Med-QUEST Healthcare Advisory Committee
June 23, 2021

Med-QUEST, DHS

Med-QUEST Division

VISION

The people of Hawai'i embrace health and wellness

MISSION

Empower Hawai'i's residents to improve and sustain wellbeing by developing, promoting and administering innovative and high-quality healthcare programs with aloha.

CORE VALUES

Hi'iola ~ Embracing wellness

H Healthy Outcomes - We develop strategies and improvements necessary to promote overall wellbeing.

I Integrity – We are accountable to the work we do, the resources we manage and the people we serve.

' 'Ohana Nui – We focus on the whole family's needs, with priority on children ages 0 – 5 years old.

I Innovation –We cultivate an atmosphere of continuous learning and improvement.

O Optimism – We each make a difference for the people of Hawai'i.

L Leadership – We are all leaders in the work we do.

A Aloha – We extend warmth and caring to all.

Med-QUEST Healthcare Advisory Committee Agenda

I. Welcome/Call to Order

II. Introductions

III. Review of meeting participation guidelines and process

IV. Event Announcement: Hawai'i Palliative Care Virtual Summit, June 26 – Judy Mohr Peterson

V. Legislative/Congressional (American Rescue Plan) Update – Judy Mohr Peterson

VI. Presentation and Discussion: Review of the Annual Plan Change Mailing Materials
   a. Health Plan Advertisements – Jon Fujii
   b. Annual Plan Change Mailing Newsletter – Lori-Lei Aponte & Puanani Crabbe Parker
   c. Public Comment

VII. Presentation and Discussion: State Plan Amendment SPA 21-0011 - The State Plan Amendment proposes to change the current payment methodology for inpatient acute services for the Hawaii Medicaid program, using the All Patients Refined Diagnosis Related Groups (APR DRG) Payment Methodology – Judy Mohr Peterson
   a. Public Comment

VIII. Adjourn

IV COMMUNITY PALLIATIVE CARE SUMMIT – JUNE 26, 2021

HOPE Summary

Goals	Healthy Families and Healthy Communities Better Health, Better Care, and Sustainable Costs			
Strategies	**Invest in primary care, prevention, and health promotion**	**Improve outcomes for High-Need, High-Cost Individuals**	**Payment Reform and Financial Alignment**	**Support community driven initiatives**
Foundational Building Blocks	1. Use **data & analytics** to drive transformation & improve care			
	2. Increase **workforce capacity**			
	3. Accountability, **Performance measurement** and evaluation			

HOPE: Improve outcomes for High-Need/High-Cost Individuals

QUESTIONS: What care is being provided for people with serious illness? By whom? In what setting? What gaps exist? How can we address?

Results of Research

- Care for individuals with serious illnesses are covered in inpatient settings.
- Hospice care that addresses the needs of individuals at the end of life is covered.

- **Gap in Care Identified**: There currently is not a benefit known as palliative care to support members with serious illnesses in their homes and/or community settings who do not meet the criteria for hospice or end of life care.

Community-Based Palliative Care Benefit

- MQD will seek approval from the Center from Medicare and Medicaid Services (CMS) to provide specialized services to individuals who have serious illnesses in their homes or the community.
- Benefit specifics: criteria to receive benefit, the services, provider qualifications/team-based care model and reimbursement codes/methodology
- Before MQD does this, MQD wants feedback from the community on the proposed benefit at the **Palliative Care Summit**. The Summit will take place virtually via Zoom on **Saturday, June 26, 2021.**

