Hawai‘i COVID-19 Section 1115 Demonstration Final Evaluation Design

STATE OF HAWAI‘I, DEPARTMENT OF HUMAN SERVICES, MED-QUEST DIVISION

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Brief Background

On April 8, 2020, the Hawaii Department of Human Services, Med-QUEST Division ("MQD") obtained approval from the Center for Medicare & Medicaid Services (CMS) to update the "Hawaii QUEST Integration" 1115 Demonstration (Project No. 11-W-00001/9) by waiving certain requirements to the extent necessary to respond to the continued spread of COVID-19; the requested changes were incorporated into the demonstration's STCs as Appendix K. Subsequently, MQD applied for a COVID-19 section 1115 Demonstration Waiver to seek expenditure authorities to support the Home and Community-Based Services (HCBS) flexibilities received under the Emergency Preparedness and Response Appendix K. Approval for the "Hawaii Public Health Emergency" Demonstration (hereafter referred to as "PHE Demonstration") was obtained from CMS on June 25, 2020. The PHE Demonstration approval was retroactively applied from March 1, 2020 through a date that is sixty (60) days after the PHE ends.

The following expenditure authorities were granted as part of the PHE Demonstration, to provide additional supports to populations receiving HCBS Services, and providers of HCBS Services:

- **Retainer Payments**: Expenditures for the state to make retainer payments to providers of personal care services and habilitation that include personal care as a component as defined under section 1915(i) of the Act to maintain capacity during the emergency. The retainer payment time limit may not exceed 30 consecutive days. If the state currently has or submits and receives approval of an institutional facility bed hold SPA that is fewer than 30 days, then the state may only make retainer payment authorized under the 1115 authority that is less than or equal to the institutional nursing facility bed hold limit in the SPA. In addition, retainer payments may only be paid to providers with treatment relationships to beneficiaries that existed at the time the PHE was declared and who continue to bill for personal care services or habilitation services as though they were still providing these services to those beneficiaries in their absence. The retainer payments may not exceed the approved rate(s) or average expenditure amounts paid during the previous quarter for the service(s) that would have been provided.

- **HCBS Visitor Requirements.** Expenditures for the state to not comply with the HCBS settings requirement at 42 CFR 441.710(a)(1)(vi)(D) that individuals are able to have visitors of their choosing at any time for all HCBS in the state to minimize the spread of infection during the COVID-19 pandemic.

- **1915(i)-like Initial Evaluations and Assessments, and Revaluations and Reassessments.** Expenditures to allow the state to modify the deadline for conducting initial evaluations of eligibility at 42 C.F.R. §441.715(d) and initial assessments of need to establish a care plan at 42 C.F.R. §441.720(a) for the 1915(i)-like home and community-based services (HCBS) waiver services in the Hawaii QUEST Integration demonstration. This authority allows the state to delay the need for a functional assessment and LOC determination for one year. Expenditures to allow the state to modify the deadline for annual redetermination of eligibility required for the 1915(i)-like services, as described in 42 C.F.R. §441.715(e) and 1915(i)(1)(I) of the Act, and annual reassessment of need required for the 1915(i)-like services, as described in 42 C.F.R. §441.720(b). The annual eligibility determinations and reassessments of need that exceed the 12-month authorization period will remain in place and services authorized under a person-centered plan as described under 42 C.F.R. §441.725 will continue until the re-evaluation and reassessment can occur. These actions may be postponed for up to one year.

- **1915(c) and 1915(c)-like HCBS Waiver Level of Care Determination and Redetermination Timeline.** Expenditures to allowing the state to modify the deadline for initial and annual level of care determinations required for the 1915(c) and 1915(c)-like HCBS waiver services in the Hawaii QUEST Integration demonstration, as described in 42 C.F.R. §441.302(c)(1) and (c)(2), respectively. The initial determination of level of care does not need to be completed before the start of services, but must be completed within one year, and the annual level of care determinations that exceeds the 12-month authorization period will remain in place and services will continue until the assessment can occur. A reassessment may be postponed for up to one year.

