

**REPORT TO THE THIRTY-SECOND HAWAI'I LEGISLATURE
REGULAR SESSION OF 2024**

In accordance with section 103F-107, Hawai'i Revised Statutes (HRS)
Annual Report on Medicaid Health Care Insurance Plan Contracts
Fiscal Year 2022-2023

Med-QUEST Division
DEPARTMENT OF HUMAN SERVICES
STATE OF HAWAI'I

Submitted March 2024

This report is submitted in accordance with section 103F-107, Hawai'i Revised Statutes (HRS), which requires the Department of Human Services to submit an annual report regarding Hawai'i's Medicaid health care insurance plan contracts. This report provides an overview for State Fiscal Year 2022-2023 (SFY23).

QUEST Integration

QUEST Integration (QI) is a State of Hawai'i (State) Department of Human Services (DHS) and Med-QUEST Division (MQD) comprehensive section 1115(a) Demonstration that expands Medicaid coverage to children and adults. The Demonstration created a public purchasing pool that arranges for health care delivery through contracted managed care health care insurance plans (Plans).

Under managed care, the State pays a capitation fee to a contracted health care insurance plan for each QI beneficiary who enrolls in the Plan. The Plans manage the delivery of QI benefits, services and supports to eligible beneficiaries based on medical necessity and clinical criteria. The Plans also pay providers for the beneficiary's Medicaid-covered services as required in the Plans' contract with the State. MQD works closely with the Plans to monitor contract implementation and compliance.

During SFY23, QI contracts were held by five health care insurance plans:

1. AlohaCare,
2. Hawai'i Medical Service Association,
3. Kaiser Foundation Health Plan, Inc.,
4. Ohana Health Plan, and
5. UnitedHealthcare Community Plan.

These Plans were contracted to serve approximately 460,000 QI Medicaid beneficiaries throughout the State of Hawai'i .

Financial Expenditures

For the SFY23 reporting period, Plans reported receiving a total of \$2,574,535,401 in QI capitation payments for contracted services. Medical expenditures averaged 90% of total award. Administrative expense ratios varied widely by Plan but were acceptable (below 15%) with an overall average at 8%.

Although Plans reported "Total Gain/Loss" dollar values, these point-in-time unaudited financials do not include capitation rate risk corridor outcomes which are necessary to reflect a complete gain/loss value. The rate risk corridors are typically not calculated until a year after the contract year ends.

Employment Information

For the SFY23 reporting period, Plans reported a combined total of 1,278 employees located in Hawai'i who support fulfillment of the QI contract requirements. (This total has increased since the SFY22 reporting of 1,228 employees.)

State & Federal Sanctions/Litigation

Plans reported a total of nineteen cases (both active and closed). No adverse actions or government sanctions were reported.

Contributions

Each Plan has sole discretion to determine its contributions to the community. Contribution recipients and amounts were significantly different between Plans. No regulatory issues were identified.

Management and Administrative Contracts

For each reported contract, Plans provided the required data (e.g., contractor name, service and cost). No operational concerns or regulatory issues were identified.

There was significant variability in the types of contracts each plan selected for reporting. To promote future reporting uniformity and to support comparative analysis, MQD will modify the reporting template and provide Plans with more detailed definitions related to this report element. Health plans will be required to use the new template & definitions for SFY24 reporting.

REFERENCE: Section 103F-107, Hawai'i Revised Statutes

(a) All nonprofit or for-profit Medicaid health care insurance contractors, within one hundred and eighty days following the close of each fiscal year, shall submit an annual report to the department of human services, the insurance division of the department of commerce and consumer affairs, and the legislature. The report shall be attested to by a plan executive located within the State and shall be made accessible to the public. The report shall be based on contracts administered in the State and shall include:

(1) An accounting of expenditures of Med-QUEST contract payments for the contracted services, including the percentage of payments:

