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# *Correspondence Memorandum*

**Date:** July 30, 2025

**To:** Group Insurance Board

**From:** Stephanie Trigsted, Health Care Data Quality and Integrations Analyst
Office of Strategic Health Policy

**Subject:** Quality Credit Review

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

The purpose of this informational memo is to provide a background and review of the quality credit program, to give a five-year overview of performance, and to outline the next steps as the future of the program is evaluated, as requested by the Group Insurance Board (Board) during the May 2025 meeting. In sum, our review demonstrated that the quality credit program as currently designed may inadvertently favor larger health plans based on their ability to track information and based on the populations they serve. In addition, it does not appear that health plans are using the quality credit as the Department of Employee Trust Funds (ETF) and the Board originally intended. As a result, ETF will be engaging with internal and external stakeholders with the goal of recommending ways to better achieve the quality credit's original intent.

## History of the Quality Credit Program

A detailed overview of the history of the quality credit program was last provided to the Board in 2023 (Ref. GIB | 08.16.23 | 4B), and an overview of the changes made over the past 10 years can be found in Figure 1 below. The quality credit program has been in place for more than 10 years to encourage health plans to focus on quality healthcare and engage in quality improvement. The original structure of the program was to 1) provide a report card to help members as they shopped for a quality plan and 2) assign a quality credit as part of the rate-setting process. Over time, the report card aspect of the quality credit program evolved from an internal subset of measures displayed on ETF's website ranking system and report card to linking directly to the National Committee for Quality Assurance's (NCQA) annual plan rankings, which offers a more comprehensive and standardized assessment of plan performance.

The quality credit program continues to be part of the annual rate setting process to incentivize health plans to focus attention on specific healthcare areas impacting

Reviewed and approved by Renee Walk, Director, Office of Strategic Health Policy
Electronically Signed 07/25/2025

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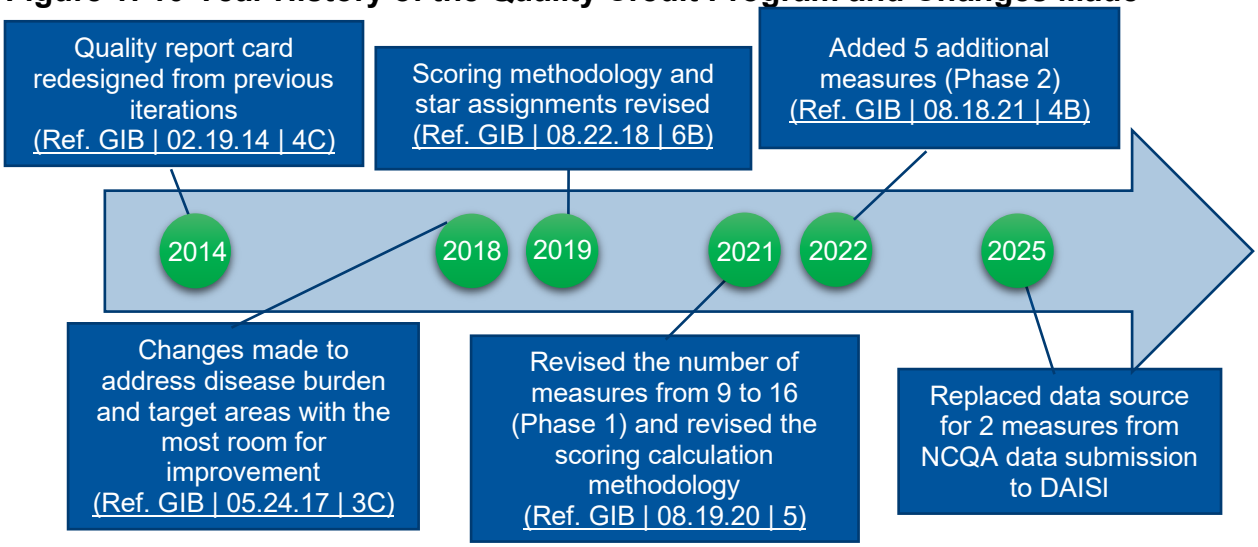
members of the Group Health Insurance Program (GHIP). The measures and areas of focus have evolved over the history of the quality credit program but have remained consistent since a revision of measures was announced in 2020 (Ref. GIB | 08.19.20 | 5). The measure set introduced during measurement years (MY) 2021 and 2022 expanded the number of measures from 9 to 21, based on an effort to address an internal analysis of quality trends, better align measures with Wisconsin's Medicaid quality program, and to match the needs of members of the GHIP. The current areas of focus include chronic illness care, medication management, care coordination, behavioral health, and immunizations. Small adjustments have been made to the measure set as NCQA updates or retires measures. Twenty measures from the NCQA's Healthcare Effectiveness Data and Information Set (HEDIS) and Consumer Assessment of Healthcare Providers and Systems (CAHPS) were included in the most recent quality credit scoring calculation used to determine the recipients of the quality credit (Ref. GIB | 05.21.25 | 13A).

