



CHILDREN'S HEALTH *alliance*



To: Members of the Metrics and Scoring Committee

From: OHP health system partners

Date: October 15, 2025

Subject: Protecting investments in quality care

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The Quality Incentive Program (QIP) is a cornerstone of Oregon's Coordinated Care Model and one of the state's most effective tools for improving health outcomes, reducing disparities, and rewarding high-quality care. Providers and Coordinated Care Organizations (CCOs) take these measures seriously and work hard to achieve them—improving care while reducing disparities. QIP funds drive continuous improvement, enable value-based payments, and allow providers who meet these goals to share in the savings created by improving community health.

However, the Oregon Health Authority (OHA) plans to reduce QIP funding in 2025 and 2026 to offset other budget pressures. This would retroactively reduce provider funding from 3.48% (already down from 4.25%) to 2%—a 60% cut in 2025. This rollback would result in providers not being compensated for services already delivered. We are concerned that the 2026 contract includes no protections for the remaining QIP dollars, meaning ongoing budget pressures could further reduce the program. If QIP funds are reduced or eliminated, providers will be forced to scale back or discontinue the very programs that improve care coordination, preventive health, and chronic disease management for Oregonians. **Though we prefer to fully fund the program, if such funding reductions take effect, the Metrics and Scoring Committee should reduce expectations and administrative burden on providers accordingly.**

QIP payments are a portion of CCO rates that are withheld (specifically, the quality pool is based on a percentage of a year's aggregate PMPM to CCOs) and released only when specific quality goals are met. These incentive payments are passed on to providers and play a critical role in driving better health outcomes for Oregonians. When FQHCs, primary care providers, dentists, and other practitioners meet established metrics, they receive incentive payments that help offset the time, energy, and investment required to achieve those marks. Cutting QIP will force providers to curtail programs designed to meet the state's own goals.

While QIP funding has been reduced, program expectations have not. Providers and CCOs are still expected to maintain—or improve—performance on 13 metrics spanning multiple areas of care. While each metric has value, the health care system is already stretched thin, especially in rural and frontier communities, and cannot absorb unfunded mandates related to staff time, service delivery, reporting, planning, or technology infrastructure. QIP metrics come on top of extensive other reporting requirements—many providers already report on over 60 other metrics each year. Medicaid reimbursement already underfunds administrative needs; QIP funding reductions worsen this gap.

Achieving these improvements is not simple. Provider offices and community partners dedicate significant staff time throughout the year working with patients to meet QIP goals and document progress according to OHA's data requirements. QIP dollars help fund that work, making local-level improvements possible through critical infrastructure developed over many years to sustain improved access and higher quality for OHP members.

Reducing the QIP undermines the very goals Oregon has pursued for over a decade: better health, better care, and lower costs. At a time when workforce recruitment and retention challenges, cost inflation, and the potential impacts of HR 1 threaten access to care, eliminating quality-based incentives would make matters worse. It will result in poorer patient health and higher state costs as preventable issues go untreated and care becomes more complex.

QIP is a proven, accountable strategy to return resources to frontline providers, strengthen the provider-CCO partnership, and drive upstream population health improvements. Cutting this funding would unravel years of progress and penalize the providers who have invested the most in improving care for OHP members and who are achieving the best outcomes.

**Understanding that we must make difficult choices given scarce resources, if QIP funding is not restored, the organizations signing on to this letter recommend driving the remaining QIP funds to the most critical measures related to care quality and access. We also recommend reducing the list of metrics to those that minimize administrative burden and can be most easily tracked, including claims-based measures, whenever possible and pausing or eliminating reporting requirements for metrics or planning not required by law, CMS, or QIP.**

While we support the ambitions of this program, reduced funding will greatly limit the ability of providers and CCOs to maintain quality on the program as it exists today.

Now more than ever, Oregon must protect QIP funding to sustain progress and ensure equitable, high-quality care for all Oregonians. Thank you for your consideration.

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[CCO Oregon](#) is a nonprofit, independent, statewide member association for coordinated care organizations, hospitals, health systems, providers, and other system partners. CCO Oregon's vision is lower costs, increased access to quality care and health-related social needs, improved outcomes, and a sustainable workforce across the delivery system through the widespread implementation of the coordinated care model.

