

# QUICK GUIDE TO INCENTIVE RULES

## SUMMARY OF THE HIPAA/ACA NONDISCRIMINATION RULES REGARDING FINANCIAL INCENTIVES\*



\*Financial incentives can also be financial penalties, e.g., paying a higher monthly premium, monthly surcharge – but cannot exceed the limits specified in Test #2 (Size of Reward)

\*\*An activity related to a health factor can be participation in program e.g., walking, nutrition, smoking cessation, etc. but must be reasonably designed

\*\*\*Health factor refers to a specific health outcome, e.g., BMI <30, Cholesterol < 200 mg/dl

+Activity-only and outcome-based programs must meet the requirements specified in the five test, which are basically the same except for the requirements in Test #4 (reasonable alternative) which are different.