- (A) For medical services;
- (B) For administrative costs;
- (C) Held in reserve; and
- (D) Paid to shareholders;

(2) Employment information including:

- (A) Total number of full-time employees hired for the contracted services;
- (B) Total number of employees located in the State and the category of work performed; and
- (C) The compensation provided to each of the five highest paid Hawai'i employees and to each of the five highest paid employees nationwide, and a description of each position;

(3) Descriptions of any ongoing state or federal sanction proceedings, prohibitions, restrictions, ongoing civil or criminal investigations, and descriptions of past sanctions or resolved civil or criminal cases, within the past five years and related to the provision of Medicare or Medicaid services by the contracting entity, to the extent allowed by law;

(4) Descriptions of contributions to the community, including the percentage of revenue devoted to Hawai'i community development projects and health enhancements; provided that contracted services shall not be included in the percentage calculation; and

(5) A list of any management and administrative service contracts for Med-Quest services made in Hawai'i and outside of the State, including a description of the purpose and cost of those contracts.

(b) The department of human services shall include in all Medicaid health care insurance plan contracts, the annual reporting requirements of subsection (a).

(c) Any contract under this section shall be governed by the laws of the State of Hawai'i .

(d) Within ninety days of receipt of the reports required by this section, the department of human services shall provide a written analysis and comparative report to the legislature.

Financial Expenditures

Health Plan	AlohaCare	HMSA	Kaiser	Ohana	United
The Health Plan shall enter the reporting period in cell B3 as the State Fiscal Year (SFYxx).	SFY23	SFY23	SFY23	SFY23	SFY23
1) Provide an accounting (in dollars) of expenditures of Med-QUEST contract payments for the contracted services, including the percentage of payments:					
A) Total payments received for contracted services (Total Award)	449,955,546	1,103,739,007	231,835,453	352,667,037	436,338,359
Below, provide expenditures and other use of Total Award					
B) For Medical Services	387,283,702.09	1,061,442,805.43	232,403,565.00	274,915,123.58	380,628,167.26
C) % Medical Services of Total Award	86.07%	96.17%	100.25%	77.95%	87.23%
D) For Administrative Costs	35,328,455.13	92,855,156.38	12,980,222.00	42,219,791.36	22,935,820.74
E) % Administrative Costs of Total Award	7.85%	8.41%	5.60%	11.97%	5.26%
F) For Insurance Premium Tax	0.00	0.00		15,592,195.15	19,452,652.63
G) % Insurance Premium Tax of Total Award	0.00%	0.00%	0.00%	4.42%	4.46%
H) Held In Reserve	15,817,972.25	0.00			
I) % Held In Reserve of Total Award	3.52%	0.00%	0.00%	0.00%	0.00%
J) Paid to Shareholders		0.00			
K) % Paid to Shareholders of Total Award	0.00%	0.00%	0.00%	0.00%	0.00%
L) For Other Expenses		0.00			
M) % Other Expenses of Total Award	0.00%	0.00%	0.00%	0.00%	0.00%
N) Total of Expenditures	422,612,157.22	1,154,297,961.81	245,383,787.00	332,727,110.09	423,016,640.63
O) % Total of Expenditures of Total Award	93.92%	104.58%	105.84%	94.35%	96.95%
P) Total Gain/Loss	27,343,388.78	(50,558,955.19)	(13,548,334.00)	19,939,926.78	13,321,718.34

Health Plan Notes

Ohana:

(1) Financial Expenditures listed are not intended to match audited financials or statutory filings. These numbers have been solely produced for the purpose of complying with the requirements of this report.

(2) Dollars received are revenue amounts received from the state to administer the QI program for SFY 2023. The amount represents capitation received and includes retroactivity through the November 2023 payment. The amount excludes certain state-directed payments, member cost share, and spend-down. The amount includes an estimate for expected payments to and from the state for risk share/corridor arrangements for ABD, Non-ABD/Non-Expansion, and Expansion. The estimated risk sharing amounts are estimated as of November 2023 and are uniformly pro-rated to apply to the applicable period: July 2022 - June 2023. These risk sharing estimates include Calendar Year Retroactive Settlement Corridor, High Cost Drug Corridor, High Risk Newborn Pool, Maternity Delivery Corridor, and Program aggregate gain/loss shares.

