

# FAQ'S

The Attentive Health & Wellness program is an ERISA qualified Self-Insured Medical Expense Reimbursement Program (SIMERP™) that emphasizes a Participatory wellness program. The Plan is voluntary and is a health-plan related program. The wellness program offers a personalized health dashboard with access to numerous preventative and medical benefits that improves the life and health of employees.

Participation in the SIMERP™ wellness program requires the employee to have an employer-sponsored medical plan. By pre-taxing these plans under a Section "125" Cafeteria Plan, a tax savings for each participating employer and employee is created. The SIMERP™ allows for premium reimbursement for the wellness medical expenses that qualify under a 213(d).

The following FAQ's will provide answers how the Attentive Health & Wellness SIMERP™ Wellness Program works:

## [What happens if there are legislative changes or future determinations by ruling agencies?](#)

Although there are constant changes in legislation, we do not foresee changes to the Self-Insured Medical Expense Reimbursement Plan with a wellness focus in the near future. Attentive Health & Wellness' ERISA attorney and other attorneys are constantly monitoring this and will notify everyone promptly if changes occur.

## [What happens if I fail to meet the participation requirements?](#)

Failure to meet the required participation criteria will result in being dropped off the program during the yearly open enrollment along with the potential of losing all benefits received as a result of participation. Attentive Health & Wellness will make several attempts to reach participant through texts, emails, voice mails, and call, but if we are unsuccessful, participant will be dropped off the program and either lose the benefits or will have to pay for benefits directly out of pay check post-tax. Participants will be responsible for any tax responsibilities caused by lack of compliance.

## [Do I have participation requirements under the program?](#)

Yes. After enrolling in the program, participant must access their Personal Health Dashboard, view the new enrollment video and complete a Health Risk Assessment (HRA) in order to receive the maximum benefits of the program. Thereafter, participant must meet the yearly requirements for participation or face termination from the program during yearly open enrollment.

## [Does this program affect my Social Security?](#)

The effect would probably be minimal if participant is approaching retirement age as Social Security is calculated on a 35 year average. One of the benefits we make available to employees is a Guaranteed Issue cash value life policy that usually accrues cash value at a higher rate than Social Security. (If participant has specific questions on this effect, please consult a CPA)

## [Can a gym membership be purchased with the Wellness Reserve?](#)

No. A gym membership is a taxable benefit under the rules of this program.

### **What happens if I miss a day's pay? Will I have to pay for the benefits out of my take home pay?**

Attentive Health & Wellness calculates the Wellness Reserve at 95% of participant's annual income. Therefore, if the employee should miss a couple of days during the year, there should be enough in the reserve to pay the premium amounts without affecting take home pay.

### **Can benefits be obtained on my spouse and dependents?**

Yes. All benefits can be modified to cover spouse and/or dependents.

### **Who decides where the tax savings must be spent?**

By participating in the plan, the employer decides the details regarding the Self-Insured Medical Expense Reimbursement Plan including, what is reimbursed, how often reimbursement is made, and who is eligible to participate.

### **Can I cancel this program at any time?**

No. Because the participant is pre-taxing the wellness program under a Section "125" Cafeteria program, the IRS has certain rules that must be followed such as; participant cannot make any changes to the program until "Open Enrollment" each year unless there is a qualifying event. An IRS approved qualifying event allows the participant to make changes during the plan year that are consistent with the event. The Attentive Health & Wellness adviser will explain this upon enrollment.

### **What effect will this have on my take-home pay?**

The participant will see additional line item deductions on his/her paycheck. To accurately see the effect on take-home pay, compare two identical paychecks (i.e. hours worked, same pay rate, etc.) and the participant will see either a very slight increase in pay or no difference in take home pay.

### **Are my year-end taxes affected?**

Participant's year-end taxable income is lowered by the wellness contribution. For specific questions, please contact your tax adviser.

### **Is this a legal program?**

Yes. This is a tax qualified Self-Insured Medical Expense Reimbursement Plan with a wellness focus that uses tax advantage provisions under the Internal Revenue Service codes "Section 125 Cafeteria Plan and codes 105, 106, and 213(d)" and ACA wellness rules.

### **Why is the Attentive Health & Wellness Plan a Superior Wellness Model?**

Attentive Health & Wellness is the designer and administer of the program. THE ATTENTIVE HEALTH & WELLNESS PROGRAM (AHW) is based upon research into existing IRS codes and regulations. The plan is a robust wellness program that has been validated by the GE/Intel Validation Institute to be 80% – 90% reliable in pre-disease predictive analytics. As health costs are rising and outcomes are poor (sicker populations), those managing the claims and workforce populations are seeking solutions.

The value to the employer is the ROI that comes from a Section 125 Cafeteria Plan that results in an average FICA savings of 550.00 dollars per annum per wellness participant. There is a 1-2% reduction in total expenditures from a decrease in claims from employees using the wellness benefits. This translates into 1,400 dollars per participant over a three-year period derived from mitigating population health risk management. Results drive reduced claims—68% of callers to our doctors, RNs, and health coaches result in a reduced level of services saving time and money; alternative care includes self-care options 29% of the time avoiding all costs; 72 percent of likely ER visits were mitigated by more appropriate care. A healthier population with less sick days, reduced benefits costs and more flexibility to be creative with savings (contributions to 401k) all add value to attracting and retaining employees.

The value of the Attentive wellness program to the employee is a superior wellness program that offers medical care along with the ability to buy valuable supplemental benefits without lowering their take home pay. A wellness reserve is created by pre-taxing the wellness plan according to IRS regulations. The result is a tax savings called a wellness reserve. The reserve averages 150 dollars per month or 1,800 dollars per annum to purchase ancillary products such as whole life with a cash value, GAP insurance, critical illness, accident, short term disability, hospital, cancer, GAP covering high deductibles, or other value-added benefits after tax. The preventative reimbursement is according to IRS guidelines for medical care reimbursement. The participation is incentivized by the allowable reimbursement and supplemental benefits available from compliant participation.

Strong incentives motivate individuals to be accountable for their health. Statistical reduction in claims, reduced health risk management costs, and healthier outcomes result in healthier and happier employees. Incentivized benefits without the need to reduce take-home pay attract quality employees and less turnover. Employer saves on FICA taxes, has reduced claims, and provides increasing benefits.