



STATE OF WISCONSIN
Department of Employee Trust Funds
A. John Voelker
SECRETARY

Wisconsin Department
of Employee Trust Funds
PO Box 7931
Madison WI 53707-7931
1-877-533-5020 (toll free)
Fax 608-267-4549
etf.wi.gov

Correspondence Memorandum

Date: October 29, 2025

To: Group Insurance Board

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

Subject: Wellness Preliminary Return and Value on Investment

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

Background

In 2017, the Board moved to a single administrator of the wellness program to increase program impact and improve outcomes ([Ref. GIB | 02.09.16 | 5C](#)). StayWell administered the Well Wisconsin Program (Program) from 2017 to 2020. WebMD began administering the Program in 2020 based on its acquisition of Staywell ([Ref GIB | 11.16.22 | 12](#)). When WebMD acquired StayWell, a review of the Program, including performance, participation, and a return on investment (ROI), was performed ([Ref GIB | 08.18.21 | 6](#)). It is important to note that the ROI from 2021 did not use a rigorous matching or exclusion process and evaluated program years 2017 to 2019, when StayWell was the administrator of the Program. At the time, Segal recommended a more in-depth ROI where risk-adjusted populations could be compared, and healthcare utilization and clinical metrics could also be assessed to provide a clearer picture of the Program impact.

As a result of a subsequent RFP process, in 2023, the Board contracted with WebMD to administer the Program from January 1, 2024, through December 31, 2026, to continue to support Group Health Insurance Program (GHIP) subscribers and spouses with resources related to improving or maintaining their physical and mental health and well-being as well as chronic condition management. An ROI performance guarantee was included in the current contract, with penalties at risk beginning with performance in the 2025 program year, to be assessed in 2026. The results presented in this memo are based on an evaluation of the 2024 program year compared to the baseline 2021 program year. There are no penalties at risk for this preliminary analysis. This report is meant to 1) practice the ROI methodology and process, in advance of analyzing the 2025 program year data, and 2) provide the Board with insights regarding the program performance and outcomes between the 2021 and 2024 program years.

Reviewed and approved by Renee Walk, Director, Office of Strategic Health Policy
Electronically Signed 10/23/2025

Board	Mtg Date	Item #
GIB	11.12.25	10

ROI Analysis

Methodology

The ROI analysis was completed by Truven by Merative (Truven) using methodology that was jointly developed and agreed upon by WebMD, ETF, and Truven. The analysis utilized data from ETF's health care claims data warehouse (DAISI). Truven is the administrator of DAISI and the associated analytical tools.

The baseline and assessment years for this preliminary analysis are the 2021 and 2024 calendar years, respectively. All subscribers (active employees or retirees) and their spouses who were continuously enrolled in the GHIP during the analysis time were eligible to be included in the analyses. Medicare Advantage members, individuals with over \$100,000 in medical claims in any year of available records, and those with certain diagnoses associated with complex and costly care, such as cancer, HIV, and transplants, were excluded from the analysis.

For the purposes of the ROI analysis:

- The intervention (study) group was defined as those who participated in the Program and earned the Program incentive (\$150) for at least two years between 2022 and 2024.
- The control group was defined as those who were eligible to participate in the Program but not identified as interacting with or participating in the Program since 2017, based on available data in DAISI.

Once the two groups were defined, study group participants and controls were matched based on factors known to influence cost outcomes, including age, gender, health status (risk score), relationship, plan type, preventive visits at baseline, social vulnerability index percentile, COVID-19 diagnosis, and Medicare enrollment. After matching, 25,311 participants remained in each group for inclusion in the ROI analysis.

Two financial metrics were evaluated to assess the impact of the Program intervention on financial aspects of the GHIP:

- Allowed amount is defined as plan payments (net payment), member out-of-pocket payments (deductible, copays, and coinsurance), and third-party payments for medical and prescription drug claims. This is the total amount paid to providers for medical and prescription drug services rendered to GHIP members.
- Net payment is defined as plan payments (amount the health plan paid) only for medical and prescription drug claims. This metric is tied to the performance guarantee.