(3) The amount listed for medical services represents costs associated with medical service claims paid for service dates in SFY 2023 and paid through 11/30/2023. They exclude: IBNP of \$9.0M, member cost share and spend-down. To get a true picture of medical cost, the IBNP amount of \$9.0M should be added to the reported amount.

United:

- This unaudited financial information was compiled from the books and records of UnitedHealthcare Insurance Company ("UHIC"). Financial information presented is subject to audit.
- UHIC's fiscal year is on a calendar basis, information presented herein is for July 2022 to June 2023 and is specific to UnitedHealthcare Insurance Company d/b/a UnitedHealthcare Community Plan Hawaii (the "Plan").
- No funds from the Plan were held in reserve. However, UHIC, the Plan's parent company, maintains sufficient reserves to meet/exceed State of Hawaii regulatory requirements, including obligations for State Medicaid programs.
- Obligations for these programs include, but are not limited to, estimated claims for services outstanding (incurred but not reported "IBNR").
- UHIC has, and continues to meet, reserve & solvency requirements of the DCCA/Insurance Division for all of its health plan programs in Hawaii.
- SFY 2023 reported results include \$38.1M of capitation adjustments (and associated premium taxes) for prior state fiscal years.
- This includes capitation adjustments related to retroactive member adjustments, variance between accrued and actual amounts, gain share and quality bonus payments and accruals.
- SFY 2023 reported results also include \$13.1M of medical expense adjustments for prior state fiscal years related to claims reprocessing, settlement adjustments, IBNR adjustments and variance between accrued and actual paid amounts.

Employment Information

The Health Plan shall enter the reporting period in cell B3 as the State Fiscal Year (SFYxx).	SFY23	AlohaCare		HMSA		Kaiser	
2) Provide employment information including:			Total		Total		Total
A) Total number of full-time employees hired for the contracted services (include both in-State and out-of-State employees)			263		351		61
		Category	Number of Employees per Category	Category	Number of Employees per Category	Category	Number of Employees per Category
B) Total number of employees located in the State and the category of work performed (include only in-State employees, both full-time and part-time)							
		Clinical Services	122	Administration - General	35.7	Administrative	9
		Operational Services	87	Administration - QUEST	9	Claims	0
		Executive Services	13	Audit and Compliance	4.4	Compliance	1
		Human Resource Services	4	Claims Processing	39	Data Analytics	1
		Financial Services	9	Finance	34.7	Grievance and Appeals	1
		Administrative Services	5	Information Systems	42.3	Health Coordination - Licensed	33
		Information Technology Services	23	Legal Services	4.6	Health Coordination - Non-Licensed	17
				Marketing	14.8	IT	4
				Medical Management	129.2	Medical Director	3
				Member Servicing	0	Member Services	10
				Pharmacy Management	0	Pharmacy	5
				Provider Servicing	16.4	Provider Services/Contract and Credentialing	8
				Quality Improvement	20.7	Quality Management	1
						PA/Utilization Management/Concurrent Review/DME	46
						Financial Officer	1
		Total	263	Total	351	Total	140