Truven by Merative (Truven), the administrator of ETF's health care claims data warehouse and analytic tools (DAISI), has NCQA-certified HEDIS measures in the toolset available to ETF. In 2023, ETF moved to using DAISI as the data source for breast cancer screening rate (BCS) and cervical cancer screening rate (CCS) (Ref. GIB | 08.16.23 | 4B). The remaining measures are sourced from the annual HEDIS and CAHPS reports that all health plans submit to ETF. These submissions include rates that are for their entire commercial book of business, whereas the DAISI-derived BCS and CCS screening rates are specific to the GHIP population.

**Figure 1: 10-Year History of the Quality Credit Program and Changes Made**




Note that the year indicates the plan year of implementation of the change, not the year the change was communicated to the Board.

**Performance Since Measurement Year 2019**

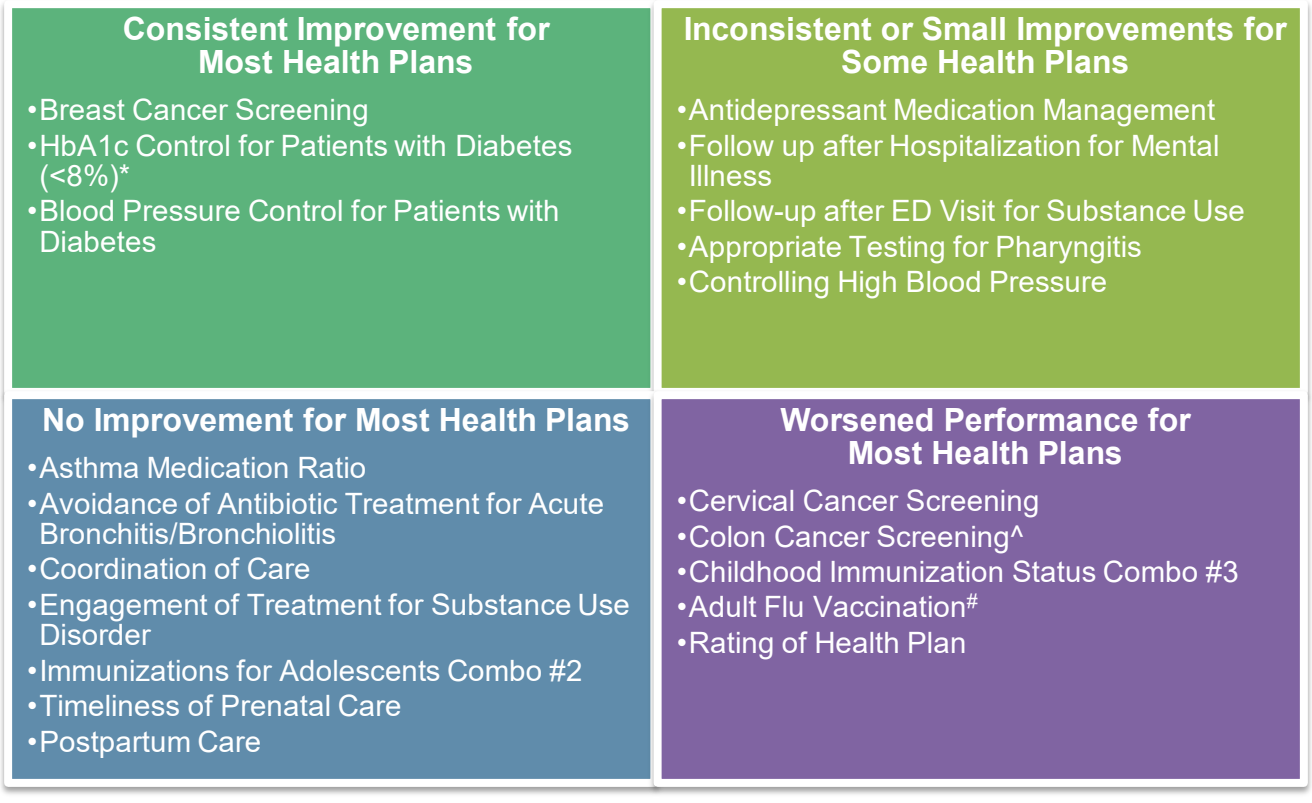
A detailed analysis of measure performance since measurement year 2019 was conducted for all measures currently included in the quality credit program. A summary

