

Med-QUEST Healthcare Advisory Committee

January 20, 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. Introduction of new members
- III. Review of meeting participation guidelines and process
- IV. MHAC Check-in: Any questions from the 11/18/20 MHAC meeting presentations?
- V. Presentation: Status update on Med-QUEST's Community Care Services and Quest Integration requests for proposals – Judy Mohr Peterson
- VI. Presentation: Restoration of Medicaid health benefits for the Compact of Free Association migrant population – Meredith Nichols
- VII. Presentation: Med-QUEST Financing 101 and proposed legislation for the 31st Legislature, 2021 - Judy Mohr Peterson
- VIII. Public Comment



MHAC 11/18/2020

QUESTIONS?

QUEST (Hawaii Medicaid): Update Health Care Delivery system

- **QUEST Integration:** 99.9% of Medicaid beneficiaries have access to most health care services using managed care via health plans, including long term care services.



- **Re-procurement for QUEST Integration:**
 - Request for Information (July 21 – Aug 24)
 - Release date for Request for Proposal (RFP): 12/08/2020
 - Proposals Due: 02/15/2021
 - Awards – March 2021;
 - Projected Contract Start: 7/1/2021
- **Community Cares Services:** Specialty Mental Health managed care plan for specialty mental health services for individuals with serious mental illnesses.
 - RFP Release: 11/06/2020; Proposals due 1/8/2021; Contract start: 7/1/2021
- <https://medquest.hawaii.gov/en/resources/solicitations-contract.html>

RESTORATION OF MEDICAID HEALTH BENEFITS FOR THE COMPACT OF FREE ASSOCIATION MIGRANT POPULATION – MEREDITH NICHOLS



Because 'ohana matters....



HEALTH CARE

‘A shining moment’: Congress agrees to restore Medicaid for Pacific Islanders

After fleeing their homeland scarred by U.S. nuclear tests, Marshall Islanders finally get the health care that was promised them.



Democratic lawmakers like Sen. Mazie Hirono and her Hawaii colleagues had spent about two decades trying to restore Marshall Islanders' health benefits. | Alex Wong/Getty Images

By **DAN DIAMOND**

12/20/2020 08:11 PM EST

POLITICO



- Access to Medicaid is restored for our friends and neighbors who are citizens of one of the Freely Associated States (Republic of the Marshall Islands, Republic of Palau, Federated States of Micronesia)
- This long advocated for change has been 25 years in the making and corrects a drafting mistake in the 1996 welfare reform bill that barred the islanders from the program.
- Sen. Hirono, who worked with colleagues including Sen. Brian Schatz and Rep. Tony Cárdenas of California to build consensus to restore Medicaid for the islanders, framed the deal as the United States upholding its promises to the island nations.

“Restoring Medicaid access for COFA citizens has been one of my top priorities since arriving in the Senate in 2013,” the Hawaii senator said in a statement. “This work has become only more urgent as the COFA community in Hawaii and across the country have experienced overwhelming levels of disease and death from COVID-19.”

- Juliet Choi, CEO of the Asian & Pacific Islander American Health Forum, hailed the agreement as *“a shining moment where Congress’ commitment to do the right thing will now finally allow thousands of COFA families gain access to Medicaid again.”*



Implementation

- The law that restores Medicaid for our COFA population took effect on Sunday, December 27, 2020
- We will NOT deny Medicaid benefits to any Hawai'i resident from a COFA Nation based on their citizenship (A1)
- A fix was implemented on January 18, 2021 in our eligibility information system (KOLEA)
- We did manual adjustments to catch any applications that may have been denied in KOLEA between 12/27 and 1/18/21 and determine eligibility manually.



MEDICAID FINANCING AND BUDGET



MEDICAID – A NATIONAL PERSPECTIVE:

- Largest health care coverage program in country covering **72+ million people**
- **Major payer** in the U.S. health care system:
 - 17 percent of national health care spending (2016)
 - 60 percent of nursing home and other long-term care expenses
 - More than 1/4 of all spending on mental health services and over a fifth of all spending on substance abuse treatment.
- **Coverage** of “Mandatory & Optional” benefits:
 - ≡ Typical health services like hospitalizations, doctors, prescription drugs, physical therapy, durable medical equipment
 - ↑ Comprehensive Behavioral health coverage (Mental Health and Addiction treatment);
 - + Non-traditional services: non-emergency medical transportation, Long term care – nursing homes, personal care assistance, adult foster homes
- **Joint federal/state program** with both sharing in the costs. As an “entitlement” program Medicaid is usually the largest federal dollar budget item in states. States can operate their Medicaid programs to meet their communities needs, often through waivers approved by federal government.



