</p> <ul style="list-style-type: none"> (a) High blood pressure; (b) Smoking; (c) Substance abuse and prescription non-compliance; (d) Adult and child obesity; (e) Depression; (f) Stress and work-life balance; (g) Inactivity; (h) Unhealthy diets (high sugar, high sodium, high saturated fat and low fiber);

State	Law	Excerpt from the Law Relevant to Incentives for Health Behaviors or Outcomes
Massachusetts continued		<p><i>[continued 211 CMR 151.15]</i></p> <p>(i) Elevated cholesterol;</p> <p>(j) Elevated blood glucose; and</p> <p>(k) Workplace policies/environments that may impact individual health.</p> <p>(3) The criteria for the Wellness Program shall be, to the maximum extent feasible, scientifically derived and evidence-based, and developed with the input of appropriate medical professionals.</p> <p>(4) A certified Group Purchasing Cooperative shall coordinate with a Carrier's Wellness Program data processing systems to enable the certified Group Purchasing Cooperative to effectively provide guidance to Eligible Association Members, Eligible Small Businesses, Eligible Employees and Eligible Dependents regarding targeted Wellness Programs.”</p>
	ALM GL ch. 176J__13	<p><u>Context: Health, Life, or Disability Insurance</u></p> <p>“(d) Notwithstanding this chapter or any other general or special law to the contrary, carriers may annually offer group purchasing cooperative members rewards or other incentives for participation in wellness programs sponsored by the cooperative. The amount of such rewards shall be determined by the carrier in coordination with the provider of the wellness program, based upon the promotion and participation of the cooperative and its members in sponsored wellness programs that include, among other things, health care education and the use of available transparency tools. Any reward established pursuant to this subsection shall be submitted to the commissioner for informational purposes prior to the payment of any such reward. The requirements to qualify for such reward shall be applied equally and consistently to all cooperative members, treating all similarly situated cooperative members that have qualified for the reward in the same manner. The commissioner shall study the ability of cooperatives to use other incentives for wellness programs within the restrictions of state and federal rating rules and may also consider the use of an innovation waiver to pursue such flexibility.”</p>
Michigan	MCLS § 400.105b	<p><u>Context: Health, Life, or Disability Insurance</u></p> <p>“(1) The department of community health shall create incentives for individual medical assistance recipients who practice specified positive health behaviors. The incentives described in this subsection may include, but are not limited to, expanded benefits and incentives relating to premiums, co-pays, or benefits. The positive health behaviors described in this subsection may include, but are not limited to, participation in health risk assessments and health screenings, compliance with medical treatment, attendance at scheduled medical appointments, participation in smoking cessation treatment, exercise, prenatal visits, immunizations, and attendance at recommended educational health programs.”</p>

State	Law	Excerpt from the Law Relevant to Incentives for Health Behaviors or Outcomes
Michigan continued	MCLS § 500.3517	<p><u>Context: Health, Life, or Disability Insurance</u></p> <p>“(1) A health maintenance contract shall not provide for payment of cash or other material benefit to an enrollee other than as permitted under the law of this state or as approved by the director under section 2236.</p> <p>(2) Subsection (1) does not prohibit a health maintenance organization from promoting optimum health by offering to all currently enrolled subscribers or to all currently covered enrollees 1 or more healthy lifestyle programs. As used in this subsection, “healthy lifestyle program” means a program recognized by a health maintenance organization that enhances health, educates enrollees on health-related matters, or reduces risk of disease, including, but not limited to, promoting nutrition and physical exercise and compliance with disease management programs and preventive service guidelines that are supported by evidence-based medical practice. A healthy lifestyle program may include other requirements in addition to those that enhance health, educate enrollees on health-related matters, or reduce risk of disease if the healthy lifestyle program, taken as a whole, meets the intent of this subsection. Subsection (1) does not prohibit a health maintenance organization from offering a currently enrolled subscriber or currently covered enrollee goods, vouchers, or equipment that supports achieving optimal health goals. An offering of goods, vouchers, or equipment under this subsection is not a violation of subsection (1) and is not valuable consideration, a material benefit, a gift, a rebate, or an inducement under this act.”</p>
Minnesota	Minn. Stat. § 256B.021	<p><u>Context: Health, Life, or Disability Insurance</u></p> <p>“(b) Promote personal responsibility and encourage and reward healthy outcomes. This project provides Medicaid funding to provide individual and group incentives to encourage healthy behavior, prevent the onset of chronic disease, and reward healthy outcomes. Focus areas may include diabetes prevention and management, tobacco cessation, reducing weight, lowering cholesterol, and lowering blood pressure.”</p>
Mississippi	No relevant laws	-----
Missouri	22 CSR 10-2.120	<p><u>Context: Health, Life, or Disability Insurance</u></p> <p>“(1) Strive for Wellness(R) Partnership Incentive--The Partnership Incentive is a voluntary program that eligible members may elect to participate in to earn a reduction in premium. Eligible members are responsible for completing requirements.</p> <p>(2) Partnership Incentive--The Strive for Wellness (R) Partnership Incentive is a reduction in premium of twenty-five dollars (\$ 25) per month per eligible member who is compliant with this rule.</p> <p>(3) Eligibility--The following members enrolled in a Missouri Consolidated Health Care Plan (MCHCP), Preferred Provider Organization (PPO), or Health Savings Account (HSA) Plan are eligible to participate in the Partnership Incentive:</p> <p>(A) Active employee subscribers; and</p>