for performance is found in Figure 2. Total health plan performance, as well as individual health plan performance for each measure included in the current quality credit program scoring, can be found in Attachment A.

Overall, health plans perform well compared to national percentiles and benchmarks. Since measurement year 2020, only three measures have shown consistent improvement across all or most health plans: HbA1c Control for Patients with Diabetes (HbA1c <8%) (HBD), Blood Pressure Control for Patients with Diabetes (BPD), and Breast Cancer Screening (BCS). This consistent progress with BCS and HBD has resulted in nearly all health plans exceeding the national benchmark for the past two years, and all plans surpassing it for MY 2024, respectively.

However, when examining individual measures from the quality credit scoring, few have shown sustained improvement since 2019. Most measures have either shown small or inconsistent gains, no improvement across most plans, or even worsened performance. Measure performance by category from MY 2019 to MY 2024 is summarized in Figure 2.

**Figure 2: Summary of Change in Performance from MY 2019 to MY 2024**




* Name changed to Glycemic Status Assessment for Patients with Diabetes for MY 2024.
^ The recommended colorectal screening age was lowered from 50-75 years old to 45-75 years for MY 2022.

# Adult flu vaccination data source moved from the CAHPS survey to the HEDIS based AIS-E measure for MY 2023.

Given the complexity of member behavior and various external pressures, achieving 100% performance across these measures is not realistic. A potential rationale for the health plans' lack of improvement for several measures is that there might be limited opportunity for additional growth or improvement. In MY 2023 and MY 2024 all health plans except one exceeded the national benchmark set by NCQA for postpartum care and the average performance across all health plans in the GHIP has been above 91% since MY 2019 (Figure 3).

Health plans have also consistently performed very well on timeliness of prenatal care (Figure 4) since MY 2019. Though the overall rate is slightly lower than postpartum care, the health plan average has been between 91% and 95% since MY 2019 and all health plans except 2 exceed the national 75$^{th}$ percentile.

Finally, the average rate for health plans in the GHIP has exceeded the national benchmark each year since MY 2019 for appropriate testing for pharyngitis (Figure 5). All health plans also individually exceeded the national benchmark during MY 2024. These consistently high rates suggest that the current performance levels are appropriate, given real-world challenges, and that further improvement may require addressing factors beyond the health plans' direct control.