Medicaid Covers All That?
It's The Backstop
Of America's Ailing
Health System



(Kaiser Health News, Sept 25, 2017)



<https://www.macpac.gov/medicaid-101/>

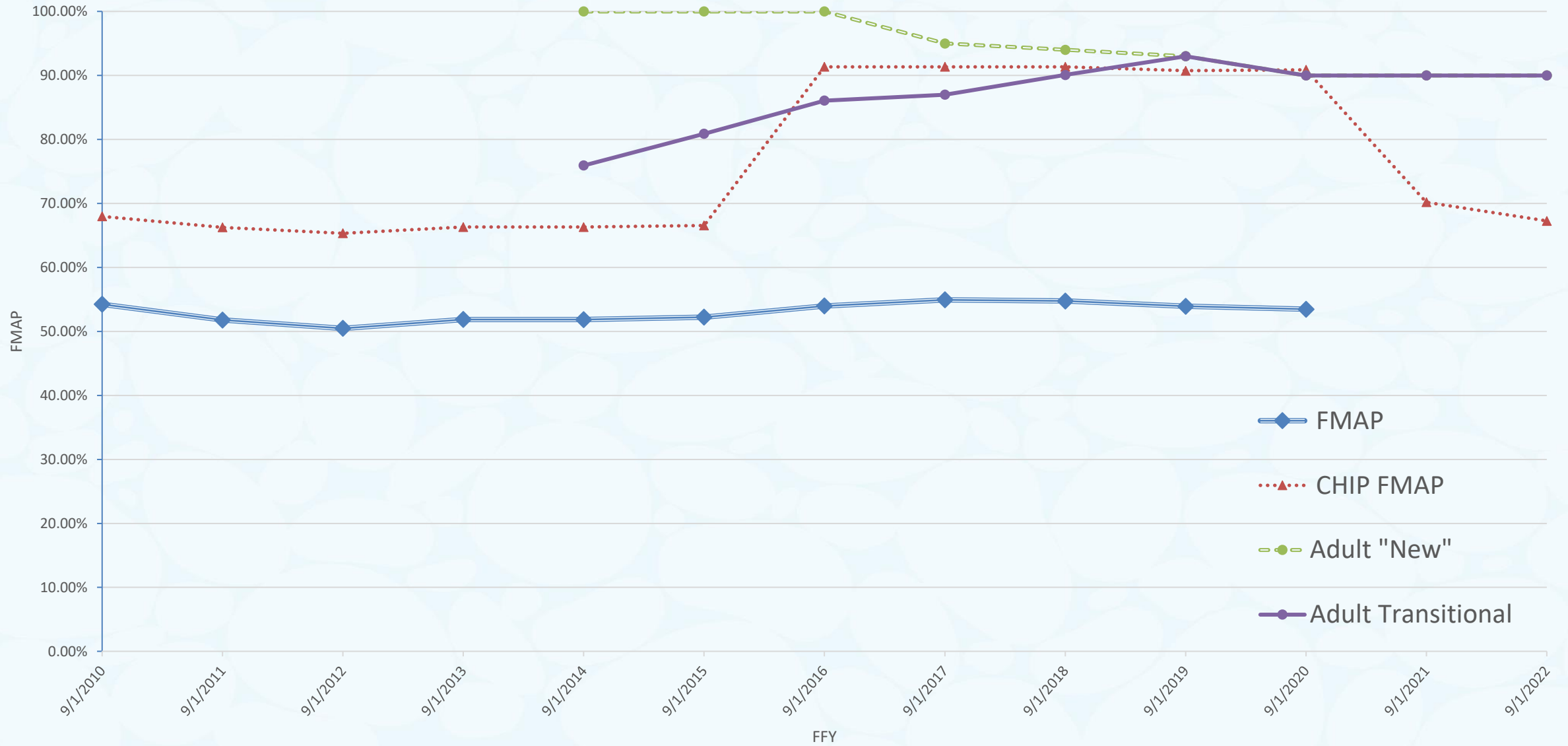
Federal matching rates

Federal Medical Assistance Percentage (FMAP) rate:

“The formula to calculate the FMAP was established in statute when Medicaid was authorized in 1965. The FMAP formula determines the federal and state share of Medicaid spending in each state by **comparing a state’s per capita personal income with the national average per capita income**. The formula is designed so that the federal government pays a higher proportion of Medicaid costs in states with lower per capita income relative to the national average, such as Mississippi, and a lower proportion in states with higher per capita income relative to the national average, such as Washington.” [Medicaid Basics - Funding](#)

- There is a substantial time lag in the collection and calculation of the rolling three-year average per capita income data by the Commerce Department. As a result, FMAP percentages that are in effect are based on income data from three to six years earlier.
- **Enhanced FMAP**
 - Populations (“ACA” Expansion Low Income Adult) and CHIP
 - Services: e.g. Family Planning
 - Congressional Action for Emergencies/Recession: American Recovery and Reinvestment Act (2009) and Families First Coronavirus Response Act (FFCRA)
- **Administrative matching rates** (50/50)
 - Enhanced administrative match: Examples IT systems (90/10 or 75/25) and for some skilled professionals (75/25)

