

Demystifying CMS rewards and incentives rules for MA

Getting enrollees to close gaps in care, complete screenings or participate in preventive programs often requires more than education – it requires motivation. That’s where rewards and incentives (R&I) programs come in.

CMS allows Medicare Advantage (MA) organizations to offer rewards, but they come with strict guardrails. Understand what’s allowed and what isn’t to design programs that drive outcomes while staying compliant.

Explore the most common FAQs Healthmine receives, and reach out to us if you need help navigating a compliant, effective rewards program.

Let's talk



FAQ

Q What counts as an R&I program?

A At its core, an R&I program is when an MA plan offers a tangible reward to an enrollee for completing a health-related target activity and must be available uniformly to all qualifying members. Target activities must directly involve the enrollees, such as completing a screening or enrolling in a diabetes management class. Activities must promote improved health, prevent illness or injury, or encourage efficient use of healthcare resources.

Q What types of activities or rewards are not allowed in an R&I program?

A Activities tied to Part D benefits are not permitted. Additionally, rewards cannot be based on achieving a specific health outcome, such as lowering A1c to a target. Rewards must be tied to completing the activity, not the outcome. Plans must provide accommodations so that members who are unable to complete the activity as originally defined still have a fair opportunity to participate.

Q What are the rules related to the actual rewards issued?

A Rewards are tangible benefits. All members who complete the activity must get the same reward and they must be delivered in the contract year when the activity is completed. Rewards **cannot** be:

- Cash or cash equivalents (including general purpose debit cards)
 - Greater in value than the activity itself
 - Based on chance (no sweepstakes or raffles)
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Q Can health plans decide who they promote the rewards and incentives to?

A All qualifying members (not all enrollees) must be notified of the reward and have equitable opportunity to sign up and access the rewards. However, you can conduct targeted outreach to segments of the population encouraging completion of an activity for a reward (e.g., members with an open HEDIS gap for breast cancer screening) in addition to communicating with **all** qualifying members.

Q What is the CMS definition of a “Qualifying Individual”?

A A qualifying individual for a plan-covered health benefit means any plan enrollee who would qualify for coverage of the benefit. In the context of a non-plan-covered health benefit, qualifying individual means any plan enrollee.

Real world examples

Covered benefit rewards strategy: Breast cancer screening

Must offer reward to all members for whom a mammogram is a covered benefit during the year

- Requires rewards to be available to all enrollees for whom a mammogram is covered as a plan benefit, regardless of HEDIS measure status, age, sex, health status, etc.
- Enrollees who qualify for this benefit can include:
 - Men for whom mammograms are medically necessary
 - Members whose past medical history requires annual mammography
 - Female members under 40 and over 74 for whom mammogram is covered
 - Female members with advanced illness or those receiving palliative care for whom mammogram is covered
 - Members who do not meet the measure’s continuous enrollment criteria
- Still allows outreach, messaging and interventions encouraging persons 40-74 years of age to have a mammogram to screen for breast cancer



Non-covered benefit rewards strategy: Fitness tracker connectivity

Must offer reward to all members enrolled in the plan

- Requires rewards to be available and adequately communicated to all enrollees because it is not dependent on a covered benefit
- Outreach, messaging and interventions can vary by member as long as all members have been notified of the program first. For example:
 - Promote more frequently to members that will benefit from exercise incentives, such as those with pre-diabetes and heart disease
 - Promote less frequently to members who have few health risks or indicate they are likely to connect devices without much intervention, such as those who close health care gaps proactively



Healthmine coordinates this outreach on behalf of the plan in our rewards programs. Rewards are tied to health actions, so when members are notified to complete an action, they’re also notified of the associated incentive.

Q What is the significance of the “Qualifying Individual” definition?

A CMS no longer permits Medicare Advantage organizations to restrict rewards programs solely to members with open HEDIS gaps. Plans may not use denominator or numerator status as the basis for incentive eligibility. Instead, rewards must be tied to the health activity itself and offered uniformly to all enrollees who qualify for the benefit.

Q What types of rewards are allowed in an R&I program?

A Points or tokens that members can redeem for approved tangible items or merchandise. Additionally, gift cards can be offered as long as they are limited to specific retailers, retail chains or categories (such as healthy groceries, fitness equipment or wellness products). Healthmine can administer both points programs and direct incentives (gift cards), depending on the health plan’s preferred program structure. Gift cards available are relevant to the area where members live, ensuring they are high motivators for action.

Q Can Walmart gift cards be used with Medicare Advantage plans?

A Yes, Walmart gift cards are permitted with restrictions to prohibit the purchase of prescription drugs, alcohol, tobacco, firearms, liquor, and lotto. Healthmine’s reward program allows members to select SKU-restricted Walmart gift cards.

Q Can generic debit cards or reloadable gift cards be used with MA plans if they contain restrictions on what can be purchased?

A Unrestricted debit cards and reloadable gift cards are not allowed in MA. If purchase is restricted to specific retailers or categories (e.g., grocers), debit cards and reloadable gift cards may be permissible and should allow your program to remain compliant.

Healthmine rewards generate **93% improvement in gap closure** across the most important quality measures. Get started with a CMS-compliant and effective rewards program **with Healthmine.**

Let’s talk 