**Figure 3: Health Plan Performance for Postpartum Care**

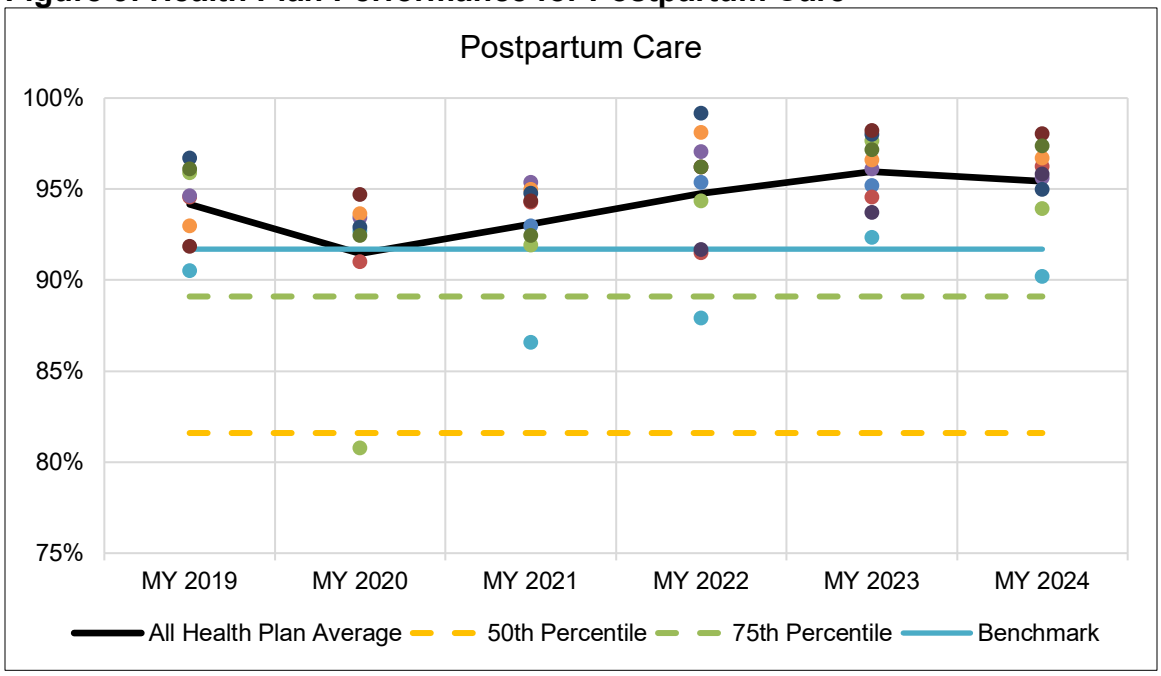



Figure 3 shows the percentage of deliveries postpartum visits 7-84 days after delivery. Each dot represents a health plan's performance. The all-health plan average is the unweighted average rate of all health plans eligible for the quality credit.