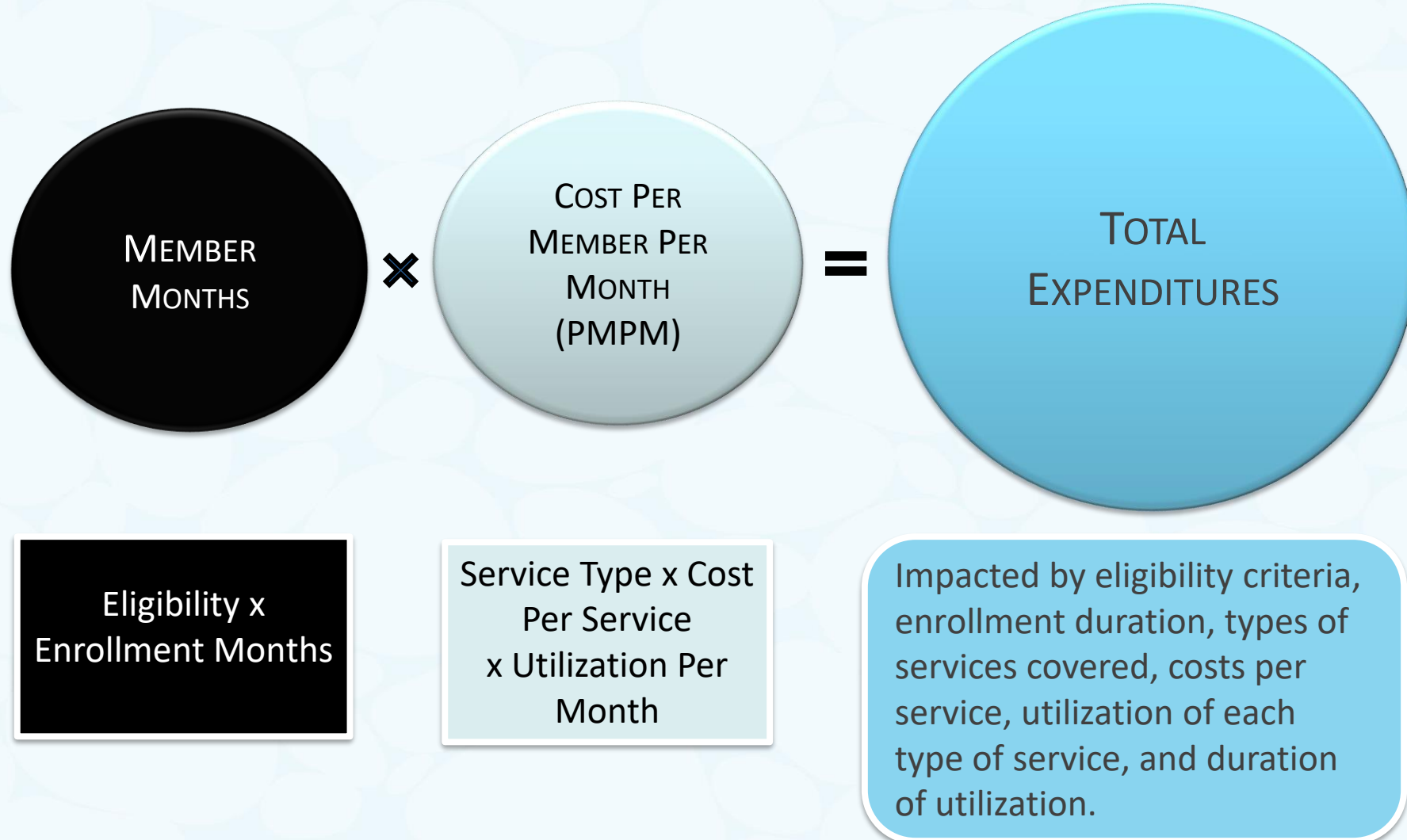
Hawaii FMAP rates



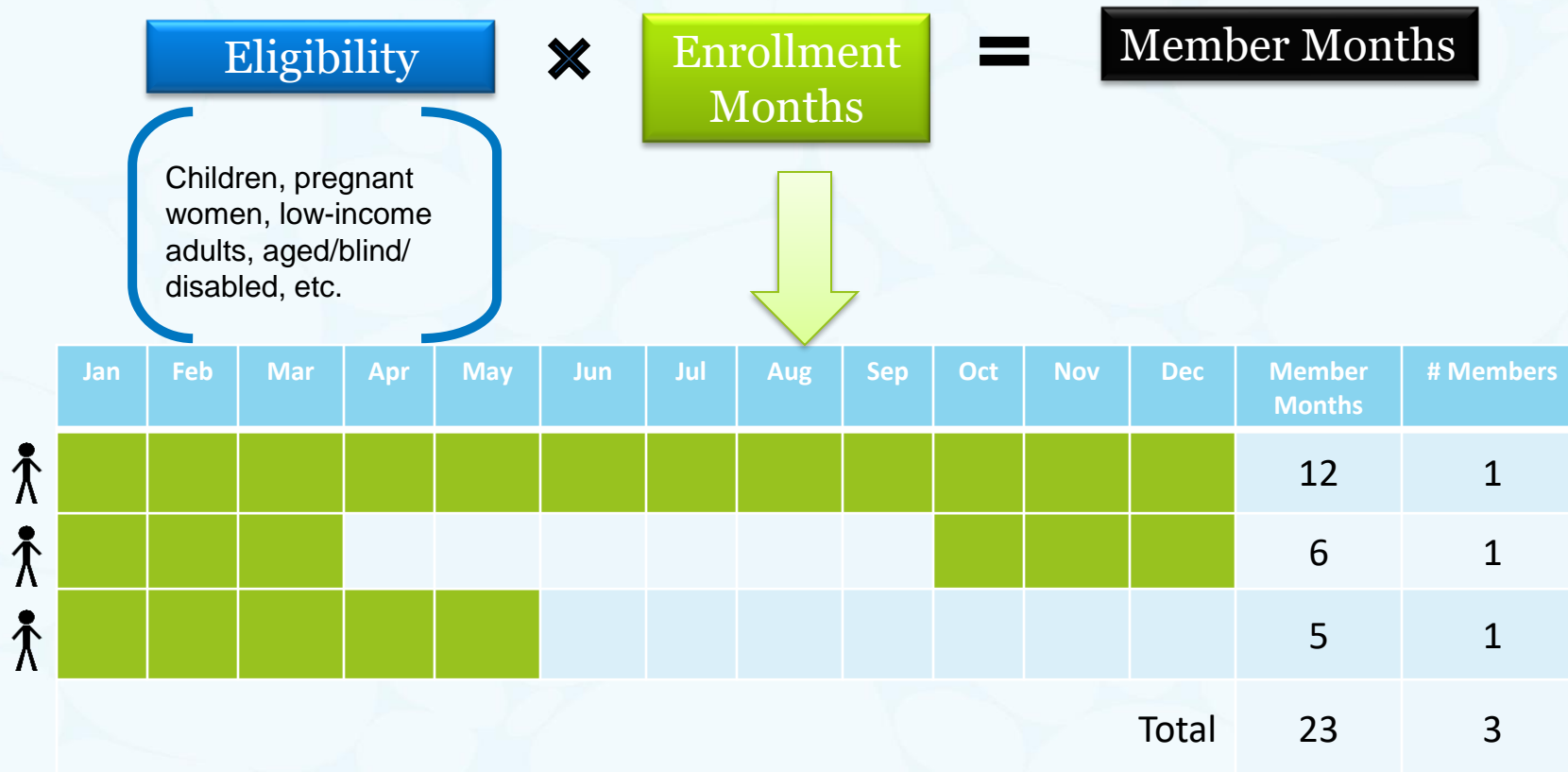