Demonstration Objectives

COVID-19 section 1115 Demonstration Waivers have the general goal to ensure that sufficient health care items and services are available to meet the needs of beneficiaries and to ensure that health care providers who furnish such items and services in good faith, but are unable to comply with one or more requirements as a result of the COVID-19 pandemic, may be reimbursed for such items and services and exempted from sanctions for such noncompliance, absent any determination of fraud or abuse. Specifically, the key objective is to furnish medical assistance in a manner intended to protect, to the greatest extent possible, the health, safety, and welfare of individuals and providers who may be affected by COVID-19.

For Hawaii's PHE Demonstration, the key objective is tailored and parsed into two objectives as follows:

- Furnish medical assistance in a manner intended to protect, to the greatest extent possible, the health, safety, and welfare of beneficiaries receiving HCBS Services by mitigating the potential negative impacts of the COVID-19 PHE.
- Ensure that HCBS providers who furnish medical assistance in good faith, who are unable to comply with one or more requirements as a result of the COVID-19 pandemic, are reimbursed for such items and services, exempted from sanctions for such noncompliance (absent any determination of fraud or abuse), and to the extent feasible, protected from the negative fiscal impact of the COVID-19 PHE.

Evaluation Questions

The evaluation of the PHE Demonstration will test whether and how the waiver and expenditure authorities affected the state's response to the public health emergency, and how they affected coverage and expenditures. Evaluation hypotheses are tailored to each of the evaluation objectives, and presented in Table 1 below.

Table 1: PHE Demonstration Evaluation Objectives and Corresponding Evaluation Hypotheses

Evaluation Objectives	*Evaluation Hypotheses*
1. Furnish medical assistance in a manner intended to protect, to the greatest extent possible, the health, safety, and welfare of beneficiaries receiving HCBS Services by mitigating the potential negative impacts of the COVID-19 PHE.	1.1 The allowance of a delay by up to one year in conducting initial evaluations of eligibility for HCBS Services enhanced timely access to HCBS Services for qualifying individuals.
	1.2 The allowance of a delay by up to one year in conducting eligibility redeterminations for HCBS Services enhanced timely access to HCBS Services for qualifying individuals.
2 Ensure that HCBS providers who furnish medical assistance in good faith, who are unable to comply with one or more requirements as a result of the COVID-19 pandemic, are reimbursed for such items and services, exempted from sanctions for such noncompliance (absent any determination of fraud or abuse), and to the extent feasible, protected from the negative fiscal impact of the COVID-19 PHE.	2.1 Retainer payments to HCBS providers who provide personal care services, and habilitation services that include personal care as a component, supported the maintenance of network capacity during the COVID-19 PHE.
	2.2 Allowances for the state to not comply with the HCBS settings requirement that individuals are able to have visitors of their choosing at any time minimized the spread of infection in residential HCBS settings during the COVID-19 pandemic.
	2.3 Allowances of delays in initial eligibility determinations and redeterminations for HCBS Services and provision of retainer payments together supported access to HCBS Services.

The following additional evaluation questions based on the specific STCs, waivers and expenditure authorities in this demonstration will be investigated.

Additional Evaluation Questions:
1. What PHE Demonstration flexibilities were implemented by MQD? 1.1 If any flexibilities were not implemented, why were they not implemented? 1.2 For flexibilities that were implemented, how were they implemented?
2. What were the principle challenges associated with implementation of PHE Demonstration Waiver authorities? 2.1 What were the principle challenges associated with engaging beneficiaries in the implementation? 2.2 What were the principle challenges associated with engaging providers in the implementation?
3. What strategies were pursued to address the above-referenced challenges? 3.1 What were the strategies pursued with beneficiaries? 3.2 What were the strategies pursued with providers?
4. What were the unresolved or ongoing challenges related to implementation of the PHE Demonstration flexibilities? 4.1 What were the unresolved challenges with beneficiaries? 4.2 What were the unresolved challenges with providers?
5. What were some successes noted related to the implementation of the PHE Demonstration flexibilities? 5.1 What were some successes noted for beneficiaries? 5.2 What were some successes noted for providers?
6. What are some recommendations for flexibilities that the state may seek to better serve the HCBS population and HCBS providers in future public health emergencies? 6.1 What are some recommendations for HCBS beneficiaries? 6.2 What are some recommendations for HCBS providers?