State	Law	Excerpt from the Law Relevant to Incentives for Health Behaviors or Outcomes
Missouri continued		<p><i>[continued 22 CSR 10-2.120]</i></p> <p>(B) Non-Medicare subscribers.</p> <p>(4) Limitations and exclusions--The following members are not eligible to participate in the Partnership Incentive:</p> <p>(A) Subscribers under the age of eighteen (18) years;</p> <p>(B) Dependents;</p> <p>(C) TRICARE Supplement Plan subscribers;</p> <p>(D) Subscriber (with the exception of active employee subscriber) who has Medicare as primary coverage; and</p> <p>(E) When Medicare becomes a subscriber's primary insurance payer, the subscriber (with the exception of active employee subscriber) is no longer eligible to participate and will lose the Partnership Incentive the first day of the month in which Medicare becomes primary.</p> <p>(5) Participation.</p> <p>(A) In order to receive the Partnership Incentive, eligible members must complete all of the following every plan year for the incentive to be effective the first day of the second month after the requirements are completed:</p> <ol style="list-style-type: none"> 1. The Partnership Promise; 2. The Health Assessment; and 3. The Health Education Quiz. A series of questions administered by MCHCP designed to measure understanding of MCHCP benefits and/or general health knowledge. <p>(B) The requirements must be completed through the member's myMCHCP account.</p> <p>(C) Eligible members adding medical coverage must complete all of the following within thirty-one (31) days of his/her medical coverage effective date (unless otherwise specified) for the incentive to be effective the first day his/her medical coverage is effective:</p> <ol style="list-style-type: none"> 1. The Partnership Promise; 2. The Health Assessment; and 3. The Health Education Quiz. <p>(D) An employee earning the Partnership Incentive who then terminates all employment with the state and is rehired as a new state employee with medical coverage effective in the same plan year, will receive the Partnership Incentive effective the first day his/her medical coverage is effective after s/he is rehired.</p> <p>(E) An eligible member completing the Partnership Incentive requirements in October of a plan year, who is eligible for but not currently receiving the Partnership Incentive, will receive the incentive for December of the current plan year, in addition to the next plan year.</p> <p>(F) Eligible members who have earned the incentive may earn a de minimis gift for completing one (1) or more of the following MCHCP-approved health actions. An eligible member must report the</p>

State	Law	Excerpt from the Law Relevant to Incentives for Health Behaviors or Outcomes
Missouri continued		<p><i>[continued 22 CSR 10-2.120]</i> completion of the health action to MCHCP by December 31 of each plan year, and may receive only one (1) gift per year. MCHCP-approved health actions are as follows:</p> <ol style="list-style-type: none"> 1. Receiving a preventive lab screening such as cholesterol and blood sugar; 2. Receiving an annual preventive exam; 3. Attending three (3) Strive for Wellness (R) sponsored health education or physical activity events; 4. Participating in physical activity such as walking, jogging, Zumba, yoga, or weight-training for one hundred fifty (150) minutes each week for three (3) months; 5. Standing for at least two (2) hours during each workday for three (3) months; or 6. Walking one (1) million steps. <p>(G) The Partnership Incentive shall begin January 1 and end December 31 of each plan year. (6) A waiver may be granted, in whole or in part, for the applicable plan year if a member requests a waiver of a requirement(s) in writing along with a provider's written certification that it is medically inadvisable for the member to participate in the applicable requirement(s). (7) MCHCP and/or its vendor may audit participation information for accuracy. Misrepresentation or fraud could lead to loss of the Partnership Incentive and/or prosecution. (8) MCHCP and/or its vendor may utilize participation data for purposes of offering additional programs in accordance with MCHCP's privacy policy."</p>
Montana	No relevant laws	-----
Nebraska	No relevant laws	-----
Nevada	No relevant laws	-----
New Hampshire	No relevant laws	-----
New Jersey	No relevant laws	-----
New Mexico	13.10.23.13 NMAC	<p><u>Context: Health, Life, or Disability Insurance</u> "E. Inducements prohibited. (3) Inducements do not include incentives specified or provided for in the MHCP contract given to covered persons and to promote the delivery of preventive care or other health improvement activities, which include "value added services" described in 8.305.17.9 NMAC."</p>