The Health Plan shall enter the reporting period in cell B3 as the State Fiscal Year (SFYxx).	SFY23	Ohana		United	
2) Provide employment information including:			Total		Total
A) Total number of full-time employees hired for the contracted services (include both in-State and out-of-State employees)			211		352
		Category	Number of Employees per Category	Category	Number of Employees per Category
B) Total number of employees located in the State and the category of work performed (include only in-State employees, both full-time and part-time)					
		Behavioral Health	23	Member Services	35
		Case Management	79	Provider Services	50
		Claims Operations	5	Administration	4
		Community Relations	1	Operations	15
		Compliance	3	Quality	15
		Customer Service	27	Clinical Management	87
		Executive	5	Field-Based Service Coordination	107
		Finance & Analytics	9		
		Government & Regulatory Affairs	2		
		Medical Affairs	3		
		IT	2		
		Network Management	2		
		Pharmacy	2		
		Provider Relations	12		
		Quality Improvement	18		
		Utilization Management	18		
		Total	211	Total	313

Health Plan Notes

United:
UnitedHealth Group and all subsidiaries employ approximately 440,000 individuals worldwide.

Employment Information

C) Compensation provided to each of the five highest paid Hawaii employees during the reporting period

To the right, enter the reporting period as the State Fiscal Year (SFYxx).	2023				
#1	AlohaCare	HMSA	Kaiser	Ohana	United
Title	Chief Executive Officer	President and Chief Executive Officer	SVP, Hawaii Market Leader	State President and CEO	Former Health Plan CEO
Description of position	Responsible for the overall operations of the healthplan.	Reports to the Board of Directors Provides the strategic leadership in development and implementation of concepts, plans, operating policies, and management direction to assure financial stability, achieve growth, and obtain the organization's public service objectives. Charts new fields of enterprise to generate additional growth and financial resources. Operates the organization subject to regulatory control and must effectively deal with state legislature and other regulators and assure that communication channels between appropriate parties are open. Responsible for enhancing the organization's image to all its publics.	Market President of Kaiser Foundation Health Plan and Hospitals in Hawaii. Directs all health plan and hospital operations.	Plans and directs all aspects of Ohana Health Plan's operational policies, objectives, and initiatives.	Overall management responsibility for Hawaii Medicaid programs
Total Compensation	545,420	3,550,854	1,737,097	806,910	1,364,839
Annual Salary	404,395	1,363,556	554,285	306,029	227,404
Additional Compensation	141,025	2,187,298	1,182,812	500,881	1,137,436
#2					
Title	Chief Medical Officer	Executive Vice President, Chief Financial Officer	VP, MSBD - HI	Chief Medical Officer	Medical Director
Description of position	Provides strategic direction and leadership for all aspects of AlohaCare's clinical operations, including clinical quality improvement, utilization management, disease management, care coordination, behavioral health, pharmacy, patient safety, medical policy development, technology assessment, and clinical cost containment initiatives.	Reports to President & CEO. Responsible for the financial functions of the company including accounting, treasury, actuarial services and underwriting, and related areas. Advises CEO and senior executives on financial matters and assists in the development of long-range plans. Directs appropriate efforts to ensure that the organization's financial position is maximized and manages investments of the organization. Also has overall oversight over Government Reporting and Analysis and Facilities Management.	Oversees the areas of marketing, sales, business development and community health.	Directs and oversees the medical affairs of the health plan. The CMO also has overall responsibility for Population Health and Clinical Ops, as well as Quality Improvement.	Medical Director for clinical programs including medical management and quality oversight
Total Compensation	478,844	1,206,806	805,830	525,008	414,135
Annual Salary	376,727	594,128	335,659	362,251	284,688
Additional Compensation	102,117	612,678	470,171	162,757	129,448
#3					
Title	Senior Medical Director	Executive Vice President, Chief Administrative and Strategy Officer	VP, Hospital Administrator-HI	Chief Financial Officer	Current Health Plan CEO, Former Vice President of Network Programs