A detailed explanation of the ROI calculation formula is provided in Attachment A. In summary, for the net payment ROI calculation, medical and prescription claims data from DAISI were used to calculate the net payments per member per month (PMPM) for the baseline year (2021) and measurement year (2024). The cost trend between the

years was calculated separately for each group. The trend observed in the control group was then applied to the study group to estimate what the expected target net payment PMPM would have been if the study group had the same cost trend as the control group.

The difference between the observed study group PMPM and target net payment PMPM represents the potential cost savings from the Program. The ROI was calculated two ways: one using only the Program administrative costs, and the other including the cost of incentives paid to participating members in addition to the Program administrative costs. The latter net payment ROI will be used to calculate penalties starting for the 2025 program year. The same approach was taken in the calculation of the ROI using the allowed amount costs.

If the calculated ROI is 1.0, the Program breaks even, meaning for every \$1 spent, the Program generates \$1 in savings. An ROI greater than 1.0 indicates the Program produces a positive return on investment, with savings exceeding the cost of the Program. For example, if the ROI is 1.5, for every \$1 spent, the Program generates \$1.50 in savings, resulting in a net gain of \$0.50 per dollar invested. Conversely, if the ROI is less than 1.0, costs outweigh the savings. For instance, an ROI of 0.50 means the Program generates only \$0.50 in savings per \$1 spent, resulting in a net loss of \$0.50 per dollar.

Results of Preliminary ROI

Table 1 presents a full accounting of the net payment ROI using the formula from Attachment A. The ROI for the Program, excluding incentives from the Program costs, was 0.479. The overall ROI, with incentives included in Program costs, was 0.105. These ROI overall results indicate that for every \$1 spent on the Well Wisconsin Program, the Program generates about \$0.11 in savings, resulting in a net loss of about \$0.89 per dollar invested.

The allowed amount ROI table is provided in Attachment A. The overall ROI for the allowed amount was 0.169. The ROI is 0.769 when the cost of incentives paid to members were not included in the evaluation.

Table 1: Net Payment ROI Calculation and Results

	Study Group	Control Group	Formula ID
Program Year 2024			
Members	25,311	25,311	B
Relevant Exposure (Member Months)	303,732	303,732	C
Total Net Payments Spend	\$175,397,960	\$165,652,361	D
Total Net Payments PMPM	\$577.48	\$545.39	E
Baseline Year 2021			
Total Exposure (Member Months)	303,732	303,732	F
Total Net Payments Spend	\$136,727,836	\$128,754,288	G
Total Net Payments PMPM	\$450.16	\$423.91	H

	Study Group	Control Group	Formula ID
Trend			
Total Net Payment PMPM Trend	28.283%	28.658%	I
Financial Impact			
Target Total Net Pay PMPM	\$579.17	NA	J
PMPM Impact (Savings)	\$1.69	NA	K
Program Impact (Savings)	\$512,989	NA	L
Program Cost PMPM	\$3.52	NA	M
Incentives Paid PMPM	\$12.50	NA	N
Total Program Cost Excluding Incentives	\$1,069,896	NA	O
Total Program Cost Including Incentives	\$4,866,546	NA	P
ROI			
ROI (excluding incentives)	0.479	NA	Q
ROI Overall	0.105	NA	R

VOI Analysis

In addition to evaluating the financial impact of the Program, it is also important to consider the broader impacts that it might have on members' health and well-being. To provide a more complete view of the Program's overall value, Truven conducted a value on investment (VOI) analysis to help the Board better understand how the Program influences member engagement. This is demonstrated by effective utilization of healthcare resources, a key component of the Triple Aim framework adopted by the Board ([Ref. GIB | 11.13.19 | 5D](#)).

The VOI analysis evaluated utilization patterns for recommended preventive care, emergency department visits and acute admissions, and the progression of chronic diseases over the assessment period. The same study and control groups included in the ROI evaluation were assessed in the VOI analysis.