State	Law	Excerpt from the Law Relevant to Incentives for Health Behaviors or Outcomes
New York	NY CLS Ins § 3239(c)(2)(D)	<p><u>Context: Health, Life, or Disability Insurance</u></p> <p>“§ 3239. Wellness programs</p> <p>(a) An insurer licensed to write accident and health insurance, a corporation organized pursuant to article forty-three of this chapter, a health maintenance organization certified pursuant to article forty-four of the public health law and a municipal cooperative health benefits plan may establish a wellness program in conjunction with its issuance of a group accident and health insurance policy or group subscriber contract. A “wellness program” is a program designed to promote health and prevent disease that may contain rewards and incentives for participation. Participation in the wellness program shall be available to similarly-situated members of the group and shall be voluntary on the part of the member. The terms of the wellness program shall be set forth in the policy or contract.</p> <p>(b) A wellness program may include, but is not limited to, the following programs or services:</p> <ol style="list-style-type: none"> (1) the use of a health risk assessment tool; (2) a smoking cessation program; (3) a weight management program; (4) a stress and/or hypertension management program; (5) a worker injury prevention program; (6) a nutrition education program; (7) health or fitness incentive programs; (8) a coordinated weight management, nutrition, stress management and physical fitness program to combat the high incidence of adult and childhood obesity, asthma and other chronic respiratory conditions; (9) a substance or alcohol abuse cessation program; and (10) a program to manage and cope with chronic pain. <p>(c)</p> <ol style="list-style-type: none"> (1) A wellness program may use rewards and incentives for participation provided that where the group health insurance policy or subscriber contract is required to be community-rated, the rewards and incentives shall not include a discounted premium rate or a rebate or refund of premium. (2) Permissible rewards and incentives may include: <ol style="list-style-type: none"> (A) full or partial reimbursement of the cost of participating in smoking cessation, weight management, stress and/or hypertension, worker injury prevention, nutrition education, substance or alcohol abuse cessation, or chronic pain management and coping programs; (B) full or partial reimbursement of the cost of membership in a health club or fitness center; (C) the waiver or reduction of copayments, coinsurance and deductibles for preventive services covered under the group policy or subscriber contract;

State	Law	Excerpt from the Law Relevant to Incentives for Health Behaviors or Outcomes
New York continued		<p><i>[continued NY CLS Ins § 3239(c)(2)(D)]</i></p> <p>(D) monetary rewards in the form of gift cards or gift certificates, so long as the recipient of the reward is encouraged to use the reward for a product or a service that promotes good health, such as healthy cook books, over the counter vitamins or exercise equipment;</p> <p>(E) full or partial reimbursement of the cost of participating in a stress management program or activity; and</p> <p>(F) full or partial reimbursement of the cost of participating in a health or fitness program.</p> <p>(3) Where the reward involves a group member's meeting a specified standard based on a health condition, the wellness program must meet the requirements of 45 CFR Part 146.</p> <p>(4) A reward or incentive which involves a discounted premium rate or a rebate or refund of premium shall be based on actuarial demonstration that the wellness program can reasonably be expected to result in the overall good health and wellbeing of the group."</p>
	10 NYCRR § 69-4.9	<p><i>Context: K-12 public education/ early intervention programs</i></p> <p>"i) The use of aversive intervention in any form is strictly prohibited when providing Early Intervention Program services to an eligible child. For purposes of this section, aversive intervention means an intervention that is intended to induce pain or discomfort to a child for the purpose of modifying or changing a child's behavior or eliminating or reducing maladaptive behaviors, including but not limited to the following:</p> <ol style="list-style-type: none"> (1) contingent application of noxious, painful, intrusive stimuli or activities; (2) any form of noxious, painful, or intrusive spray (including water or other mists), inhalant, or tastes; (3) contingent food programs that include the denial or delay of the provision of meals or intentionally altering staple food or drink to make it distasteful; (4) movement limitation used as punishment, including but not limited to helmets and mechanical restraint devices; (5) physical restraints; (6) blindfolds; and, (7) white noise helmets and electric shock. <p>(8) Aversives do not include such interventions as voice control, limited to loud, firm commands; time-limited ignoring of a specific behavior; positive reinforcers such as small amounts of food used as a reward for successful completion of a clinical task or token fines as part of a token economy system; brief physical prompts to interrupt or prevent a specific behavior; or interventions prescribed by a physician for the treatment or protection of the child. (vii) The plan shall be based on positive reinforcement approaches, where contingent food programs are involved</p> <p>(9) Nothing in this subsection shall preclude the use of behavior management techniques to prevent a child who is undergoing episodic behavioral or emotional disturbance from seriously injuring</p>

