Med-QUEST Healthcare Advisory Committee
February 19, 2025

Med-QUEST, DHS

Med-QUEST Healthcare Advisory Committee Agenda

I. Welcome/Call to Order

II. Introductions/Roll Call

III. Review of meeting participation guidelines and process

IV. Med-QUEST Updates – Presentation on current Med-QUEST program activities

a. 1115 Waiver Renewal
b. Federal Administration Change
c. Hawaii Legislature
d. Stay Well Stay Covered - Return to normal eligibility renewals process
e. Public Comment
f. MHAC Comment

V. State Plan Amendment Presentations and Discussions

a. State Plan Amendment: Updates - Presentation on the status of State Plan Amendments previously reviewed by the MHAC
b. State Plan Amendments: New - Presentation of State Plan Amendments currently being submitted for CMS approval
    i. SPA 25-0001 Yearly Optional State Supplementary Payment
    ii. SPA 25-0005 Non-Discrimination Language Updates
    iii. SPA 25-0004 Mandatory Coverage for Eligible Juveniles who are Inmates of a Public Institution Post Adjudication of Charges
c. State Plan Amendments: Coming Soon – Presentation on upcoming State Plan Amendments
d. Public Comment
e. MHAC Comment

VI. Next Meeting: Wednesday, April 16, 2025

VII. Adjourn

IV. MQD Updates:
1115 Demonstration Renewal Update

Hawaii's Section 1115 Demonstration Renewal Timeline:

January 8, 2025-December 31, 2029

October 18, 2023
First Public Hearing
October 24, 2023
Second Public Hearing

MQD Section 1115 Demonstration application submitted Deemed complete Feb. 1 2024

July 31, 2024
Current Section 1115 Demonstration extended so current waiver activities remain without interruption

New Section 1115 Demonstration Implementation dates for new benefits/policies will vary

October 16, 2023
State Public Comment Period

November 16, 2023
State Public comments end

March 5, 2024
CMS federal comment period Summary: Positive supports

CMS APPROVAL!!
January 8, 2025

With CMS approval, the State must develop and gain approval of evaluation approaches, implementation plans, and other operational details.

1115 Demonstration Renewal: Improve health outcomes and maintain a managed care delivery system that leads to more appropriate utilization of health care while addressing health related social needs in ways that are culturally appropriate and nurture well-being

Addressing Health Related Social Needs:

- Enhancing the Community Integration Service (CIS) program to provide a continuum of housing-related services;
- Adding nutritional supports
- Seeking infrastructure funding to support the development and implementation of these initiatives.

Improving Continuity of Coverage: Ensuring individuals have consistent coverage and access to care

- Minimize churn and coverage lapses for children
  - Continuous Medicaid eligibility for children ages 0 to 6
  - Two years of continuous Medicaid eligibility for children ages 6 to 19
- Provide 90-days of pre-release services for justice-involved individuals
- Coverage for former foster care youth regardless of what state they are from

Adding Innovative Services to support Behavioral Health Integration:

- Contingency management is one of the most effective behavioral interventions for the treatment of substance use disorders

Hawaii's Section 1115 Demonstration Renewal:

Hawai'i implemented its Section 1115 Demonstration on August 1, 1994, and has since renewed six times. QUEST was designed to improve health outcomes and maintain a managed care delivery system that leads to more appropriate utilization of health care while addressing health related social needs in ways that are culturally appropriate and nurture well-being

The Section 1115 Demonstration had the following main elements that were expanded:

Quest Integration Mandatory Managed Care

Hawai'i provides coverage to its beneficiaries through mandatory managed care. MQD makes capitated payments to five managed care organizations currently operating in the state.

