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BCBSND Health Club Credit Update

As we approach the holiday season and anticipate changes for 2018, we would like to let you know about one that may affect how some of your Blue Cross Blue Shield of North Dakota (BCBSND) members receive health club credits.

We recently worked with an outside firm to examine how a newer IRS tax memo would affect our own employees' paycheck withholdings. During this work, the firm determined that reimbursements earned through the Health Club Credit Program are now considered taxable wages*.

How the new wellness taxation affects your members

BCBSND plans to provide reporting to participating employer groups on rewards earned by their members through Health Club Credit by mid-December 2017. In order for us to comply with these reporting requirements, we have made the following changes to the Health Club Credit Program process:

- October activity, which is paid out at the end of November, will now be the last month in which members will receive Health Club Credit in 2017.
- Payment to members for credit earned during the activity months of November and December 2017 will both be paid in January 2018, provided that their employer group has completed an agreement with BCBSND to maintain the Health Club Credit program in 2018.
 - If a member questions whether or not their group has continued with the program, please refer them to contact their employer or call BCBSND using the number on the back of their insurance ID card.
 - These members would also receive the following error code beginning in January 2018:
300 - BCBSND Group does not have the HCC or Group is not eligible for the HCC program.
- BCBSND will no longer be able to offer an unlimited look-back period for activity submission. Credits will only be applied to activity that has occurred within the current calendar year, and November and December of the previous calendar year.
 - The following error code will now be applied to activity submitted outside of this timeline: 900 - HCC payout timeframe for submitted activity Month and Year has expired.

As always, beginning January 1, 2018, members will also be required to complete the Annual Authorization for Release of Information - Wellness Programs and the Personal Health Assessment on HealthyBlue (if applicable) prior to receiving their Health Club Credit. However, due to the new process requirements identified above, it is even more important that they complete these steps as soon as possible to avoid missing out on credits earned.

We appreciate your partnership in offering the BCBSND Health Club Credit program to our collective members and please do not hesitate to have your members contact BCBSND with any questions.

*An Internal Revenue Service (IRS) publicly released memo clarifies that cash or cash equivalents provided for participation in a wellness program are taxable wages subject to employment taxes and withholding. Cash equivalents include gift cards and merchandise.



These programs are part of a comprehensive health and wellness platform, BlueElements, which focuses on six dimensions of well-being—physical, social, emotional, financial, professional and environmental.

Blue Cross Blue Shield of North Dakota is an independent licensee of the Blue Cross & Blue Shield Association
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