State	Law	Excerpt from the Law Relevant to Incentives for Health Behaviors or Outcomes
New York continued		<p><i>[continued 10 NYCRR § 69-4.9]</i> him/herself or others. Emergency physical interventions may be used to prevent a child from seriously injuring him/herself or others. Such interventions, which shall not include mechanical restraints, shall be used only in situations in which alternative procedures and methods not involving the use of physical force cannot reasonably be employed to prevent or minimize injury and shall only be used for as long as the duration of the incident. Emergency physical interventions shall not be used as a punishment or as a substitute for systematic behavioral interventions that are designed to change, replace, modify or eliminate a targeted behavior. Staff who may be called upon to implement emergency physical interventions shall be provided with appropriate training in safe and effective physical restraint procedures. Emergency physical interventions shall be included in a behavior management plan that is developed by qualified personnel with appropriate expertise and documented in the child's record to address persistent, ongoing behavior which is injurious to the child or others.”</p>
North Carolina	No relevant laws	-----
North Dakota	No relevant laws	-----
Ohio	ORC Ann. 3901.56	<p><u><i>Context: Health, Life, or Disability Insurance</i></u> “An insurer may offer a wellness or health improvement program that provides rewards or incentives, including merchandise; gift cards; debit cards; premium discounts or rebates; contributions to a health savings account; modifications to copayment, deductible, or coinsurance amounts; or any combination of these incentives, to encourage participation or to reward participation in the program. A wellness or health improvement program offered by an insurer under this section shall not be construed to violate division (E) of section 1751.31 or division (G) of section 3901.21 of the Revised Code if the program is disclosed in the policy or plan. The insured may be required to provide verification, such as a statement from their physician, that a medical condition makes it unreasonably difficult or medically inadvisable for the individual to participate in the wellness or health improvement program. Nothing in this section shall prohibit an insurer from offering incentives or rewards to members for adherence to wellness or health improvement programs if otherwise allowed by federal law.”</p>
Oklahoma	No relevant laws	-----

State	Law	Excerpt from the Law Relevant to Incentives for Health Behaviors or Outcomes
Oregon	ORS § 743.824	<p><u>Context: Health, Life, or Disability Insurance</u></p> <p>“(2) An insurer offering a health benefit plan, as defined in ORS 743B.005, may pay cash dividends to enrollees in the plan who participate in a program approved by the insurer that promotes healthy behaviors.”</p>
Pennsylvania	No relevant laws	-----
Rhode Island	No relevant laws	-----
South Carolina	S.C. Code Ann. _ 1-11-715	<p><u>Context: Employment Regulations (not specific to insurance)</u></p> <p>“The Employee Insurance Program of the Public Employee Benefit Authority is directed to develop and implement, for employees and their spouses who participate in the health plans offered by the Employee Insurance Program, an incentive plan to encourage participation in programs offered by the Employee Insurance Program that promote health and the prevention of disease. The Employee Insurance Program is further directed to implement a premium reduction or other financial incentive, beginning on January 1, 2012, for those employees and their spouses who participate in these programs.”</p>
South Dakota	No relevant laws	-----
Tennessee	Tenn. Code Ann. § 56-8-112	<p><u>Context: Health, Life, or Disability Insurance</u></p> <p>“(a) An insurer issuing a group or individual benefit plan may offer a voluntary wellness or health improvement program that uses incentives or rewards, or any combination of incentives or rewards, to encourage or reward a plan member's participation in the program. Such incentives and rewards may include, but not be limited to, the following:</p> <ol style="list-style-type: none"> (1) Merchandise; (2) Gift cards; (3) Debit cards; (4) Premium discounts or rebates; (5) Contributions towards a plan member's health savings account; or (6) Modifications to co-payment, deductible, or co-insurance amounts. <p>(b) If an incentive or reward established pursuant to this section is disclosed in the insurer's policy or certificate, then giving, or offering to give, the incentive or reward to a plan member shall not constitute a violation of § 56-8-104(8).</p> <p>(c) An insurer may require a plan member to provide verification to the insurer that the plan member has a medical condition that makes the plan member's participation in the program unreasonably</p>

State	Law	Excerpt from the Law Relevant to Incentives for Health Behaviors or Outcomes
Tennessee continued		<p><i>[continued Tenn. Code Ann. § 56-8-112]</i></p> <p>difficult or medically inadvisable prior to establishing a reasonable alternative standard for obtaining an incentive or reward.</p> <p>(d) Nothing in this section shall prohibit an insurer from offering or giving an incentive or reward to a plan member to encourage or reward the member's participation in a voluntary wellness or health improvement program if additional incentives or rewards, or uses of incentives or rewards, are otherwise permitted by state or federal law."</p>
Texas	28 TAC § 21.4708	<p><u><i>Context: Health, Life, or Disability Insurance</i></u></p> <p>"(a) A health-contingent wellness program that requires an individual to attain or maintain a specific health outcome in order to obtain a reward is an outcome-based wellness program.</p> <p>(b) An outcome-based wellness program does not violate this subchapter so long as the requirements of this section are met.</p> <p>(1) Size of reward. The reward for the outcome-based wellness program, coupled with the reward for other health-contingent wellness programs with respect to the plan, must not exceed in total value 30 percent of the cost of employee-only or member-only coverage under the plan; or 50 percent of the cost of employee-only or member-only coverage under the plan, to the extent that the additional 20 percent is in connection with a program designed to prevent or reduce tobacco use. However, if, in addition to employees or members, any class of dependents--such as spouses or spouses and dependent children--may participate in the outcome-based wellness program, the reward must not exceed 30 percent of the cost of the coverage in which an employee or member and any dependents are enrolled; or 50 percent of the cost of the coverage in which an employee or member and any dependents are enrolled, to the extent that the additional 20 percent is in connection with a program designed to prevent or reduce tobacco use.</p> <p>(A) For purposes of this section, the cost of coverage is determined based on the total amount of employer and employee contributions toward the cost of coverage, or member contributions toward the cost of coverage, for the benefit package under which the employee or member is, or the employee or member and any dependents are, receiving coverage.</p> <p>(B) A reward can be in the form of a discount or rebate of a premium or contribution; a waiver of all or part of a cost-sharing mechanism such as deductibles, copayments, or coinsurance; the absence of a surcharge; or the value of a benefit that would otherwise not be provided under the plan.</p> <p>(2) Reasonable design. The outcome-based wellness program must be reasonably designed to promote health or prevent disease. An outcome-based wellness program satisfies this standard if it has a reasonable chance of improving the health of, or preventing disease in, participating individuals and it is not overly burdensome, is not a subterfuge for discriminating based on a health factor, and is not highly suspect in the method chosen to promote health or prevent disease. This determination is</p>