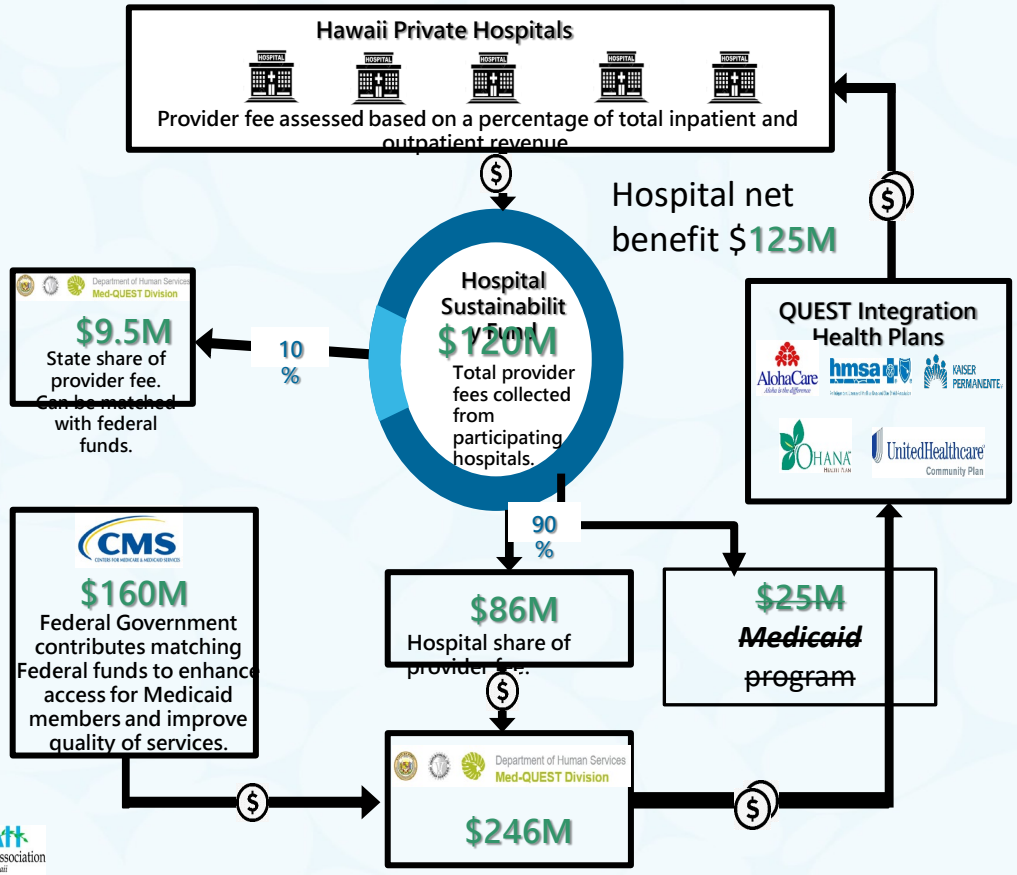
You are invited to attend. You can register here or contact Joy Soares at 808-351-0950 or jsoares@dhs.Hawaii.gov.