The analysis calculated the difference between the baseline year (2021) and the measurement year (2024) as a percentage trend. Similar to the ROI analysis, the impact of the Program was evaluated as the change between metrics from the baseline to measurement year. This approach helps to account for any initial group differences and better isolates the Program's impact on trends in preventive care, emergency and acute care use, and chronic disease progression.

In general, an effective wellness program would be expected to lead to the following trends¹:

- Increased utilization of planned services, such as preventive care visits
- Decreased utilization of unplanned services, including emergency department visits and acute admissions

¹CDC. "CDC Worksite Health Scorecard." 8 July 2024. *CDC Workplace Health Promotion*. 15 October 2025. <<https://www.cdc.gov/workplace-health-promotion/php/scorecard/index.html>>.

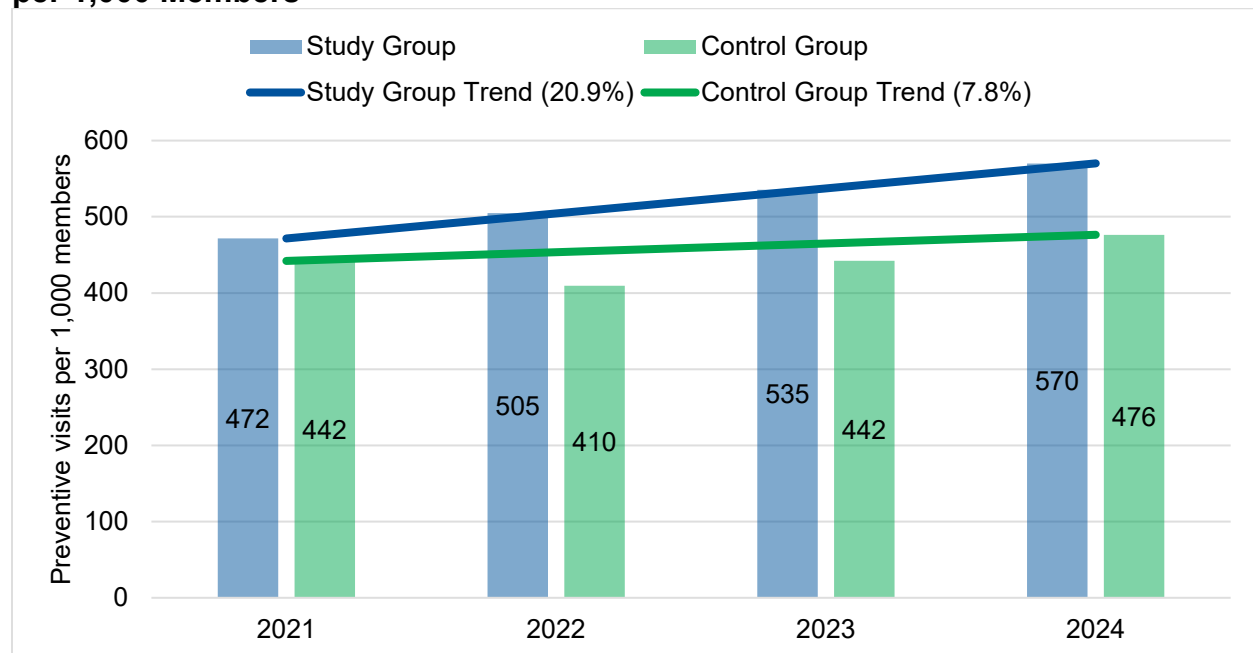
- Improved compliance with recommended care, indicated by standardized quality measures of screening rates, medication adherence, and preventive care
- Slowed progression into higher risk categories for chronic health conditions which require increased utilization of healthcare resources