Behavioral Health

Beneficiaries have access to standard behavioral health services through QI health plans. For some individuals, behavioral health services are provided through Community Care Services (CCS). *New: Expanded SUD treatment to include contingency management.*

Home and Community Based Services (HCBS)

Hawai'i provides HCBS to support member's ability to live safely in the community in the least restrictive setting of their choice. *New: Added Assisted Living Facilities to At-Risk and telehealth/PHE flexibilities.*

Hawaii's Section 1115 Demonstration – Summary New Initiatives

New and expanded Initiatives primarily focus on health-related social needs and expanded services for specific populations to better enable the State to support a whole-person approach to care. New federal financing and infrastructure funding also approved. *Fine Print has many guardrails!*

Continuous Eligibility for keiki

Effective 1/1/25:

- ✓ **Continuous Medicaid coverage** to age 6 for keiki **0-6**; and
- ✓ **Two-year continuous eligibility** for keiki ages **6 to 19**

Nutritional Supports

- ✓ **Nutrition instructions**
- ✓ **Fruit and Vegetable Prescription/Protein Boxes**
- ✓ **Meals and pantry restocking**
- ✓ **Medically Tailored Meals and Groceries**

Community Integration Services +

Medical Respite:

- ✓ Pre- procedure & Short-term and post-hospitalization stays
- ✓ Recuperative Care

Expanded Rental and Utility Assistance

- ✓ Housing **application costs**;
- ✓ Utility set up and up to **6 months of utility payments**, including past due utility payments; and
- ✓ Up to **6 months of rent over this demonstration period**, including past due payments.

Justice-Involved Population

Medicaid enrolled justice-involved individuals will receive up to 90-days prior to release:

- ✓ Case management and care coordination;
- ✓ Physical and behavioral health clinical consultation services provided by carceral or in-reach community-based providers;
- ✓ Laboratory and radiology services;
- ✓ Durable Medical Equipment (DME); and
- ✓ A 30-day supply of medications, for use post-release.

IV. MQD Updates:
Federal Update
State Updates

Recent events post inauguration - *What has happened?*

Federal Funding Freeze

- **January 27, 2025**: The Office of Management and Budget (OMB) issued a memo pausing federal grant and loan disbursements, directing agencies to review financial assistance programs, particularly those related to diversity, equity, inclusion (DEI), and environmental policies.

- **January 28, 2025**: A federal judge in Washington, D.C., granted a temporary restraining order, blocking the freeze, citing concerns about the potential negative impacts on those dependent on federal funds. A Q&A document was issued by OMB

- **January 29, 2025**: The OMB rescinded the original memo, effectively withdrawing the freeze on federal funding. This action was then made confusing by a follow up tweet by White House Press Secretary indicating that while the OMB memo was rescinded, the Executive Order limiting funding was still in place.

- **February 3, 2025**: Another federal judge in Rhode Island issued a restraining order against the freeze, reinforcing legal challenges against the OMB's authority to pause funding.

Other Events

Confirmation of Robert F. Kennedy, Jr.; DOGE access to CMS Payment Management System; Firing of many HHS/CMS employees.

Federal Funding & Possible cuts- *How are we preparing?*

- We have a list of a number of areas that Republicans in Congress may be targeting for funding cuts in order to divert the funding to pay for tax cuts in the areas that the new Administration has prioritized.

- We are reviewing data so that we can articulate what those potential cuts would mean for our community.

- We are working with the Governor, Legislators and our Congressional Delegation to provide information to help them advocate against harmful cuts.

What can we do?

- Continue the great work we do each day to ensure the people of Hawai‘i embrace health and wellness.
- Assure our members that nothing has changed, they should continue to seek healthcare as necessary.
- Assure our providers that nothing has changed, and they should continue to see Med-QUEST patients per usual.
- Take deep breaths and try not to react to the multiple changes you hear about in the news. There is a big difference between what is said and what, ultimately, can lawfully be done.
- Treat yourself and your team with aloha.