State	Law	Excerpt from the Law Relevant to Incentives for Health Behaviors or Outcomes
Texas continued		<p><i>[continued 28 TAC § 21.4708]</i></p> <p>based on all the relevant facts and circumstances. To ensure that an outcome-based wellness program is reasonably designed to improve health and does not act as a subterfuge for underwriting or reducing benefits based on a health factor, a reasonable alternative standard to qualify for the reward must be provided to any individual who does not meet the initial standard based on a measurement, test, or screening that is related to a health factor, as explained in paragraph (4) of this subsection.</p> <p>(3) Frequency of opportunity to qualify. The outcome-based wellness program must give individuals eligible for the program the opportunity to qualify for the reward under the program at least once per year.</p> <p>(4) Uniform availability and reasonable alternative standards. The full reward under the outcome-based wellness program must be available to all similarly situated individuals.</p> <p>(A) Under this paragraph, a reward under an outcome-based wellness program is not available to all similarly situated individuals for a period unless the program allows a reasonable alternative standard (or waiver of the otherwise applicable standard) for obtaining the reward for any individual who does not meet the initial standard based on the measurement, test, or screening, as described in this paragraph.</p> <p>(B) To the extent that a reasonable alternative standard under an outcome-based wellness program is an activity-only wellness program, it must comply with the requirements of § 21.4707 of this title in the same manner as if it were an initial program standard. To the extent that a reasonable alternative standard under an outcome-based wellness program is another outcome-based wellness program, it must comply with the requirements of this section, subject to the following requirements: (i) The reasonable alternative standard cannot be a requirement to meet a different level of the same standard without additional time to comply that takes into account the individual's circumstances. (ii) An individual must be given the opportunity to comply with the recommendations of the individual's personal physician as a second reasonable alternative standard to meeting the reasonable alternative standard defined by the plan or issuer, but only if the physician joins in the request. The individual can make a request to involve a personal physician's recommendations at any time, and the personal physician can adjust the physician's recommendations at any time, consistent with medical appropriateness.</p> <p>(C) It is not reasonable to seek verification under an outcome-based wellness program, such as a statement from an individual's personal physician, that a health factor makes it unreasonably difficult for the individual to satisfy, or medically inadvisable for the individual to attempt to satisfy, the otherwise applicable standard as a condition of providing a reasonable alternative to the initial standard. However, if a plan or issuer provides an alternative standard to the otherwise applicable measurement, test, or screening that involves an activity that is related to a health factor, then the requirements of § 21.4707 of this title for activity-only wellness programs apply to that component of the wellness program, and the plan or issuer may, if reasonable under the circumstances, seek</p>