Results

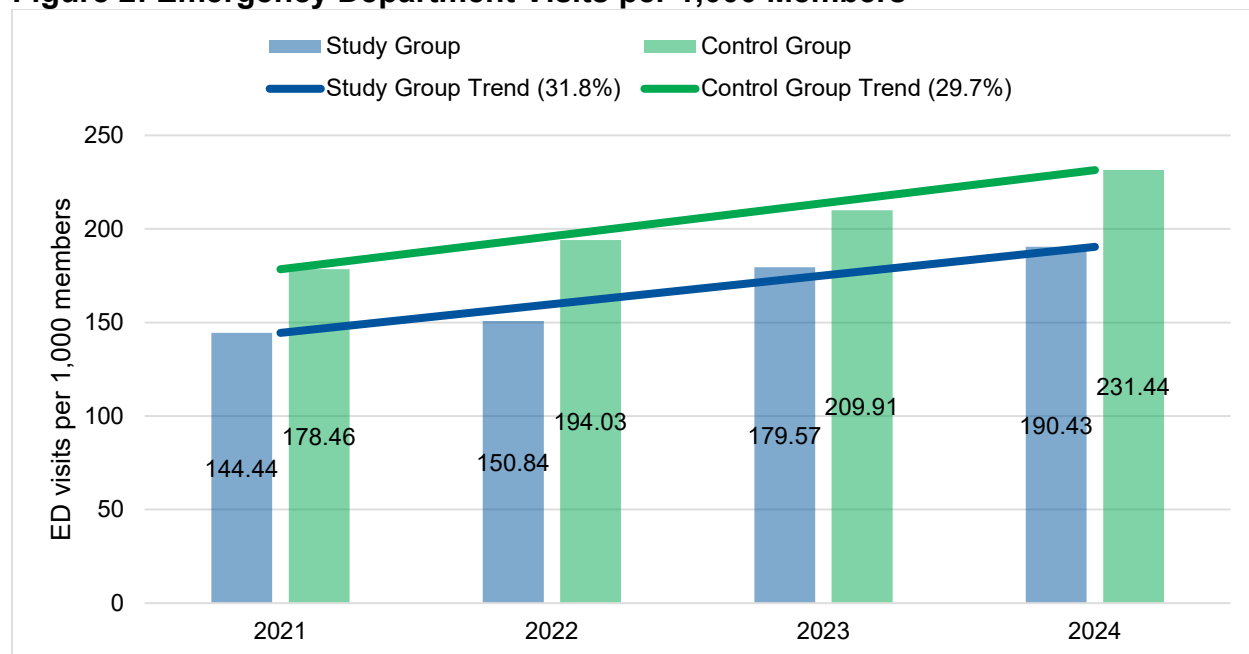
Results and further explanation can be found in Attachment B. Overall, the results of the VOI indicate that while the study group may have more members who are engaged in the baseline year, there is no clear pattern to indicate that interaction with the Program has resulted in improved engagement of the study group when compared to the control group over the study period.

The study group had a higher preventive visit rate as well as a greater increase in visits per 1,000 members between the baseline and measurement year (Figure 1). The study group had a higher positive trend of 20.9% in the rate of preventive visits compared to a 7.8% positive trend in the control group.