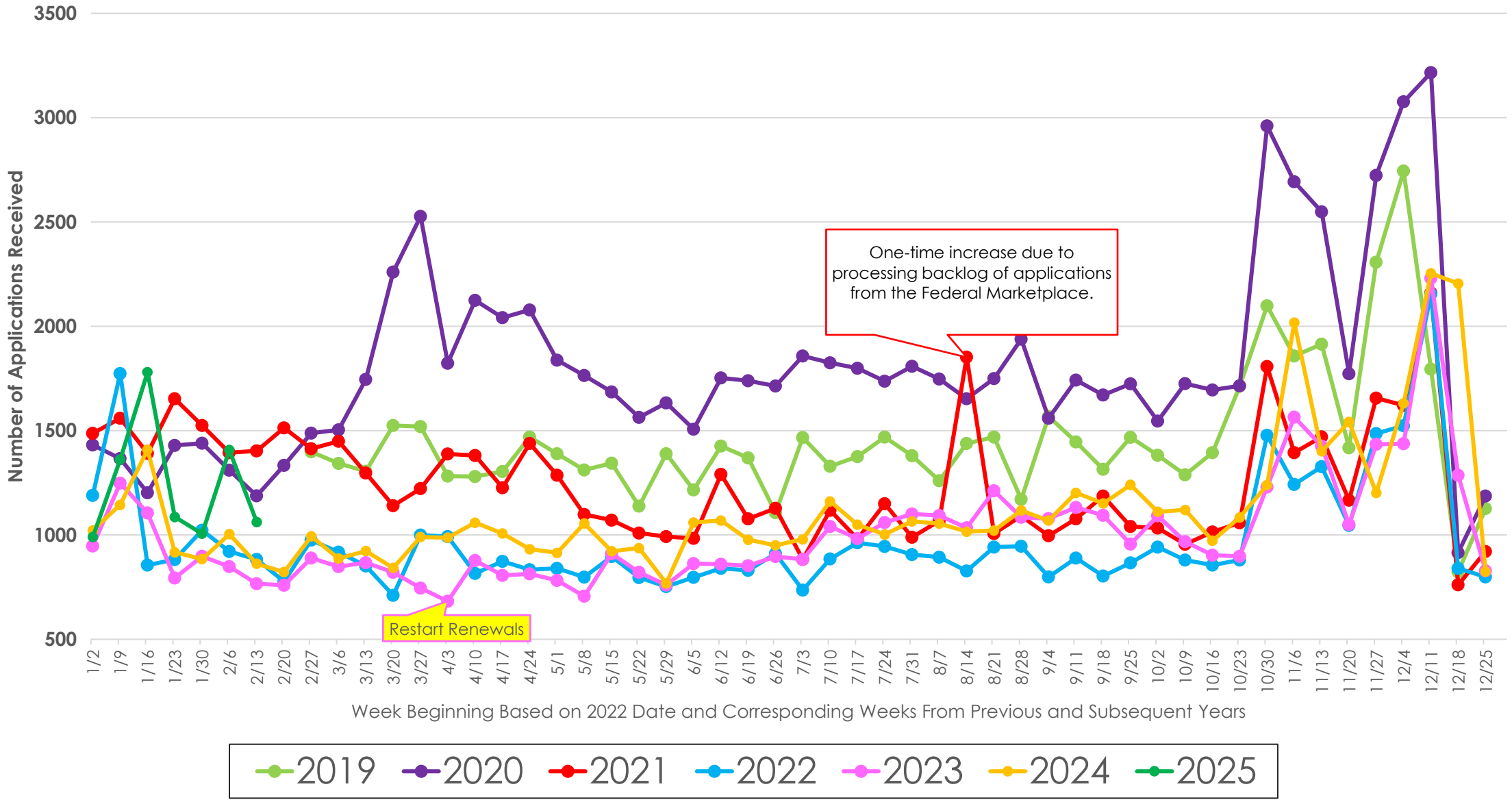
Hawaii State Legislature:

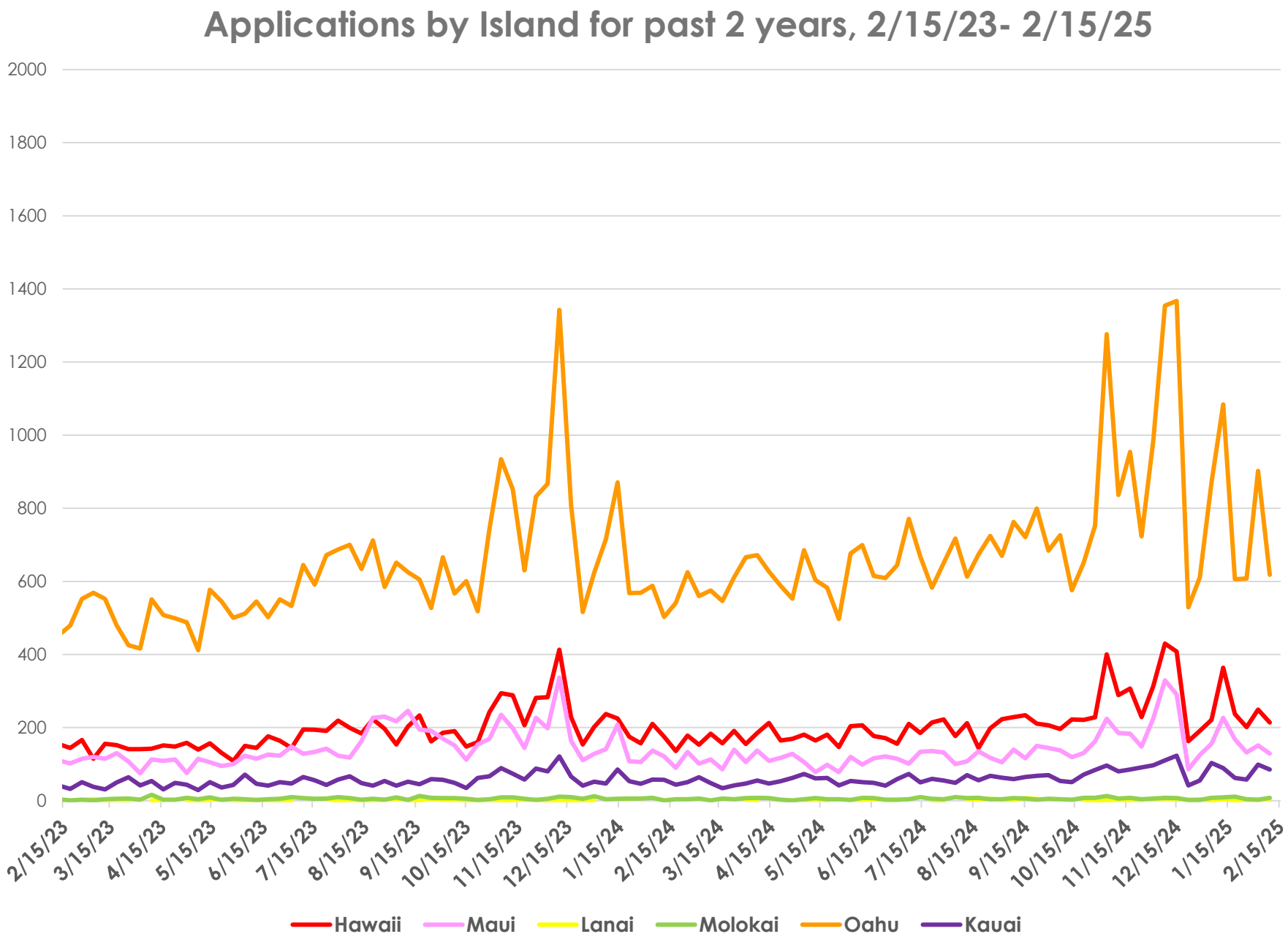
- The legislature is past first milestone weeks in and lots of bills were heard, but a number have already "died" The following broad topics that MQD is tracking:
  - Increased reimbursement rates for various providers/services
  - Telehealth
  - Third Party Liability changes (our Admin bill)
  - Population coverage changes/expansions
  - Benefit/Services expansions
  - Pharmacists expansion
  - Budget

IV. MQD UPDATES:

Stay Well Stay Covered - Re-Restart of Renewals

Hawai'i Medicaid Applications Received:
March 2020 to March 2023 MQD Received 209,251 Applications
As of April 2023 - February 15, 2025 MQD has received 107,473 Applications