V. LEGISLATIVE AND CONGRESSIONAL UPDATE

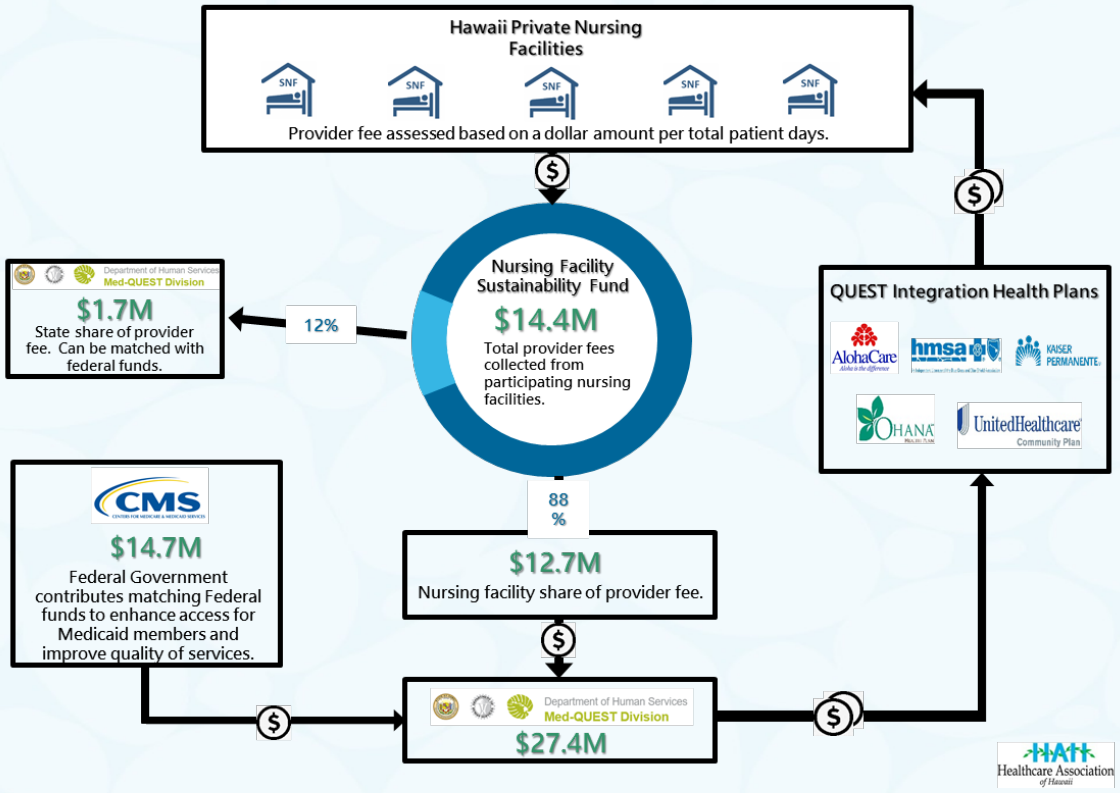
2021 Hawaii State Legislative Update

- Hospital & Nursing Facility Sustainability Bills Passed, but no additional funds to support the Medicaid program in general.
- Medicaid Sustainability (Health Insurer's fee) did not pass.

The hospital sustainability program is designed to close the gap between Medicaid reimbursement and hospital costs, and address Medicaid program costs. (amounts are estimates for FY 2022)



The nursing facility sustainability program is designed to enhance access to nursing facilities for Medicaid members. (amounts are estimates for FY 2020)



Congressional update: American Rescue Plan (3/11/21)

- **Mandatory coverage of COVID-19 testing and treatment and 100% FMAP for vaccine administration.** The 100% FMAP for vaccine administration is effective April 1, 2021 through the end of the quarter following one year post PHE.
- **Extend Medicaid postpartum coverage to 12 months**: One-year postpartum coverage option at full benefits. (April 1, 2022 – March 31, 2027)
- **Cover mobile crisis intervention services:** 85% FMAP available for first 3 years of this option, which must supplement, not supplant, any existing spending on such services. (April 1, 2022 – March 31, 2027; 85% FMAP available April 1, 2022 – March 31, 2025)
- **100% FMAP for services received through Urban Indian health organizations and Native Hawaiian health care systems** (April 1, 2021 – March 31, 2023)
- **Enhance, expand or strengthen Medicaid Home- and Community-Based Services (HCBS)** States have one year to receive the enhanced 10% FMAP funds, they have three years to spend them down, and can use the dollars through March 31, 2024. FMAP must supplement, not supplant, existing spending.

Enhance and Expand HCBS – CMS examples

- New and/or Additional HCBS
- HCBS Provider Payment Rate and Benefit Enhancements
- Caregiver Support
- Transition Support
- Mental Health and Substance Use Disorder Services; Skill rehabilitation, Expanding Capacity
- Outreach – Educational Materials
- Expanding and Strengthening the HCBS Workforce
- Training and Respite
- Investments in Telehealth and Technology
- Quality Improvement Activities
- Strengthening Assessment and
- Person-Centered Planning Practices
- Cross-Sector Partnerships