Description of position	Provides leadership for all aspects of AlohaCare's clinical operations, including clinical quality improvement, utilization management, disease management, care coordination, behavioral health, pharmacy, patient safety, medical policy development, technology assessment, and clinical cost containment initiatives.	Reports to President & CEO Responsible for all aspects Corporate Services including Human Resources and Corporate Strategy. This role also has responsibility for Board affairs and administration, and relationships with the Blue Cross Blue Shield Association, succession, and executive development at all levels. Also has oversight over the Governance areas, including Legal, Compliance & Ethics, Information Privacy & Protection, Corporate Analytics, and Internal Audit (administrative oversight only), as well as I Communications (administrative), Government policy and advocacy, Market and Product Development, Commercial Program Office and FEP/BlueCard. In January 2024, the Medicare and Medicaid Program Offices also moved under this area.	Oversees hospital functions under the direction of the Market President.	Responsible for financial management of the health plan. Includes budgeting and forecasting, financial reporting and performance analytics, CDPA payroll ops	Currently, overall management responsibility for Hawaii Medicaid programs. Previously, overall responsibility for Hawaii Medicaid provider network management
Total Compensation	408,162	1,156,598	731,212	457,157	295,475
Annual Salary	342,127	593,415	376,931	237,285	207,735
Additional Compensation	66,034	563,183	354,282	219,872	87,740
#4					
Title	Chief Information Officer	Executive Vice President, Chief Business Operations Officer	Chief Nursing Exec - Moanalua	VP of Population Health	Chief Operations Officer
Description of position	Provides technology vision and leadership in the development and implementation of AlohaCare's management information systems and operations of AlohaCare's Information Systems Department.	Reports to President & CEO. Responsible for Account Management and Sales (AMS) and Customer Relations, and previously Government Programs, including Medicare and Medicaid (QUEST), which moved to CAO in January 2024. Also has oversight over Information Technology and vendor management office, as well as the internal operations and services, including Claims Services for all lines of business, Membership Services and Electronic Enrollment, much of which has been outsourced to a third-party partner.	Responsible for overseeing all activities in the nursing departments within the hospital.	Oversees and directs all population health functions including CM, UM, DM, for Ohana Health Plan based on, and in support of the company's strategic plan.	Overall operations responsibility for Hawaii Medicaid programs
Total Compensation	381,394	847,548	436,439	381,884	272,927
Annual Salary	295,038	397,080	313,719	230,321	218,048
Additional Compensation	86,356	450,468	122,720	151,564	54,878
#5					
Title	Vice President, Plan Operations	Senior Vice President, Data & Analytics, General Counsel	VP, Ambulatory Care & Clinical Services	Vice President, Operations	Chief Financial Officer
Description of position	Provides leadership for all aspects of AlohaCare's plan operations, including provider operations, member enrollment, member and provider call center, grievance and appeals, claims, provider services, contracting, credentialing, and provider data management initiatives.	Reports to EVP, Chief Administrative and Strategy Officer. Responsible for managing the Legal department and coordinating with outside counsel as needed. Responsible for providing legal assistance, counsel, and advice to the CEO, the Board of Directors, and other executives on various business and insurance problems. Also has oversight over Governance areas, including C&E, Information Protection and Privacy, and Business Continuity, as well as oversight over corporate data and analytics.	Responsible for oversight of ambulatory care and clinical services in Hawaii.	Responsible for network development, provider relations and overall achievement of the organization's operational goals.	Management of financial reporting and analysis
Total Compensation	300,139	836,899	388,007	373,297	254,623
Annual Salary	250,869	459,969	304,846	211,744	196,563
Additional Compensation	49,269	376,931	83,160	161,553	58,060

