

Quality Transformation Initiative (QTI) Memo

March 2026

The purpose of this Quality Transformation Initiative (QTI) memo is to:

1. Confirm the Premium Percent at Risk for Measurement Year (MY) 2026 at 2.8%.
2. Confirm the MY2026 Scored QTI Measures.
3. Establish the MY2026 QTI assessment allocation of the total QTI Payments at risk.

MY2026 QTI Gross Premium Percent at Risk

Under the 2026-2028 Qualified Health Plan (QHP) Issuer Contract¹, QHP issuers are subject to potential payment obligations tied to quality and health equity performance. These obligations begin at up to 2.8% of total gross premium per product in MY2026 and increase annually, reaching up to 3.8% by the end of the contract period.

For MY2026, the premium percent at risk is 2.8% of total gross premium per product. This represents an incremental increase from the MY2025 at-risk level of 2.3%, aligning with the established QTI trajectory. This change builds on quality improvement efforts, encouraging performance above the 66th percentile while remaining responsive to broader market dynamics and challenges that may influence issuer performance.

MY2026 Scored QTI Measures – Consistent with Contract Language

Consistent with the contract, the following five measures are designated as the QTI Scored Measures for MY2026. Contractors will be assessed on these measures for each of its products, using benchmarks established in Section 1.03 of Attachment 4 of the contract.

- Blood Pressure Control for Patients with Hypertension (BPC-E) *Stratified*
- Glycemic Status Assessment for Patients with Diabetes: Glycemic Status (>9%)
- Colorectal Cancer Screening (COL-E) *Stratified*
- Childhood Immunization Status (CIS-E)²
- Depression Screening and Follow-Up for Adolescents and Adults (DSF-E) (New)

Covered California is aware of CMS' Draft 2026 Call Letter and the proposed removal of the CIS-E measure. Further guidance on this measure will be provided following review of the Final Call Letter when released.

For Stratified Measures, Contractors will be assessed based on performance for all Eligible Subpopulations and the All Other Members Subpopulation, using the benchmarks specified in Section 1.03 of Attachment 4 of the contract. "Eligible Subpopulation" means the following stratified subpopulations, as defined by the federal Office of Management and Budget (OMB) or Centers for Disease Control (CDC) Race and Ethnicity Code Set, with at least 100 members in the denominator: American Indian or Alaska Native, Asian, Black or African American, Hispanic

¹Covered California. (2026). *Covered California 2026-2028 Individual Market QHP Issuer Contract – 2026 Plan Year – Attachment 4*. Retrieved from https://hbex.coveredca.com/financial-reports/2026-2028_QHP-IND_Att-4_8-1-25_Clean-Final.pdf

² Draft 2026 Call Letter for the Quality Rating System (QRS) and Qualified Health Plan (QHP) Enrollee Experience Survey: Proposed QRS and QHP Enrollee Survey Program Refinements (February 2026)
<https://www.cms.gov/files/document/draft-2026-call-letter-qrs-qhp-enrollee-survey-february-2026.pdf>

or Latino, Middle Eastern/North African, Native Hawaiian or Other Pacific Islander, and White. Eligible Subpopulation shall also include Multirace, used when an individual reports two or more CDC codes that cross higher OMB concepts. Members who identify as Hispanic/Latino who also identify racially will be counted in the Hispanic/Latino category and omitted from the race category.

Covered California will establish benchmarks using the 25th and 66th CMS Quality Rating System (QRS) national percentile benchmarks for each QTI Scored Measure. These benchmarks will remain static for the duration of the 2026-2028 contract period. QTI scored measure benchmarks will be based on MY2025 with data available in August 2026 via the QRS Proof Sheets and confirmed in October 2026 via Public Use Files as applicable.

In alignment with the Centers for Medicare & Medicaid (CMS), Covered California will use the combined score and benchmark for the Depression Screening and Follow-Up for Adolescents and Adults measure in MY2026. This means that both the screening and follow-up components will be jointly scored under QTI.

Continuation of the CIS10 Allowance Program for MY2026

Covered California will continue the Childhood Immunization Status Combo 10 (CIS10) Allowance Program for MY2026 with no changes to parameters from MY2024. The CIS10 Allowance Program was developed based on clinically appropriate and evidence-based immunization recommendations, including immunization catch-up schedules. The program allows QHP issuers to submit supplemental data for any denominator-eligible child who has completed the full CIS10 immunization series, including cases where one or more vaccines were administered within 180 days after the child's second birthday.

Key CIS10 Allowance Program Parameters:

- Extended Administration Window: Immunizations must be administered up to 180 days after the child's second birthday to qualify.
- Rotavirus Vaccine Exception:
 - Dose 1 must be administered by 15 weeks of age
 - Final dose (either 2nd or 3rd) must be administered by 8 months of age
- Audit Provisions: All supplemental data remain subject to audit.
- Applicable Dates of Service: Immunizations administered between January 1, 2024, and June 29, 2027, qualify under the 180-day extension allowance.

Results from the CIS10 Allowance Program are used for QTI assessment purposes only.

MY2026 QTI Assessment: Allocation of Total QTI Payments at Risk:

25% - Blood Pressure Control for Patients with Hypertension (BPC-E) *Stratified*
25% - Colorectal Cancer Screening (COL-E) *Stratified*
25% - Glycemic Status for Patients with Diabetes: Glycemic Status >9% (GSD >9%)
15% - Childhood Immunization Status (CIS-E)
10% - Depression Screening and Follow-Up (DSF-E)

Total: 100%

Rationale for Measure Weighting Adjustments:

Measure weights reflect both clinical importance and recent performance patterns. Blood Pressure Control, Colorectal Cancer Screening, and Glycemic Status receive higher weighting because of the measures' impact on morbidity and mortality and uneven improvement across QHPs over the past two years. The shift in Glycemic Status >9% from "good control" to "poor control" has also surfaced additional opportunities for issuer improvement. Childhood Immunization Status remains a statewide priority across public purchasers. Covered California has adjusted the weighting for CIS to account for the small denominators for the Covered California population. For the Depression Screening and Follow-Up measure, plans have had three years of reporting-only to prepare, but the weight has been adjusted downward to reflect the low national benchmark, which limits the utility of comparison as plans can reach the 66th percentile with relatively modest performance and without meaningfully expanding population-level access to depression screening and follow-up care.

References:

- Covered California 2026-2028 Individual Market QHP Issuer Contract – 2026 Plan Year – Attachment 4
- [MY 2025 HEDIS® for QRS](#) (2026 Quality Ratings System Measure Technical Specifications)
- HEDIS® MY 2025, Volume 2 Technical Update 2025-03-31, page 135-141
- [MY 2023 HEDIS® for QRS](#) (2024 Quality Rating System Measure Technical Specifications)
- [Measurement Year \(MY\) 2023 HEDIS® for the Quality Rating System \(QRS\): Technical Update](#)
- [MY 2024 HEDIS® for QRS](#) (2025 Quality Ratings System Measure Technical Specifications)
- Draft 2026 Call Letter for the Quality Rating System (QRS) and Qualified Health Plan (QHP) Enrollee Experience Survey: Proposed QRS and QHP Enrollee Survey Program Refinements (February 2026) <https://www.cms.gov/files/document/draft-2026-call-letter-grs-qhp-enrollee-survey-february-2026.pdf>

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