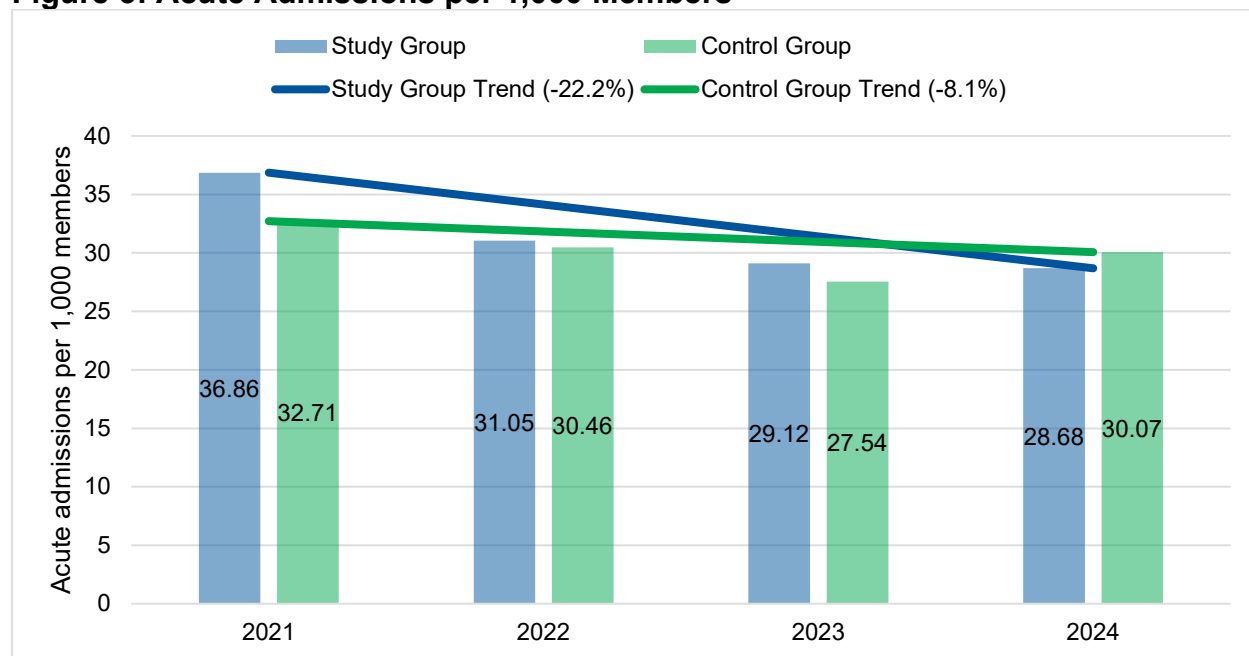
Figure 1: Average Number of Preventive Visits in Outpatient Professional Settings per 1,000 Members



The increased preventive visits, however, do not seem to be leading to decreased utilization, specifically unplanned emergency room care. The study group has a lower rate of emergency department visits when compared to the control group, but the trend between baseline and the measurement year is similar between the two groups (Figure 2).

Figure 2: Emergency Department Visits per 1,000 Members

At baseline, the study group had a higher rate of acute admissions; however, the study group had a larger decrease in the utilization of inpatient services (-22.2%) compared to the control group (-8.1%), leading to a lower rate of acute admissions in the measurement year (Figure 3).

Figure 3: Acute Admissions per 1,000 Members

Compliance with recommended care was evaluated using Healthcare Data Effectiveness Information Set (HEDIS) measures available in DAISI. Adherence to prescription drugs was evaluated using nationally standardized measures from the National Quality Forum (NQF) that are also available as part of the analytic tools in DAISI. Full results can be found on page 5 of Attachment B. In general, trends were comparable between the study and control groups, and there was no clear indication of the impact of the Program intervention.

Finally, there is no clear indication of a link between the Program and slower progression of chronic diseases. The study group and control group changed at nearly identical rates for chronic conditions that had patient counts large enough to be evaluated (Attachment B, p. 6). When it comes to overall risk category trends, a measure based on Truven's prediction of healthcare resource consumption, both groups trended towards the higher risk categories, which is an expected result of aging. However, the study group did see a greater decline in the "healthy" group and a slightly higher increase in the "at risk" category compared to the control group.

Summary

Based on the preliminary analysis of data from 2021 to 2024, the Well Wisconsin Program generates about \$0.11 in savings, resulting in a net loss of about \$0.89 per dollar invested. Additionally, there is no clear indication that those who participate in the Program have improved care utilization, increased recommended care compliance, or slower chronic disease progression than the control group.

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

Attachment A: [WI ETF ROI Analysis, Analysis Year 2024](#)

Attachment B: [WI-ETF Wellness Program Value on Investment \(VOI\) Assessment](#)