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**Correspondence Memorandum**

**Date:** June 25, 2024

**To:** Group Insurance Board (Board)

**From:** Amanda Williams, Internal Auditor  
 Office of Internal Audit (OIA)

**Subject:** OIA Review of Group Health Insurance Program (GHIP) Performance Standards Design

**This memo is for informational purposes only. No Board action is required.**

The Quarterly Performance Standards Reports provide the Department of Employee Trust Funds (ETF) with metrics on how the GHIP health plans are performing based on specific performance standards that are detailed in the Program Agreement. These metrics include performance measures on claims processing, customer service, and enrollment processing. The GHIP health plans first started reporting on these performance measures in 2018. The Health Program Manager of the Office of Strategic Health Policy (OSHP) reviews and compiles the metrics into one report, which is then reported to the Board in a summary report.

**OIA Review and Results**

At the request of OSHP management, OIA conducted a review of the GHIP performance standards to determine whether the current performance standards for the GHIP health plans are the most appropriate for ETF to monitor and whether there are other performance standards ETF should consider for monitoring the GHIP health plans.

We conducted this review by gaining an understanding of the GHIP Health Care Triple Aim (Triple Aim) goals, the industry standard quality measures, and the performance being measured by other states and ETF programs. To determine what other state and local governments require of their health plans, we reached out to several other state and local health plans to compare the GHIP performance standards with the standards required by these health plans. We received responses from California Public Employees Retirement System (CalPERS), Texas Teacher Retirement System (Texas TRS), State of Minnesota, State of Arizona, State of Tennessee, and other state and local governments. We also reviewed the National Committee for Quality Assurance

Board	Mtg Date	Item #
GIB	08.14.24	13M

(NCQA) Healthcare Effectiveness Data and Information Set (HEDIS) and Consumer Assessment of Healthcare Providers and Systems (CAHPS) measures to determine if any of these measures would be beneficial for tracking for the GHIP performance standards. In addition, we reviewed the performance standards or guarantees required of other programs administered by ETF to determine if any of these metrics could be applicable to the GHIP performance standards.

We found that the performance standards currently required for the GHIP health plans are comparable to the performance standards required by other state and local health plans and ETF's other programs. However, we noted other state health plans include the HEDIS and CAHPS measures in their performance standards. ETF includes these measures as part of the Quality Credit Program for the GHIP health plans in the rate setting process and helps to ensure the GHIP health plans are aligned with the Triple Aim initiative. As part of the Quality Credit Program assessment in 2023 ([Ref. GIB | 08.16.23 | 4B](#)), OSHP noted that the use of these measures is limited due to the measures reported to NCQA including the health plans' entire book of business. While ETF can access these measures through ETF's data warehouse, Data Analytics and Insights (DAISI), not all GHIP health plans have enough data to have meaningful analysis, and some measures are not currently captured in the DAISI data.

Although the GHIP performance standards are comparable to other state and local health plans and ETF's other programs, one difference we noted was that the "Claims Processing Accuracy" was broken down by "Claims Processing Accuracy – Procedure" and "Claims Processing Accuracy – Financial" for some of the other state health plans and one of ETF's other programs. Based on our recent review of the reporting of the GHIP performance standards, the GHIP health plans currently contracted with ETF assess the "Claims Processing Accuracy – Procedure" and "Claims Processing Accuracy – Financial" separately but combine the two assessment results to determine overall claims processing accuracy that is reported to ETF.

Based on our review, we have identified two considerations for the design of the GHIP performance standards:

1. HEDIS/CAHPS Measures: Although these measures are already being considered as part of the Quality Credit Program, OIA suggests selecting a few of these standards that can be reasonably measured to also include in the GHIP performance standards that focus on the Triple Aim initiative. By including some of these measures in the performance standards, ETF would be able to set an expectation for the service standards the GHIP health plans should be offering to the GHIP members. Some of these measures could include patient satisfaction, appointment wait times, or preventative care metrics.
2. Claims Processing Accuracy: To provide greater clarity to the claims processing measure and to be consistent with the other state health plan systems reviewed and other ETF program performance standards, OIA suggests the GHIP health plans report "Claims Processing Accuracy - Procedure" and "Claims Processing

Accuracy - Financial” separately rather than in a combined “Claims Processing Accuracy” measure.

These suggestions can be considered by OSHP to enhance the performance measures currently required for the GHIP health plans.

In addition, we noted in two other programs administered by ETF that a late fee was assessed if the performance standards reports were not submitted by the due date. The 2024 GHIP Agreement does not include a late fee. While timely submission of reports is not necessarily a performance measure and timely submission of these reports has not been an issue in the past, OSHP could consider adding a penalty for the late submission of performance standards reports to enhance compliance.

Staff will be at the Board meeting to answer any questions.

Attachment A: [OSHP Response to OIA Review](#)