State	Law	Excerpt from the Law Relevant to Incentives for Health Behaviors or Outcomes
Texas continued		<p><i>[continued 28 TAC § 21.4708]</i></p> <p>verification that it is unreasonably difficult due to a medical condition for an individual to perform or complete the activity or it is medically inadvisable to attempt to perform or complete the activity.</p> <p>(5) Notice of availability of reasonable alternative standard. The plan or issuer must disclose in all plan materials describing the terms of an outcome-based wellness program, and in any disclosure that an individual did not satisfy an initial outcome-based standard, the availability of a reasonable alternative standard to qualify for the reward and, if applicable, the possibility of waiver of the otherwise applicable standard, including contact information for obtaining a reasonable alternative standard and a statement that recommendations of an individual's personal physician will be accommodated. If plan materials merely mention that such a program is available, without describing its terms, this disclosure is not required."</p>
	28 TAC § 21.4707	<p><i>Context: Health, Life, or Disability Insurance</i></p> <p>"a) A health-contingent wellness program that requires an individual to perform or complete an activity related to a health factor in order to obtain a reward but does not require the individual to attain or maintain a specific health outcome is an activity-only wellness program.</p> <p>(b) An activity-only wellness program does not violate this subchapter so long as the requirements of this section are met.</p> <p>(1) Size of reward. The reward for the activity-only wellness program, coupled with the reward for other health-contingent wellness programs offered under the same plan, must not exceed in total value 30 percent of the cost of employee-only or member-only coverage under the plan; or 50 percent of the cost of employee-only or member-only coverage under the plan if the program includes a program designed to prevent or reduce tobacco use, except that no more than 20 percent of the reward may be attributable to the tobacco use program. However, if, in addition to employees or members, any class of dependents--such as spouses or spouses and dependent children--may participate in the activity-only wellness program, the reward must not exceed 30 percent of the cost of the coverage in which an employee or member, and any dependents, are enrolled; or 50 percent of the cost of the coverage in which an employee or member, and any dependents, are enrolled, to the extent that the additional 20 percent is in connection with a program designed to prevent or reduce tobacco use.</p> <p>(A) For purposes of this section, the cost of coverage is determined based on the total amount of employer and employee contributions toward the cost of coverage, or member contributions toward the cost of coverage, for the benefit package under which the employee or member is, or the employee or member and any dependents are, receiving coverage.</p> <p>(B) A reward can be in the form of a discount or rebate of a premium or contribution; a waiver of all or part of a cost-sharing mechanism such as deductibles, copayments, or coinsurance; the absence of a surcharge; or the value of a benefit that would otherwise not be provided under the plan.</p>

State	Law	Excerpt from the Law Relevant to Incentives for Health Behaviors or Outcomes
Texas continued		<p><i>[continued 28 TAC § 21.4707]</i></p> <p>(2) Reasonable design. The activity-only wellness program must meet the criteria set out in § 21.4705 of this title. This determination is based on all the relevant facts and circumstances.</p> <p>(3) Frequency of opportunity to qualify. The activity-only wellness program must give individuals eligible for the program the opportunity to qualify for the reward under the program at least once per year.</p> <p>(4) Uniform availability and reasonable alternative standards. The full reward under the activity-only wellness program must be available to all similarly situated individuals.</p> <p>(A) A reward under this section is available to all similarly situated individuals for a period so long as the program allows, at a minimum: (i) a reasonable alternative standard, or waiver of the otherwise applicable standard, for obtaining the reward for any individual for whom, for that period, it is unreasonably difficult due to a medical condition or other health status-related factor to satisfy the otherwise applicable standard; and (ii) a reasonable alternative standard, or waiver of the otherwise applicable standard, for obtaining the reward for any individual for whom, for that period, it is medically inadvisable to attempt to satisfy the otherwise applicable standard.</p> <p>(B) To the extent that a reasonable alternative standard under an activity-only wellness program is an activity-only wellness program, it must comply with the requirements of this subtitle in the same manner as if it were an initial program standard. To the extent that a reasonable alternative standard under an activity-only wellness program is an outcome-based wellness program, it must comply with the requirements of § 21.4708 of this title.</p> <p>(C) If reasonable under the circumstances, a plan or issuer may seek verification, such as a statement from an individual's personal physician, that the medical condition or other health status-related factor makes it unreasonably difficult for the individual to satisfy or attempt to satisfy the otherwise applicable standard of an activity-only wellness program. Plans and issuers may seek verification with respect to requests for a reasonable alternative standard for which it is reasonable to determine that medical judgment is required to evaluate the validity of the request.</p> <p>(5) Notice of availability of reasonable alternative standard. The health benefit plan or policy, or health benefit plan or policy issuer, must disclose, in all plan materials describing the terms of an activity-only wellness program, the availability of a reasonable alternative standard to qualify for the reward (and, if applicable, the possibility of waiver of the otherwise applicable standard required under paragraph (4) of this subsection), including contact information for obtaining a reasonable alternative standard and a statement that recommendations from an individual's personal physician will be accommodated. If plan materials merely mention that an alternative program is available, without describing its terms, this disclosure is not required."</p>