Evaluation Methodology

A mixed methods approach is proposed with various qualitative elements. A document review will initially be conducted to evaluate implementation of the PHE Demonstration flexibilities by MQD and its contracted entitles who implement HCBS Waiver Services on MQD's behalf. Key contracted entities include the Hawaii State Department of Health's Developmental Disabilities Division (DDD) that administers the state's 1915(c) HCBS Waiver Services, and the state's Managed Care Organizations (MCOs) that administer the state's 1915(c)-like and 1915(i)-like HCBS Waiver Services provided via the state's "Hawaii QUEST Integration" (Project No. 11-W-00001/9) 1115 Demonstration.

Documents reviewed may include:

- Memos issued by MQD to contracted entities covering the implementation of PHE Demonstration flexibilities;
- Meeting notes, emails, or other documents as available from MQD that provide further clarification to contracted entities;
- Guidance, policies and procedures, or protocols developed by MQD or its contracted entities for internal implementation of PHE Demonstration flexibilities;
- Guidance, policies and procedures, or protocols disseminated by MQD or its contracted entities to providers pertaining to implementation of PHE Demonstration flexibilities;
- Guidance, policies and procedures, or protocols disseminated by MQD or its contracted entities to beneficiaries pertaining to implementation of PHE Demonstration flexibilities; and
- Other key documents pertaining to the implementation of PHE Demonstration flexibilities not specified above.

Per CMS guidance, MQD will track and assess demonstration expenditures, including administrative and program costs. In addition, key utilization parameters on HCBS Services rendered prior to and during the COVID-19 pandemic; and specifically, payments to HCBS providers for services provided or as retention payments; will be gathered and analyzed. Any observable trends, and differences in trends among the three HCBS Services

receiving populations or by MCO, will be explored during the key informant interviews described next. Historic trends will be used to develop benchmarks against which data gathered during the COVID-19 pandemic will be compared. Additionally, trends in other non-HCBS utilization indicators during the PHE (e.g. inpatient, pharmacy, professional services, nursing home services etc.) may also be compared to HCBS utilization indicators during the same period to assess whether the PHE Demonstration flexibilities may have mitigated some of the impact to beneficiaries receiving HCBS and to HCBS providers. MQD may also use appropriate benchmark data on rates of disease prevalence and transmission from other agencies, such as the Centers for Disease Control and Prevention (CDC) and the Hawaii Department of Health (DOH), to contextualize utilization patterns observed.

Finally, a series of key informant interviews will be undertaken of key stakeholders within MQD and entities who implement HCBS Waiver Services on MQD's behalf. Key informant interviews will be used to gather qualitative information to address the evaluation hypotheses as well as answer the additional evaluation questions presented in the previous section. Where utilization and cost trends observed require further exploration (e.g. if a single MCO's trends appear substantially different from other MCOs), key informant interviews will be used to gather additional information and context that may help explain the differences observed. Responses gathered will be compiled and summarized into key themes. Any differences in the experience of implementing PHE Demonstration flexibilities between the three HCBS Services receiving populations will be explored. Table 2 explores potential data sources and potential analyses that may support the evaluation of each proposed hypothesis.

Table 2: Evaluation Hypotheses, Potential Data Sources and Potential Analyses Conducted