**Figure 4: Health Plan Performance for Timeliness of Prenatal Care**

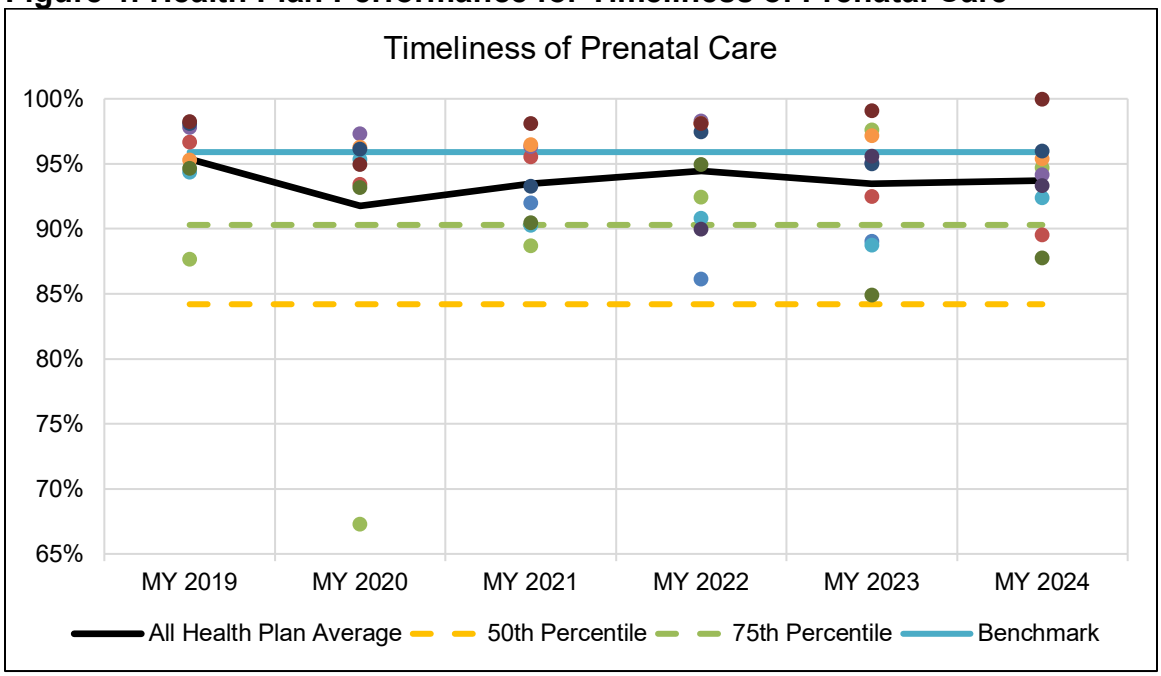



Figure 4 shows the percentage of deliveries in which women had a prenatal care visit in the first trimester. Each dot represents a health plan's performance. The all-health plan average is the unweighted average rate of all health plans eligible for the quality credit.

**Figure 5. Health Plan Performance for Appropriate Testing for Pharyngitis**

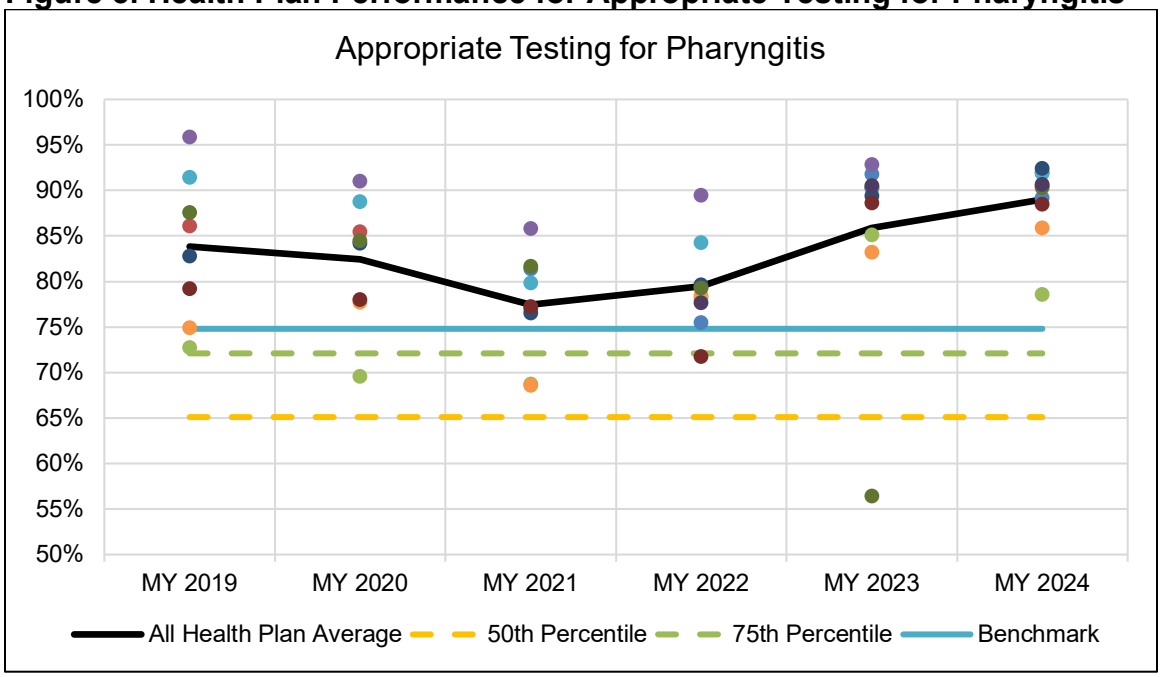
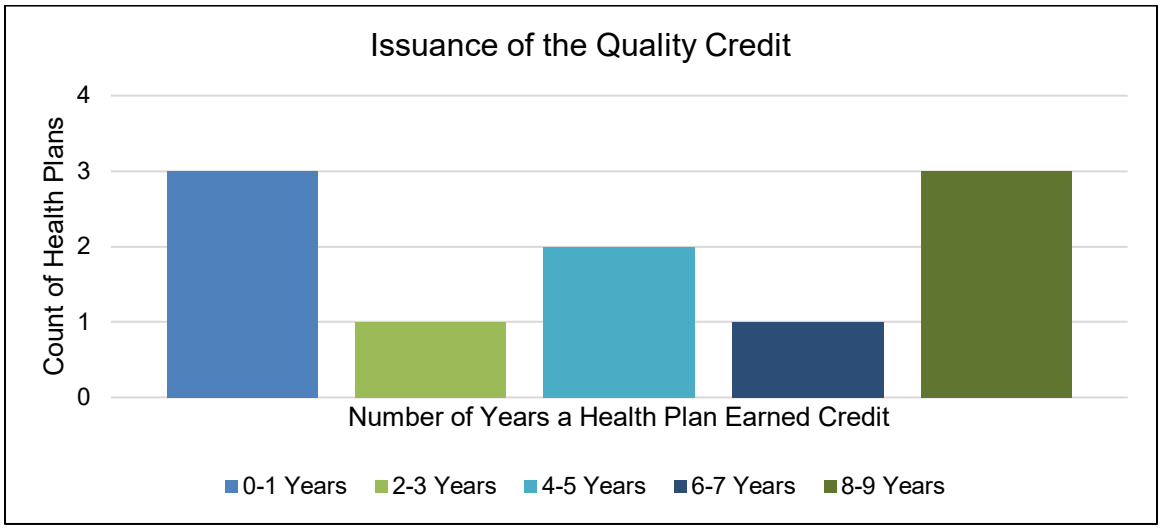


