

How Is the Minimum Credit Computed? Spouse Tobacco/Nicotine Affidavit Sample



The table below shows how the Minimum Credit is calculated. This calculation is performed annually using plan premiums in effect at the time plan deductibles reset. The chart below assumes that spouses complete the Tobacco/Nicotine Affidavit.

Calculate BeniComp Advantage Rewards								
Determining Maximum Outcome-Based Rewards								
To Determine Max Outcome Rewards:		TIER 1: Single			TIER 2: Family			
Medical Premium/mo		\$479			\$1,215			
+ BCA Premium/mo		\$59			\$138			
= Total Monthly Premium		\$538			\$1,353			
+ Annual Screening/Other Cost		\$82			\$82			
= Annualized Total Premium		\$6,538			\$16,318			
x 20% of Premium: (determines maximum outcome based rewards)		\$1,308			\$3,264			
BeniComp Plan Design:		Employee			Family			
Total BCA Reward Available:		\$2,000			\$4,000			
Less 20% of Premium		\$1,308			\$3,264			
= Minimum Reward Required*: (Total reward minus 20% of premium/maximum reward)		\$692			\$736			
HIPAA regulates that outcome-based rewards cannot exceed 20% of total premium. Employees who fail to earn sufficient credit amounts based on their health screening will receive the minimum reward.	# Credits Earned	Amount of One (1) Single Credit = \$500 BCA \$ Earned	Earn Additional Through Participation in Program:	Total Rewards Earned	# Credits Earned*	Amount of One (1) Family Credit = \$1,000 BCA \$ Earned	Earn Additional Through Participation in Program:	Total Rewards Earned
	4	\$2,000	\$0	\$2,000	4	\$4,000	\$0	\$4,000
	3	\$1,500	\$0	\$1,500	3	\$3,000	\$0	\$3,000
	2	\$1,000	\$0	\$1,000	2	\$2,000	\$0	\$2,000
	1	\$500	\$192	\$692	1	\$1,000	\$0	\$1,000
	0	\$0	\$692	\$692	0	\$0	\$736	\$736

*Assumes Non-Tobacco/Nicotine use for spouse.
Family Tobacco/Nicotine reward graded as follows:
\$500 Employee Screen
\$500 Spouse Affidavit

ABC Sample Co., Inc.

1/1/08 - 12/31/08

Explanation: In this case the BeniComp program was offered with a way to earn up to \$2,000 if single coverage and \$4,000 if family coverage. The total cost of single coverage shown is \$6,538. 20% of that amount is \$1,308. As a result, only \$1,308 will be contingent upon the satisfaction of health standards. The balance of \$692 will therefore be communicated to employees as the minimum reward. The "minimum reward" should not be confused with rewards offered to employees who appeal because a goal is medically inadvisable or unreasonably difficult due to a health factor. In these situations employees are given alternative ways to earn the full reward.