Applications by Island for past 2 years, 2/15/23- 2/15/25
2000
1800
1600
1400
1200
1000
800
600
400
200
0
2/15/23
3/15/23
4/15/23
5/15/23
6/15/23
7/15/23
8/15/23
9/15/23
10/15/23
11/15/23
12/15/23
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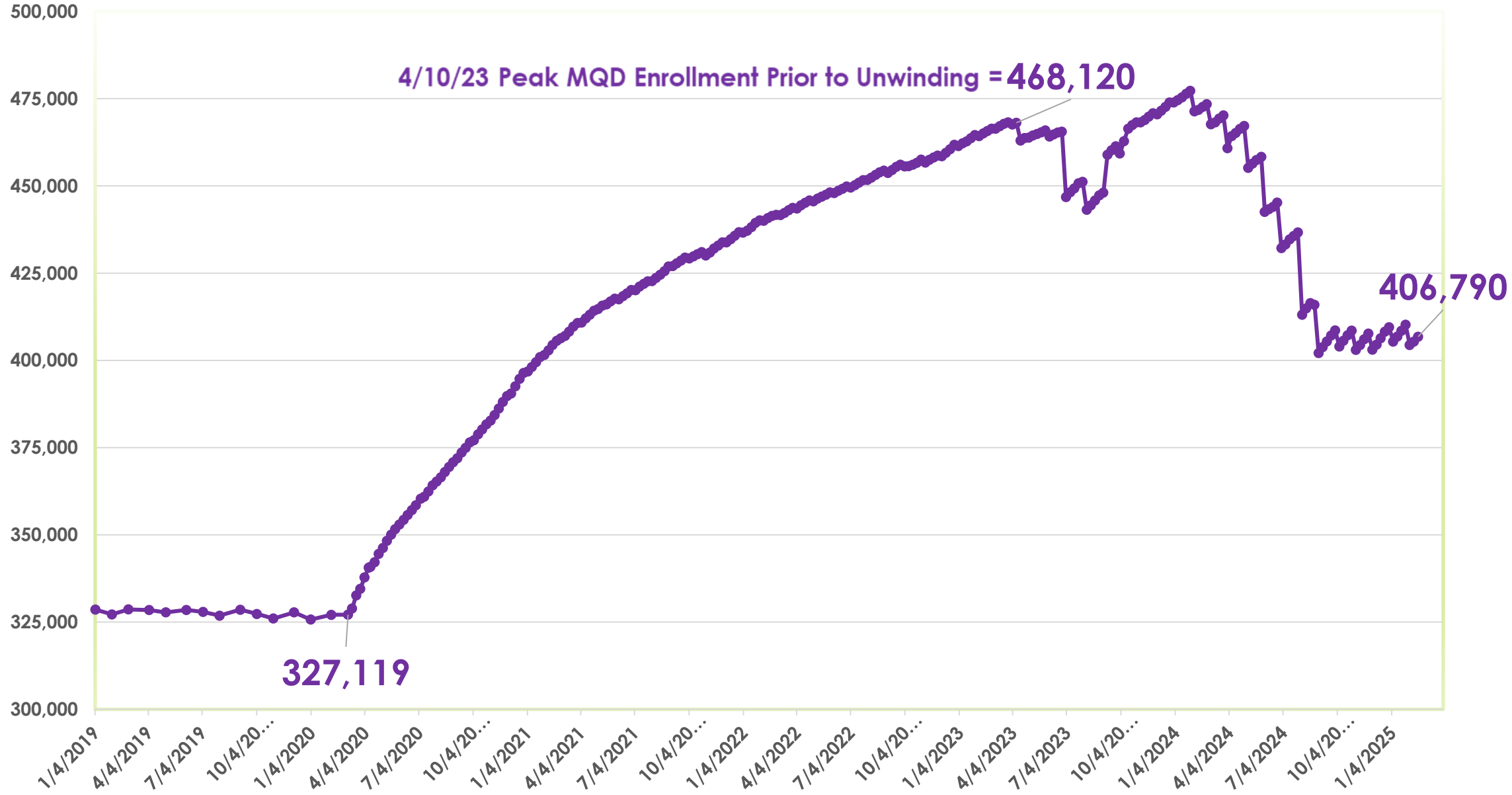
4/15/24
5/15/24
6/15/24
7/15/24
8/15/24
9/15/24
10/15/24
11/15/24
12/15/24
1/15/25
2/15/25
Hawaii
Maui
Lanai
Molokai
Oahu
Kauai