Hawaii FMAP rates



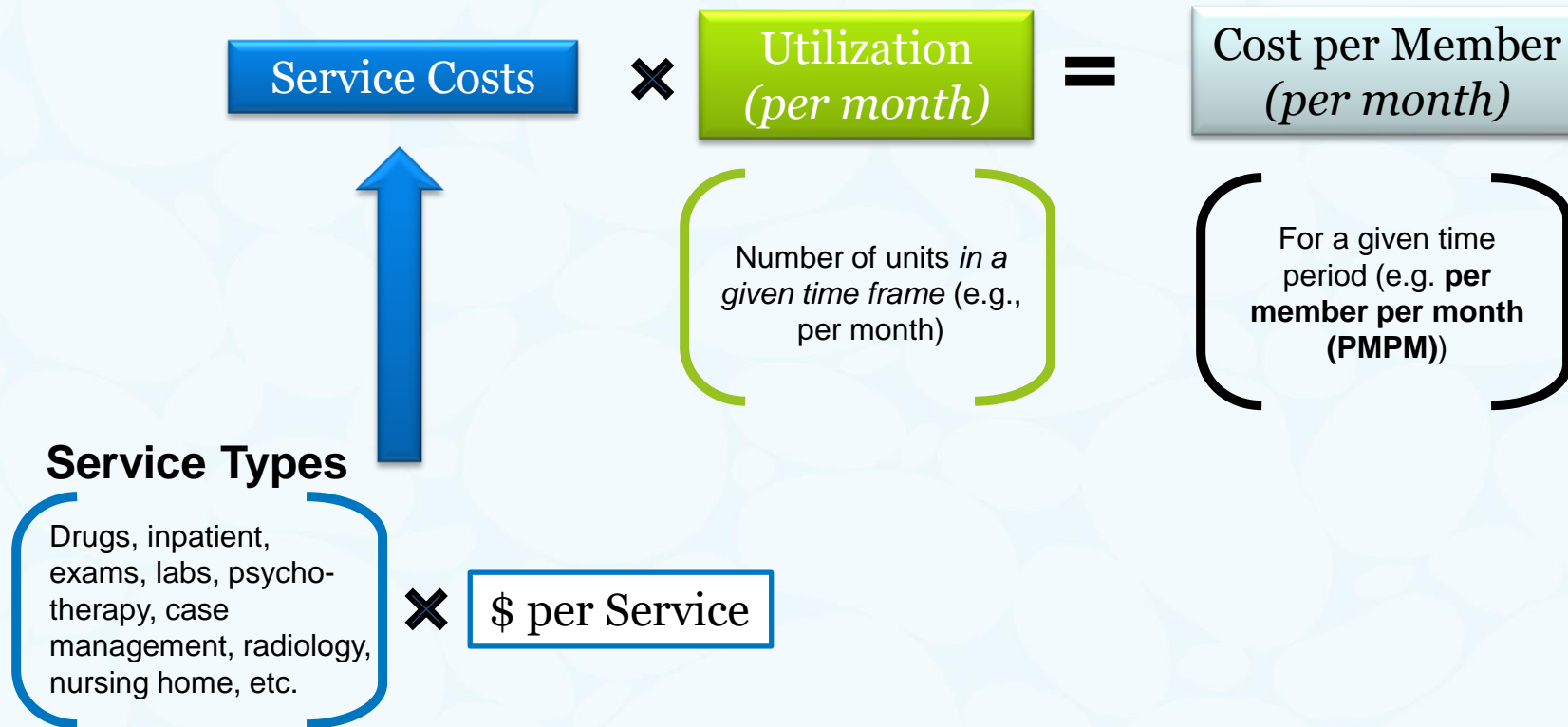
Total Expenditures