State	Law	Excerpt from the Law Relevant to Incentives for Health Behaviors or Outcomes
Texas continued	28 TAC § 21.4706	<p><u>Context: Health, Life, or Disability Insurance</u></p> <p>“(a) A wellness program that contains no condition for obtaining a reward premised on an individual satisfying a standard associated with a health factor does not violate this subchapter so long as the status-related program is made available to all individuals eligible for coverage under the plan.</p> <p>(b) Wellness programs meeting the description of this section would include the following program types:</p> <p>(1) a program that reimburses all or part of the cost for membership in a fitness center;</p> <p>(2) a diagnostic testing program that provides a reward for participation and does not base any part of the reward on testing outcomes;</p> <p>(3) a program that encourages preventive care through the waiver of the copayment or deductible requirement under a group health plan or individual policy for the costs of a particular preventive care item or items;</p> <p>(4) a program that reimburses covered individuals for the costs of smoking cessation programs without regard to whether the individual quits smoking; or</p> <p>(5) a program that provides a reward to covered individuals for attending a monthly health education seminar.”</p>
	Tex. Gov’t Code § 664.061	<p><u>Context: Employment Regulations (not specific to insurance)</u></p> <p>“(a) A state agency may:</p> <p>(1) allow each employee 30 minutes during normal working hours for exercise three times each week;</p> <p>(2) allow all employees to attend on-site wellness seminars when offered;</p> <p>(3) provide eight hours of additional leave time each year to an employee who:</p> <p>(A) receives a physical examination; and</p> <p>(B) completes either an online health risk assessment tool provided by the department or a similar health risk assessment conducted in person by a worksite wellness coordinator;</p> <p>(4) provide financial incentives, notwithstanding Section 2113.201, for participation in a wellness program developed under Section 664.053(e) after the agency establishes a written policy with objective criteria for providing the incentives;”</p>
Utah	Utah Code Ann. § 31A-2-218	<p><u>Context: Health, Life, or Disability Insurance</u></p> <p>“The commissioner and the department shall:</p> <p>(2) encourage health insurers to develop products that:</p> <p>(c) incorporate rewards and incentives for healthy lifestyles and behaviors as permitted by the Health Insurance Portability and Accountability Act;”</p>

State	Law	Excerpt from the Law Relevant to Incentives for Health Behaviors or Outcomes
Vermont	CVR 21-040-018	<p><u>Context: Health, Life, or Disability Insurance</u></p> <p>“Section 9. Wellness Programs. A Catamount Health carrier may use financial or other incentives to encourage healthy lifestyles and patient self-management, in accordance with programs of health promotion and disease prevention established under rules adopted by the Commissioner pursuant to 8 V.S.A. §§ 4080a(h)(2)(B) and 4080b(h)(2)(B).”</p>
	2008 VT Regulation Text 1181	<p><u>Context: Health, Life, or Disability Insurance</u></p> <p>“HEALTHY CHOICES DISCOUNTS</p> <p>Except as expressly allowed by this Rule, all nongroup and small group health insurance plans shall be community rated consistent with applicable law, including Department rules and bulletins.</p> <p>Consistent with this Rule, registered small group and nongroup carriers may deviate from the community rate by establishing rewards, premium discounts, rebates or otherwise waiving or modifying applicable co-payments, deductibles, or other cost-sharing amounts in return for adherence by an insured to specified programs of health promotion and disease prevention.</p> <p>Programs for health promotion and disease prevention which are the basis for deviation from a carrier's community rate shall be subject to review and approval by the Commissioner.</p> <p>Programs for health promotion and disease prevention shall be administered consistent with Section 5 of this Rule.</p> <p>Any discount or other reward subject to this Rule shall be offered to all similarly situated individuals.</p> <p>Consistent with other applicable state and federal laws, a discount or other reward shall not be premised on an individual achieving a specified health status, but it may be premised on specific program participation obligations.</p> <p>Nongroup carrier deviations from the community rate as allowed by Section 3(b) above shall limit any reward, discount, rebate or waiver or modification of cost sharing to no more than a total of 15 percent of the cost of the premium for the specific benefit package. In no event shall a nongroup carrier deviate from its community rates by more than 30 percent, including all allowable rating factors. For the purpose of calculating appropriate percentages, deviations based on differences in rewards, deductibles, co-insurance, or other cost-sharing shall be measured by the actuarial value of such differences.</p> <p>Small group carrier deviations from the community rate as allowed by Section 3(b) above shall limit any reward, discount, rebate or waiver or modification of cost sharing to no more than a total of 15 percent of the cost of the premium for the specific benefit package. In no event shall a carrier deviate from its community rates by more than 20 percent, including all allowable deviations rating factors. For the purpose of calculating appropriate percentages, deviations based on differences in rewards, deductibles, co-insurance, or other cost-sharing shall be measured by the actuarial value of such differences.</p> <p>A small group carrier shall not combine in the same health plan the healthy choices discounts under this Section 3 with a split benefit plan design as provided for under Section 4 below.”</p>