Evaluation Hypotheses	*Potential Data Sources*	*Potential Analyses*
1.1 The allowance of a delay by up to 1 year in conducting initial evaluations of eligibility for HCBS Services enhanced timely access to HCBS Services for qualifying individuals.	Encounter data submitted by MCOs to MQD; document review; key informant interviews.	Evaluate implementation of flexibility; evaluate utilization of HCBS Services by newly qualifying beneficiaries during PHE compared to historic baseline and utilization of non-HCBS Services during PHE. Obtain additional context as needed through key informant interviews.
1.2 The allowance of a delay by up to 1 year in conducting eligibility redeterminations for HCBS Services enhanced timely access to HCBS Services for qualifying individuals.	Encounter data submitted by MCOs to MQD; document review; key informant interviews.	Evaluate implementation of flexibility; evaluate utilization of HCBS Services by previously qualifying beneficiaries during PHE compared to historic baseline and utilization of non-HCBS Services during PHE. Obtain additional context as needed through key informant interviews.
2.1 Retainer payments to HCBS providers who provide personal care services, and habilitation services that include personal care as a component, supported the maintenance of network capacity during the COVID-19 PHE.	Cost data submitted by MCOs, parsing out retainer payments; document review; key informant interviews.	Evaluate implementation of flexibility; evaluate the number of providers receiving retainer payments, the length of utilization and total reimbursements via retainer payments. Obtain additional context as needed through key informant interviews.
2.2 Allowances for the state to not comply with the HCBS settings requirement that individuals are able to have visitors of their choosing at any time minimized the spread of infection in residential HCBS settings during the COVID-19 pandemic.	Document review; key informant interviews; encounter/lab data submitted by MCOs to evaluate infection rate if feasible.	Evaluate implementation of flexibility; assess impact through key informant interviews. Evaluate COVID-19 infection among HCBS beneficiaries if feasible.
2.3 Allowances of delays in initial eligibility determinations and redeterminations for HCBS Services and provision of retainer payments together supported access to HCBS Services.	Adaptation of analyses completed for hypotheses 1.1, 1.2, and 2.1.	Evaluate provider total revenue from provision of HCBS Services and retainer payments; assess total payments to HCBS providers during PHE compared to historic baseline. Obtain additional context as needed through key informant interviews.

Methodological Limitations

While the PHE Demonstration offers various flexibilities, the implementation of the authorities sought may vary; it is possible that some flexibilities remain unimplemented or are delayed in implementation, therefore reducing their effectiveness at achieving the objectives of the demonstration. Despite substantial PHE Demonstration flexibilities, the COVID-19 pandemic may have an unprecedented and unpredictable impact that supersedes the mitigating flexibilities implemented by the PHE Demonstration; for example, a decrease in utilization due to a substantial number of deaths among beneficiaries receiving HCBS Services may confound a positive impact of the flexibilities on utilization that may have otherwise resulted from delayed eligibility assessments/ reassessments. Despite the implementation of additional flexibilities, external factors (e.g. imposition of state lock downs, community-level fear, and decreased access to services, etc.) may confound the outcomes of the evaluation. Other changes within Medicaid in response to the COVID-19 pandemic (e.g. encouragement/ increased use of telehealth services, substantial increase in enrollment) may also impact care delivery in the HCBS setting, or influence the number of beneficiaries qualifying for HCBS Services; these factors may, in turn, affect the outcomes of the evaluation.

Evaluator and Evaluation Report

This evaluation will be conducted internally by MQD staff. Data will be gathered as part of standard MQD operations. MQD will draw upon the findings from the cost/utilization assessment, and the mixed-methods qualitative analysis described above, to describe the extent to which the administrative and program costs related to this demonstration were effective at achieving the objectives of the demonstration.

The final evaluation report will be organized based on the structure outlined in CMS' section 1115 demonstration evaluation guidance "Preparing the Evaluation Report." Per CMS guidance, the focus of the report will be on describing the challenges presented by the COVID-19 public health emergency to the Medicaid program, how the flexibilities of this demonstration assisted in meeting these challenges, and any lessons that may be taken for responding to a similar public health emergency in the future. The final report will be submitted no later than one year following the end of the PHE Demonstration authority. Per 42 CFR § 431.428, the final report will capture all the requirements stipulated for annual report. If the demonstration lasts longer than one year, the annual report information for each demonstration year will be included in the final report and will adhere to the stipulations of 42 CFR § 431.428. In addition, as required by CMS, the state will host a post-award public forum either in-person or by webinar to gather comments and feedback using the appropriate modality(ies), or if needed, request an extension of the deadline to meet this deliverable.