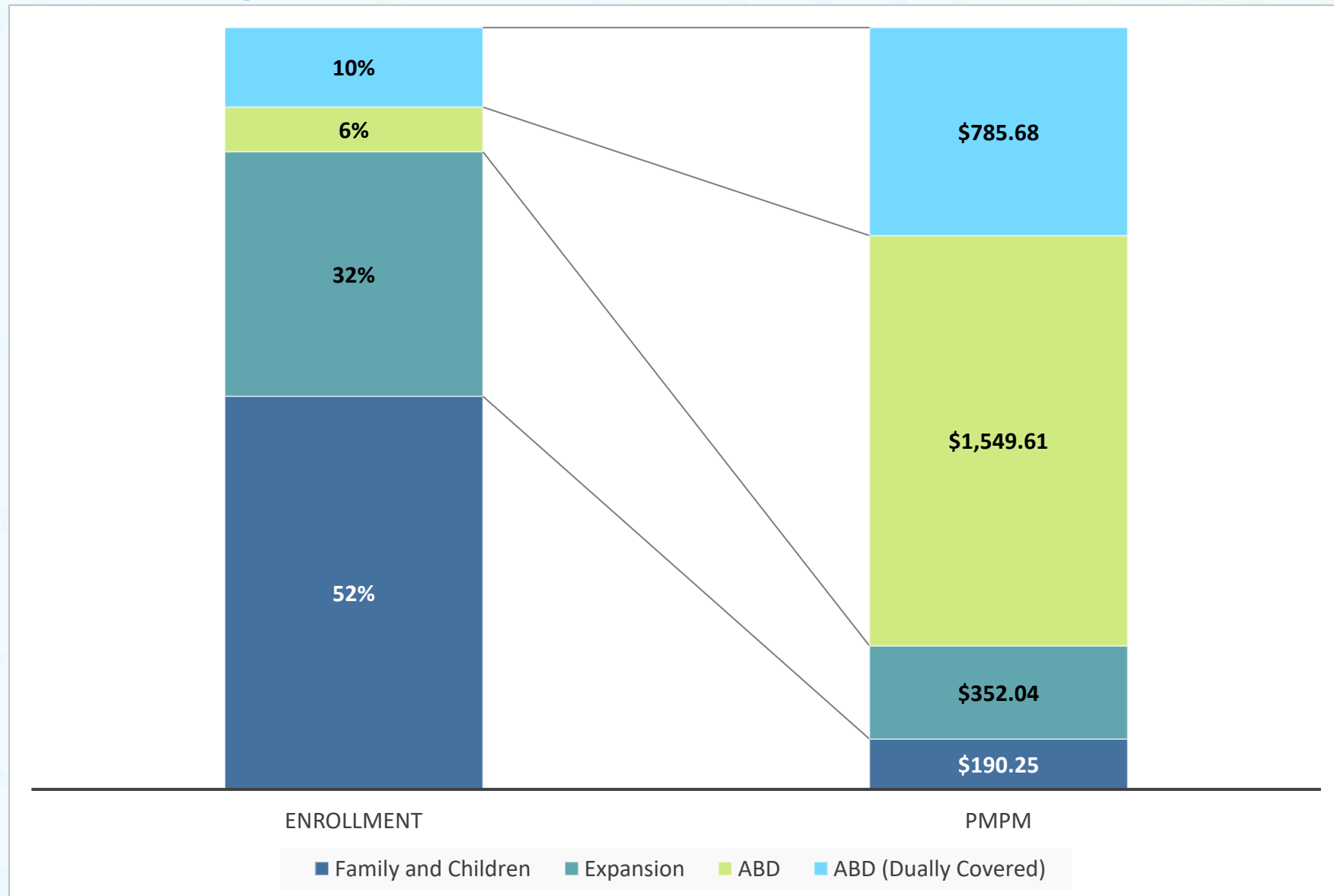
Total Expenditures



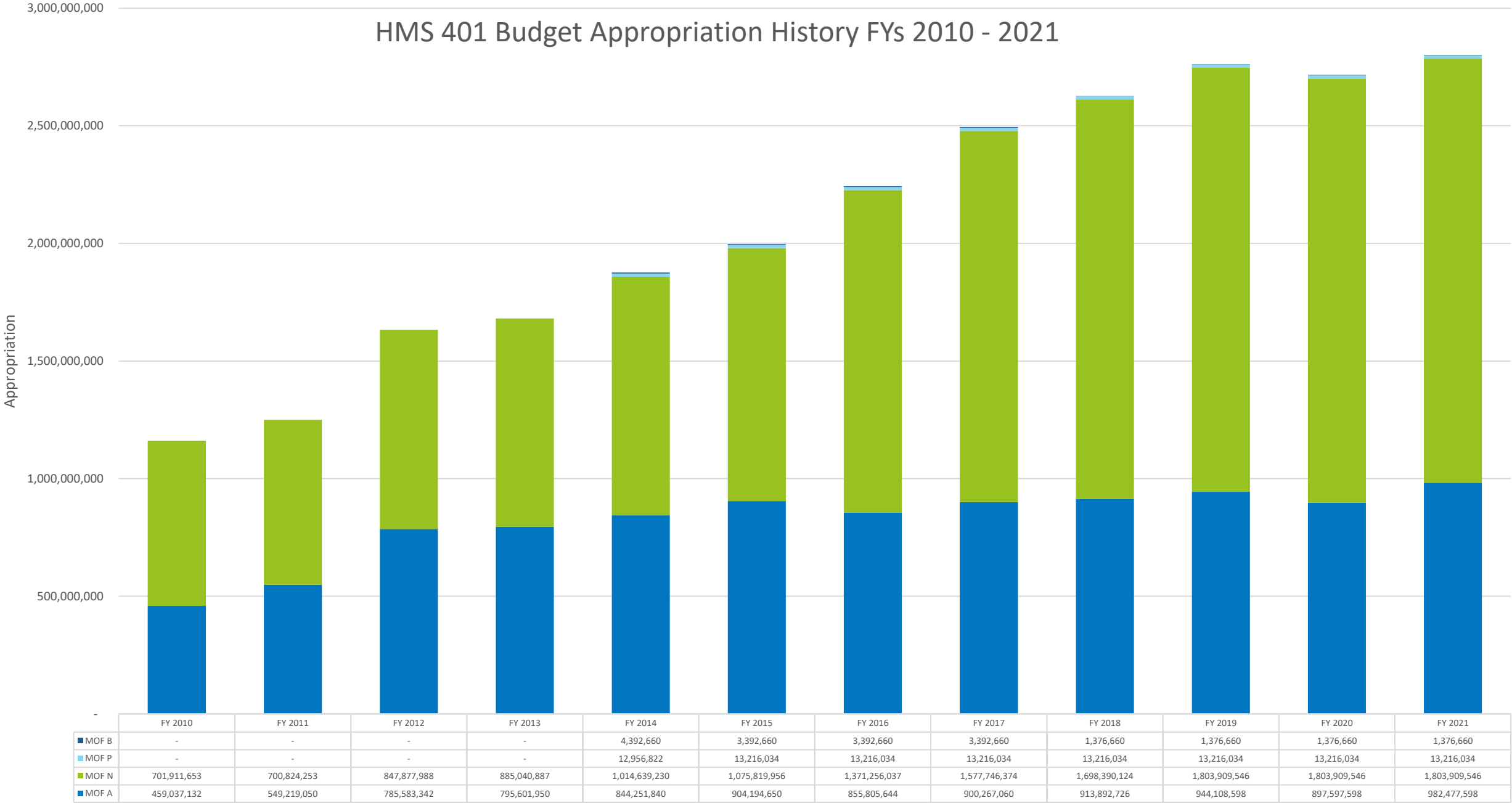
Total Expenditures



Different enrollment categories experienced different average PMPM expenditures in 2019