Figure 5 shows the percentage of episodes for members three years of age and older with a diagnosis of pharyngitis, who were dispensed an antibiotic and received a group A streptococcus test for the episode. Each dot represents a health plan's performance. The all-health plan average is the unweighted average rate of all health plans eligible for the quality credit.

**Chart 1. History of Issuance of the Quality Credit from Plan Year 2018 to Plan Year 2026**




The health plans that have consistently earned a credit are primarily the larger health plans. The larger health plans tend to have more members and likely greater access to infrastructure and support staff to track and report performance across a broad quality measure set, creating a built-in performance advantage. The larger health plans also typically cover areas of the state with greater access to convenient care options, whereas the smaller health plans tend to cover more rural parts of Wisconsin with less access to those care options. The goal of offering a credit is to encourage quality improvement across all participating health plans. It appears the current system may reward health plans who already have a performance advantage and potentially worsen a performance gap rather than closing one.

**How Plans Use the Credit Received**

In 2023, a survey was sent to all health plans to investigate how they utilize the quality credit if they have received one, or how they would use the credit if they have not yet received one. Plans could select more than one use of quality credit as part of the survey and could leave comments to elaborate on answers.

All plans reported that they use or would use the quality credit to improve medical loss ratio, contain costs, or lower premiums. Several plans also reported they use or would use the funds to support quality-related initiatives and/or to support quality-related staffing.

Only one plan mentioned specific quality-related efforts that are supported by the quality credit. This plan uses a portion of the quality credit to fund commercial value-based care arrangements and support innovative quality gap closure services, like home testing kits, to address social determinants of health needs. The data available indicates this effort might be showing positive results for members with this health plan. They saw an increase in colon cancer screening rate from MY 2023 to MY 2024 and reported the highest screening rate of all health plans eligible for the quality credit in MY 2023 and MY 2024, while all but one other health plans experienced a decrease in the colon cancer screening rate during the same time period.

**Alternatives to Current Quality Credit Approach**
ETF will be evaluating the quality program to determine whether the current quality credit structure continues to meet the program's goals and expectations. As part of this assessment, ETF is exploring whether an alternative approach may be more effective in driving meaningful performance improvement and accountability.

One option under consideration is shifting to a quality performance guarantee or pay-for-performance model. This type of structure would involve selecting a small number of priority measures, identified through a collaborative process with health plans and other stakeholders, and setting defined benchmarks to achieve over a multi-year period. Rather than awarding credits, plans that do not meet performance thresholds could be required to return a small portion of premium.

Other potential changes under review include refining the current credit methodology to better reward consistent, high-quality performance; limiting the number of measures to focus on the most impactful areas; and aligning more closely with national or federal programs to reduce reporting burden and support consistency.

**Next Steps**
ETF expects to engage with internal and external stakeholders in the coming months to assess these and other options, with the goal of recommending a future direction that balances simplicity, accountability, and the ability to drive measurable improvements in quality.

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

Attachment A: Quality Credit Review