Enhance and Expand HCBS – Hawaii draft ideas

Plan due to CMS 7/12/21

- **Mental Health and Substance Use Disorder Services (Skill rehabilitation, Expanding Capacity)**
- **HCBS Provider Payment Rate and Benefit Enhancements**
  - Community Care Family Foster Home (CCFFH) rate study
    - CCFFH base payment increase (levels I/II)
    - Additional per diem and add-on payments for CCFFHs accepting complex BH members
  - Community Case Management Agency rate increase with an additional value-based payments, performance standards and monitoring oversight
  - Self-directed caregiver fee schedule increase
  - Targeted Case Management fee schedule increases ($23.14/unit for Department of Health's Adult and Child Behavioral Health Programs to provide intensive case management
  - Fee schedule increases for other children's mental health programs
- **Training**
  - Training/support for CCFFHs accepting complex BH members
  - Other Medicaid Technical/Training Assistance Center
- **Person-Centered Planning Practices:** Person-Centered training for DOH partner agencies (+ LMS software)
- **Investments in Telehealth and Technology**
  - EVV software for MCOs to manage PCS delivered to HCBS members
  - Tablets/pads for HCBS beneficiaries
  - Assessment/HAP software for HCBS/Health Plans
  - Adverse event software for HCBS

REVIEW OF THE ANNUAL PLAN CHANGE MAILING MATERIALS:

- HEALTH PLAN ADVERTISEMENTS
- ANNUAL PLAN CHANGE MAILING NEWSLETTER
- PUBLIC COMMENT

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- HEALTH PLAN ADVERTISEMENTS

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REVIEW OF THE ANNUAL PLAN CHANGE MAILING MATERIALS:

- ANNUAL PLAN CHANGE DECISION BOOKLET & NEWSLETTER

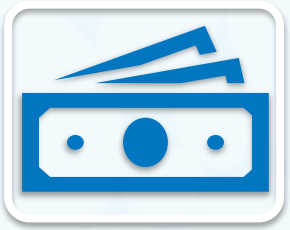
Annual Plan Change Packet

- Decision assistance booklet
  - Medicaid Administrator greeting
  - Health plan enrollment information
  - List of Benefits and Services
  - QUEST Integration Health Plan and Partner agencies contact information
  - Change of Circumstance

- Newsletter
  - Supplemental information describing annual plan change
  - Frequently Asked Questions
  - Participating health plans by island
  - Client satisfaction survey results
  - Considerations to change (e.g. Medicare Advantage)

REVIEW OF THE ANNUAL PLAN CHANGE MATERIALS:

PUBLIC COMMENT



HOPE STRATEGIC INITIATIVE:

PAYMENT REFORM AND FINANCIAL ALIGNMENT

PROPOSED PAYMENT METHODOLOGY FOR HOSPITAL REIMBURSEMENT

Inpatient Hospital Payment Methodology – APR DRG

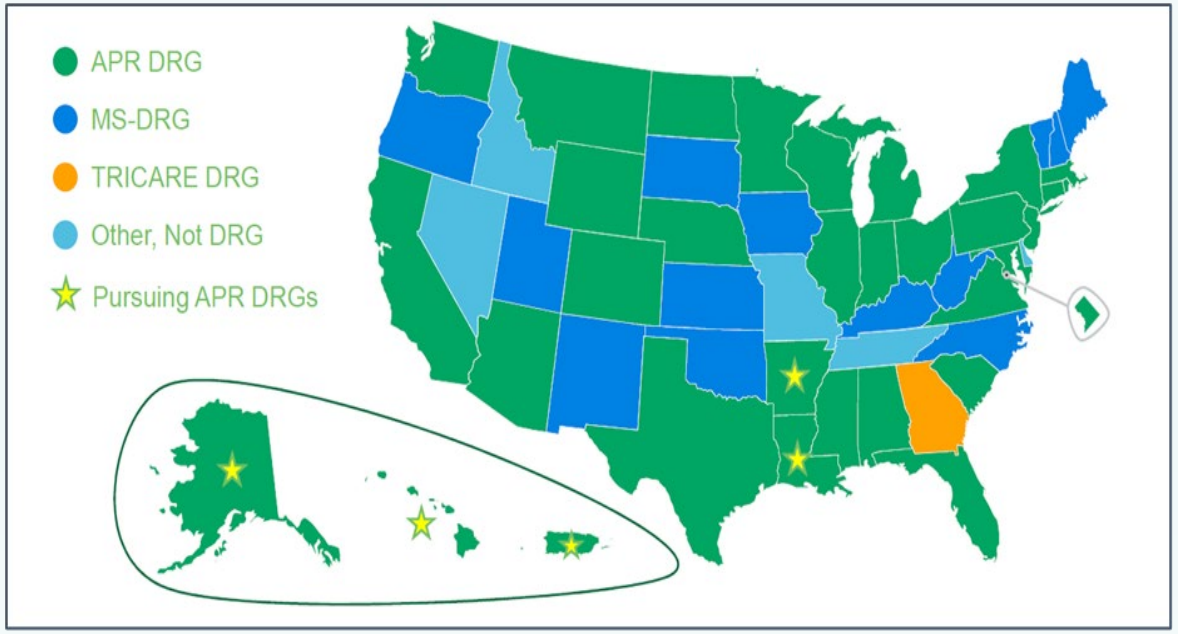
- Med-QUEST (MQD) proposing to change inpatient hospital payment methodology
  - Move from current per diem methodology to **Diagnosis Related Groupers (DRG)** beginning **January 1, 2022** for both fee-for-service and direct health plans to pay the same way.
  - Public comment sought for State Plan Amendment SPA 21-0011 submitted to CMS approval (MQD website)
  - **DRG-based payment methodologies** are the most widely used inpatient reimbursement model for U.S. government payers
    - CMS: Medicare inpatient prospective payment system (IPPS)
    - Military Health System: TRICARE payment system
    - Medicaid agencies: **41** agencies using DRGs for payment purposes
  - **All Patient Refined Diagnosis Related Groups (APR DRGs)** are a patient classification system developed by 3M™ and used by payers and providers to classify hospital inpatient stays into clinically meaningful diagnostic groups with similar average resource requirements.
  - APR DRGs provide a mechanism for healthcare payers to make a single case rate payment for similar services provided in a hospital inpatient stay.

Benefits of APR-DRGs

DRG Product	Developer	Target Populations	Total DRGs	Newborn DRGs	Behavioral Health DRGs	Medicaid Program Use (# of States)	Other Payer Adoption
APR DRG Version 37	**3M (proprietary)**	All patients	**1,320**	**112 (with birthweight cohorts)**	**72**	**27**	**Some commercial plans**
MS-DRG Version 37	3M/CMS (public)	Medicare (elderly)	759	7 (without birthweight cohorts)	13	13	Medicare, many commercial plans
TRICARE DRG Version 37	3M/MHS (public)	Service members and families	827	29 (with birthweight cohorts)	14	1	TRICARE

Most comprehensive/granular for the populations served and services provided by MQD, specifically for maternity-related and birth-related services and for behavioral health services

Most widely adopted by Medicaid programs across the country



Inpatient Hospital Payment Methodology – APR DRG

- MQD has several goals and objectives for the new payment methodology:
  - Incentivize efficient delivery of care
  - Establish standardized payment benchmark
  - Provide acuity measurement
  - Promote equitability across providers
  - Enable state control of expenditures
- Benefits of DRG-based prospective payment methodologies:
  - Incentivize hospitals to avoid unnecessary lengths of stay and ancillary services during an inpatient stay
  - Provide the basis for evaluating variation in service mix, cost structures, and patient outcomes (including readmissions) across hospitals
  - Support pragmatic, data-driven payment policy development and program evaluation, consistent with HOPE strategic initiative goals

PUBLIC COMMENT

MAHALO!