HMS 401 Budget Appropriation History FYs 2010 - 2021



Updated Projections

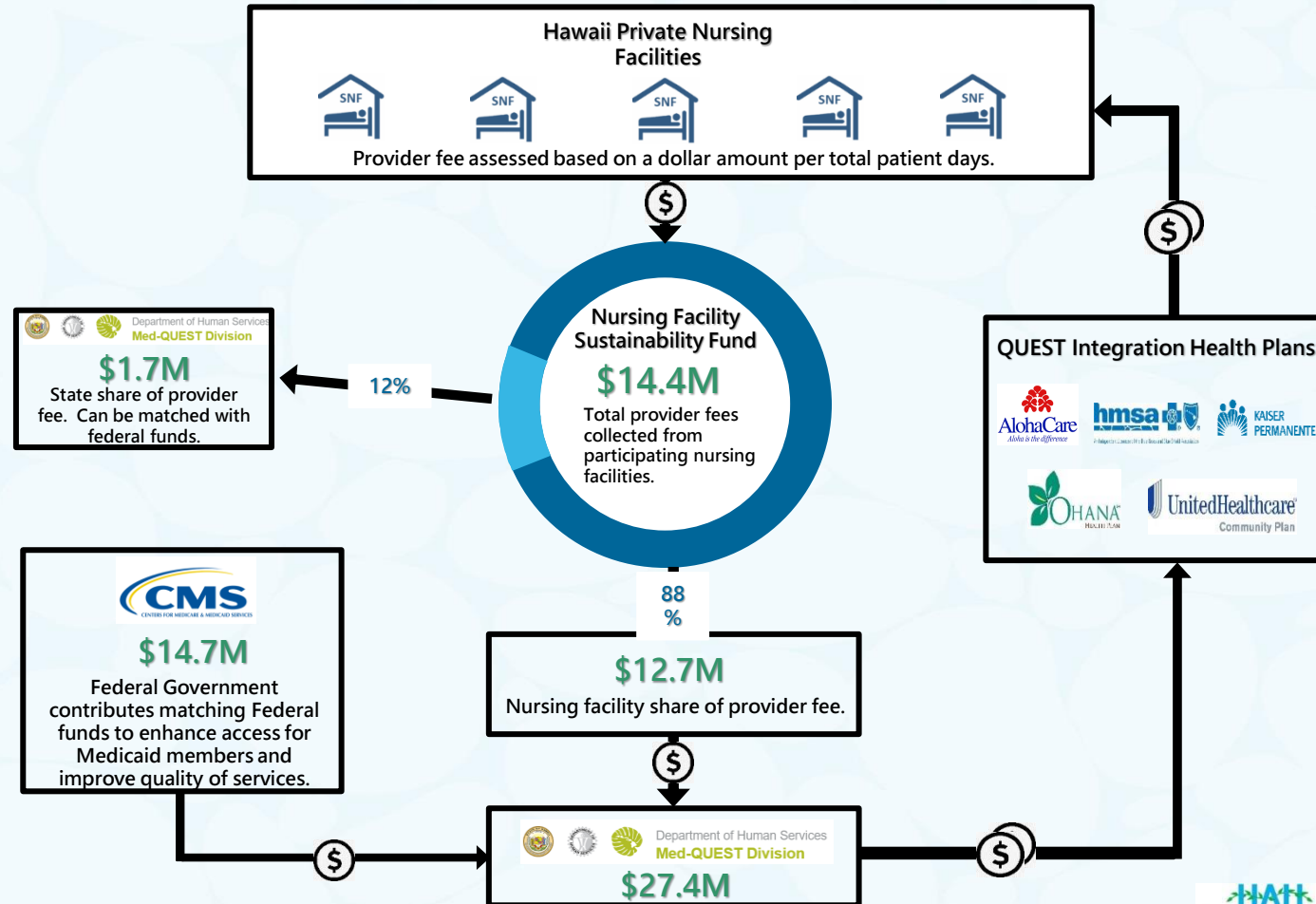
FY 2021				
	Federal Funds	General Funds	Other Funds	Total
TOTAL	2,089,509,283	886,868,560	21,374,615	2,997,752,459
Appropriation	1,803,909,546	982,477,598	21,374,615	2,807,761,759
Surplus/(Deficit)	(285,599,737)	95,609,038	-	(189,990,700)
FY 2022				
	Federal Funds	General Funds	Other Funds	Total
TOTAL	2,079,536,832	994,852,290	21,374,615	3,095,763,736
Appropriation	1,803,909,546	982,477,598	21,374,615	2,807,761,759
Surplus/(Deficit)	(275,627,286)	(12,374,692)	-	(288,001,977)
FY 2023				
	Federal Funds	General Funds	Other Funds	Total
TOTAL	2,122,229,716	1,016,547,186	21,374,615	3,011,186,746
Appropriation	1,803,909,546	982,477,598	21,374,615	2,807,761,759
Surplus/(Deficit)	(318,320,170)	(34,069,588)	-	(203,424,987)