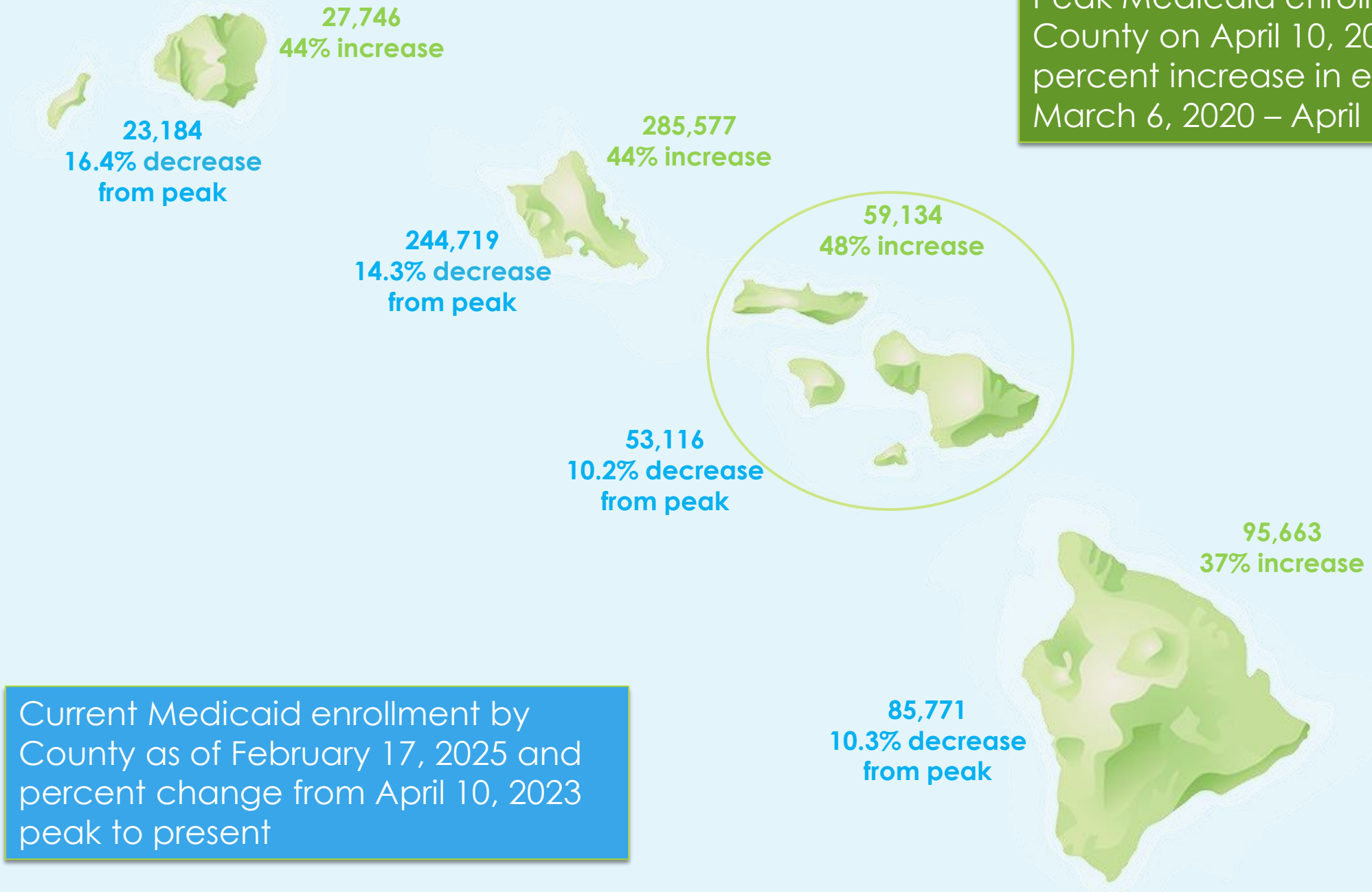
Hawai'i Medicaid Monthly Enrollment: January 2019 to February 17, 2025

141,001 New Enrollments from 3/6/2020 – 4/10/2023 (43% Increase)

61,330 fewer enrollments from 4/10/23 to 2/17/25 (13.1% decrease from peak enrollment prior to unwinding)



Peak Medicaid enrollment by County on April 10, 2023 and percent increase in enrollments from March 6, 2020 – April 10, 2023



Current Medicaid enrollment by County as of February 17, 2025 and percent change from April 10, 2023 peak to present