State	Law	Excerpt from the Law Relevant to Incentives for Health Behaviors or Outcomes
Virginia	Va. Code Ann. § 38.2-3454	<p><u>Context: Health, Life, or Disability Insurance</u></p> <p>“A. A health carrier offering a health benefit plan providing group health insurance coverage may provide for a wellness program if such program is made available to all similarly situated individuals. A wellness program may include:</p> <ol style="list-style-type: none"> 1. A program that reimburses all or part of the cost for membership to a fitness center; 2. A diagnostic testing program that provides a reward for participation and does not base any part of the reward on outcomes; 3. A program that encourages preventive care related to a health condition through the waiver of the copayment or deductible requirement under a group health plan for the cost of certain items or services related to a health condition, such as prenatal care or well-baby visits; 4. A program that reimburses individuals for the cost of smoking cessation programs without regard to whether the individual quits smoking; or 5. A program that provides a reward to individuals for attending a periodic health education seminar. <p>B. Notwithstanding any provision of § 38.2-3449, 38.2-3540.2, or any other section of this title to the contrary, a health carrier offering a health benefit plan providing group health insurance coverage shall not create conditions for obtaining a premium discount or rebate or other reward for participation in a wellness program that is based on an individual satisfying a standard related to a health status factor, except in instances where the following requirements are satisfied:</p> <ol style="list-style-type: none"> 1. The reward for the wellness program, together with the reward for other wellness programs with respect to the plan that requires satisfaction of a standard related to a health status factor, does not exceed 30 percent of the cost of employee-only coverage. If, in addition to employees or individuals, any class of dependents may participate fully in the wellness program, such reward shall not exceed 30 percent of the cost of the coverage in which any employee or individual and any dependents are enrolled; 2. The wellness program is reasonably designed to promote health or prevent disease; 3. The health carrier gives individuals eligible for the program the opportunity to qualify for the reward under the program at least once each year; 4. The full reward under the wellness program is made available to all similarly situated individuals. The reward is not available to all similarly situated individuals for a period unless the wellness program allows for a reasonable alternative standard or waiver of the otherwise applicable standard for obtaining the reward for any individual for whom, for that period, (i) it is unreasonably difficult due to a medical condition to satisfy the otherwise applicable standard or (ii) it is medically inadvisable to attempt to satisfy the otherwise applicable standard. The health carrier may seek verification, such as a statement from an individual’s

State	Law	Excerpt from the Law Relevant to Incentives for Health Behaviors or Outcomes
Virginia continued		<p><i>[continued Va. Code Ann. § 38.2-3454]</i> physician, that a health status factor makes it unreasonably difficult or medically inadvisable for the individual to satisfy or attempt to satisfy the otherwise applicable standard; and 5. The health carrier discloses, in all health benefit plan materials describing the terms of the wellness program, the availability of a reasonable alternative standard or the possibility of waiver of the otherwise applicable standard required under subdivision 4. If plan materials disclose that such a program is available without describing its terms, the disclosure under this subdivision shall not be required.”</p>
Washington, D.C.	CDCR 26-D201	<p><u>Context: Employment Regulations (not specific to insurance)</u> “(5) Wellness Program Incentives (A) Nondiscriminatory wellness program incentives, within the meaning of 26 CFR § 54.9802-1(f), offered by an eligible employer-sponsored plan that affect premiums shall be treated as earned in determining an employee's required contribution for purposes of affordability of an eligible employer-sponsored plan to the extent the incentives relate exclusively to tobacco use. (B) Wellness program incentives that do not relate to tobacco use or that include a component unrelated to tobacco use shall be treated as not earned for this purpose. For the purposes of this section, the term wellness program incentive has the same meaning as the term reward in 26 CFR § 54.9802-1(f)(1)(i).”</p>
	CDCR 22-A3603	<p><u>Context: K-12 public education/ early intervention programs</u> “3603.1 Flexible Spending Child Choice Services (FLEXN Services) are non-Medicaid services and supports that are provided by a Child Choice Provider intended to augment, and thereby increase the therapeutic benefit of, clinical services provided to the consumers. These services and supports are resources and tools identified during therapeutic sessions to promote positive outcomes for the child or youth. These services may also be used with the child or youth and his or her family to support engagement and enhance coping skills. These resources may include but are not limited to: (a) Incentives and rewards to reinforce positive clinical outcomes achieved by children and youth in treatment; (b) Engagement efforts for encouraging children, youth, and their families to participate in treatment; (c) Social network supports such as a non-treatment parent/child activity that is deemed therapeutically appropriate and should lead to a positive outcome; and (d) Mental health modeling and training including purchasing items or services used to enhance self-esteem or to improve child safety.”</p>
Washington State	No relevant laws	-----

State	Law	Excerpt from the Law Relevant to Incentives for Health Behaviors or Outcomes
West Virginia	W. Va. Code _ 5-16-8	<p><i>Context: Employment Regulations (not specific to insurance)</i></p> <p>“The insurance plans provided for in this article shall be designed by the Public Employees Insurance Agency: (9) To provide “wellness” programs and activities which will include, but not be limited to, benefit plan incentives to discourage tobacco, alcohol and chemical abuse and an educational program to encourage proper diet and exercise. In establishing “wellness” programs, the division of vocational rehabilitation shall cooperate with the Public Employees Insurance Agency in establishing statewide wellness programs. The director of the Public Employees Insurance Agency shall contract with county boards of education for the use of facilities, equipment or any service related to that purpose. Boards of education may charge only the cost of janitorial service and increased utilities for the use of the gymnasium and related equipment. The cost of the exercise program shall be paid by county boards of education, the Public Employees Insurance Agency, or participating employees, their spouses or dependents. All exercise programs shall be made available to all employees, their spouses or dependents and shall not be limited to employees of county boards of education;”</p>
Wisconsin	No relevant laws	-----
Wyoming	No relevant laws	-----