MQD Legislative Concepts: Sustainability Programs



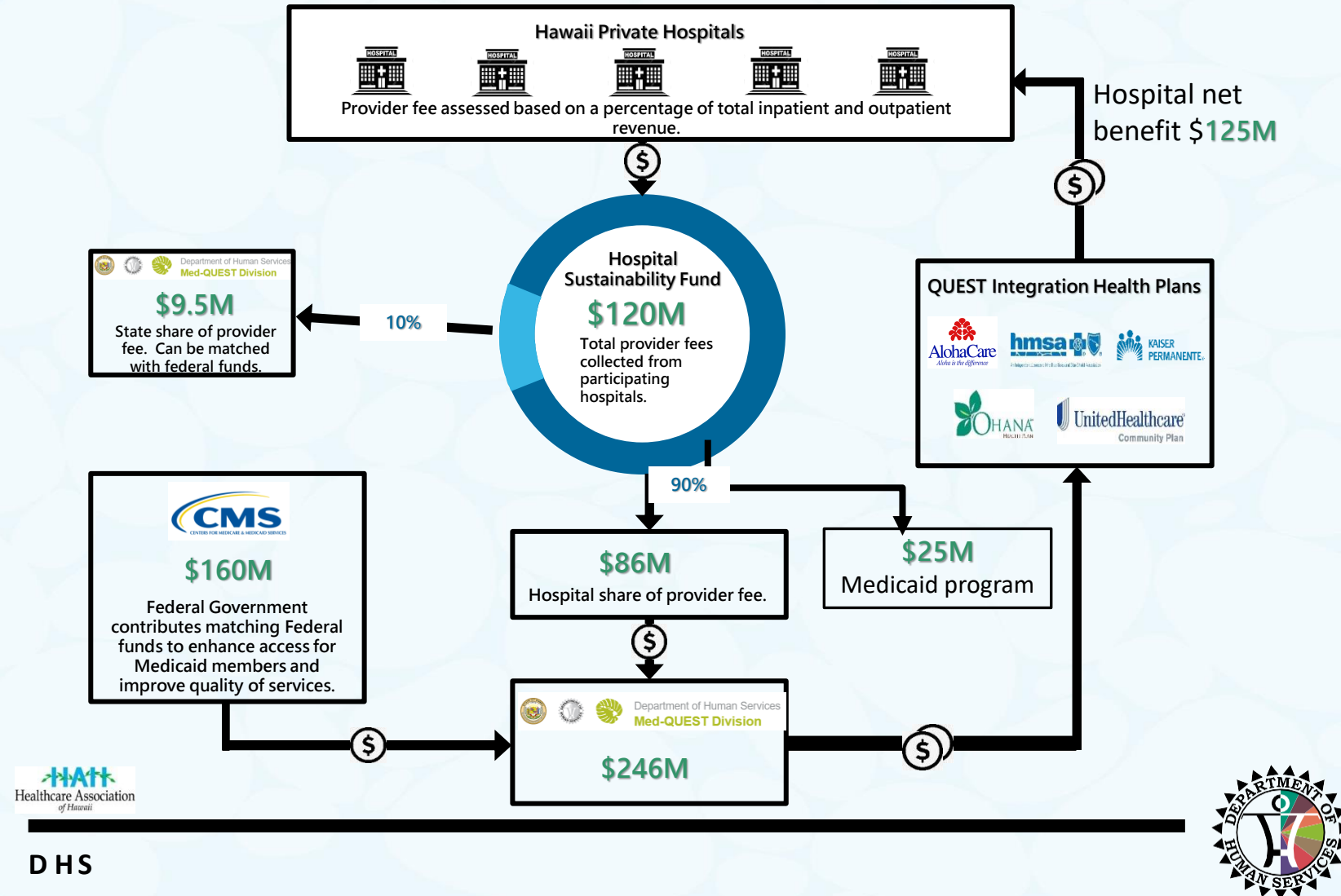
The nursing facility sustainability program is designed to enhance access to nursing facilities for Medicaid members. (amounts are estimates for FY 2020)



HAWAII
Healthcare Association
of Hawaii



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)



Medicaid Sustainability: Leg concept FB 21-23

- Sustainability of Medicaid Program – Health Insurer fee
 - Same process flow to leverage Federal Medicaid match
 - Leverage to benefit MQD – projected to net +\$15M
 - Structure fee on Health Insurer based on numbers of members
 - Fee varies by Medicaid vs. Commercial/Private members and by numbers of members



QUESTIONS?

PUBLIC COMMENT





Mahalo!