PUBLIC COMMENT

V. State Plan Amendment (SPA) Presentations and Discussions

a. State Plan Amendment: UPDATES - PRESENTATION ON THE STATUS OF STATE PLAN AMENDMENTS PREVIOUSLY REVIEWED BY THE MHAC

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State Plan Updates

- **SPA 24-0014 Core Set Final Rule-** Approved 01/07/25 Effective Date 12/31/24
- **SPA 25-0003 Payment Methodology for Covered Outpatient Drugs Effective 01/01/25.** Under CMS Review. Submitted 12/27/24, Effective 01/01/25.
- **SPA 25-0002 Pharmacy Intern and Pharmacy Technician Services** Under CMS review. Submitted 12/27/24, Effective 01/01/25.
- **SPA 24-0011 CAMHD Modifier updates** Under CMS review. Submitted 12/27/24, Effective 12/28/24.
- **SPA 24-0002 Diabetes Prevention Program**-In RAI
- **SPA 24-0008 Third Party Liability Assurances**- In RAI
- **SPA 23-0007 Medicaid Application**-In RAI

b. State Plan Amendment Presentations and Discussions: New - Presentation of State Plan Amendments currently being submitted for CMS approval

SPA 25-0001 Yearly Optional State Supplementary Payment

Background:

Yearly amendment required to increase the monthly income standards for Domiciliary Care Type I and for Domiciliary Care Type II in connection with Cost of Living Adjustment (COLA) increases.

Optional State Supplement Beneficiaries Reviewable Unit:

Effective January 1, 2025, Supplemental Security Income (SSI) beneficiaries received an 2.5% Cost of Living Adjustment increase from the Social Security Administration. This Amendment is required to increase the monthly income standards for Domiciliary Care Type I from $1594.90 to $1,751.00 and for Domiciliary Care Type II from $1702.90 to $1,859.00.

Submission to CMS- March 21, 2025 **Proposed Effective Date January 1, 2025.**

SPA 25-0005 Non-Discrimination Language Updates

Background:

Hawaii is seeking to update Section 7.2 “Nondiscrimination” in the Hawaii Medicaid State Plan effective January 1, 2025, to clarify non-discrimination policies for our Medicaid program. This section has been updated to reflect current language to describe this policy.

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Section 7.2

Has been updated to remove the term “handicap” and replaced with “disability”. “Age” and “Sex” has also been added to Section 7.2 in alignment with Section 1557 of the Affordable Care Act.

Submission to CMS- March 21, 2025 **Proposed Effective Date January 1, 2025**

SPA 25-0004 Mandatory Coverage for Eligible Juveniles who are Inmates of a Public Institution Post Adjudication of Charges

Background:

Section 5121 of the Consolidated Appropriation Act of 2023 (CAA, 2023) mandates that states Medicaid programs provide specific screening and diagnostic services and targeted case management (TCM) including referrals for at least 30 days post release for eligible Juveniles who are inmates of a public institution, post adjudication or legal decision is made, effective 01/01/25.

Attachment 3.1-M pg. 1-2

States must indicate compliance with the following areas:

a. State has an internal operational plan.

b. Provides eligible Juveniles the following:

- i. Screenings and Diagnostic Services
- ii. Targeted Case Management Services

c. State Acknowledges that a correctional institution is considered a public institution and may include prisons, jails, detention facilities, or other penal settings (e.g. boot camps or wilderness camps)

Submission to CMS- March 21, 2025 **Proposed Effective Date January 1, 2025.**

SPA 25-0004 Mandatory Coverage for Eligible Juveniles who are Inmates of a Public Institution Post Adjudication of Charges cont.

Supplement 1 to Attachment 3.1-A pg. 15-22

Details:

a. Where services are provided.
b. Defines what services are provided.
c. How the services are monitored.
d. Who can provide the services.
e. How the services can be accessed.
f. If any limitations.

Submission to CMS- March 21, 2025 **Proposed Effective Date January 1, 2025**

c. State Plan Amendments: Coming Soon

- **SPA 25-0006 Nursing Facility Age 21 and over alignment**

d. Public Comment

e. MHAC Comment

VIII. Next Meeting: April 16, 2025

IX ADJOURN

Mahalo!