D) Compensation provided to each of the five highest paid nationwide employees during the reporting period					
To the right, enter the reporting period as the State Fiscal Year (SFYxx).	2023				
#1	AlohaCare	HMSA	Kaiser	Ohana	United
Title			Chairman & CEO	President and Chief Operating Officer	Chief Executive Officer
Description of position			Leads the comprehensive work focused on growing the organization's membership, improving affordability for members, and transforming and expanding access to care.	Oversees Health Plans, Products, Business Operations, Population Health and Clinical Operations, Marketing, Health Plan Medical, Specialty, International, and Business Development.	Chief executive for UnitedHealth Group and affiliates
Total Compensation			15,482,921	11,659,444	20,865,106
Annual Salary			2,080,769	1,057,692	1,500,000
Additional Compensation			13,402,152	10,601,751	19,365,106
#2					
Title			EVP, Group President, Markets Outside of California	Chief Executive Officer	President and Chief Operating Officer
Description of position			Accountable for KP's markets outside of California.	Plans, directs and coordinates the development of short and long range objectives; is responsible for achieving the organization's goals, as well as its profitability.	Chief operating officer for UnitedHealth Group and affiliates
Total Compensation			8,478,077	10,162,166	15,832,820
Annual Salary			1,112,112	1,346,154	1,200,000
Additional Compensation			7,365,965	8,816,012	14,632,820
#3					
Title			EVP, Health Plan Operations and Chief Growth Officer	Chief Executive Officer	Executive Vice President and Chief Financial Officer
Description of position			National accountability for health plan strategy, capabilities, and operations. Manages a national infrastructure committed to the performance, growth, and expansion of value based care.	Plans, directs and coordinates the development of short and long range objectives; is responsible for achieving the organization's goals, as well as its profitability. (CEO passed away in April 2022.)	Senior executive responsible for UnitedHealth Group financial matters
Total Compensation			7,343,886	9,467,749	15,832,820
Annual Salary			1,253,642	0	1,200,000
Additional Compensation			6,090,243	9,467,749	14,632,820
#4					
Title			EVP & CFO	Chief Financial Officer	Executive Vice President, Chief Legal Officer and Corporate Secretary
Description of position			Accountable for Corporate Finance, Treasury, Financial Planning, Capital Planning, Data Analytics, and Actuarial Services. Provides financial leadership for all of Kaiser Permanente's markets and national business units.	Directs the company's financial affairs according to financial principles and government regulations. Oversees Finance, Investor Relations, Operational Services and Regulatory Affairs.	Senior executive responsible for UnitedHealth Group legal matters
Total Compensation			7,308,149	8,918,843	11,317,825
Annual Salary			1,253,642	985,577	706,731
Additional Compensation			6,054,507	7,933,266	10,611,094
#5					
Title			EVP, Group President and COO, Care Delivery	Executive VP of Operations	Executive Vice President and Chief Executive Officer, UnitedHealthcare
Description of position			Accountable for KP's California markets. Also, directs strategy and innovation in care delivery operations across the enterprise.	As Centene Corp's Chief Operating Officer, responsible for achievement of operational goals in accordance with strategic priorities. (EVP retired in March 2022.)	Senior executive responsible for UnitedHealth Group's health care benefits business
Total Compensation			6,057,177	8,901,238	9,859,429
Annual Salary			1,258,569	0	1,000,000
Additional Compensation			4,798,608	8,901,238	8,859,429

Health Plan Notes

<p>Kaiser: For sections C and D, the information provided is based on the the most current Form 990 filings (calendar year 2022).</p> <p>Ohana: Additional Compensation is often the majority of Total Compensation for executives. Additional Compensation is generally comprised of an annual bonus payment which is dependent on performance against goals, and long-term incentives which include restricted stock, a non-cash incentive which vests over time. Other items in Additional Compensation include deferred compensation and executive life insurance.</p> <p>United: Additional Compensation includes bonus, stock awards, option/SAR awards, and any other additional compensation to include additional benefits beyond that provided to all FT employees (i.e., additional health benefits, automobiles, etc.).</p>
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State and Federal Sanctions

3) Provide descriptions of any ongoing state or federal sanction proceedings, prohibitions, restrictions, ongoing civil or criminal investigations, and descriptions of past sanctions or resolved civil or criminal cases, within the past five years and related to the provision of medicare or medicaid services by the contracting entity, to the extent allowed by law.

The Health Plan shall enter the reporting period as the State Fiscal Year (SFYxx).

SFY23 and past 4 SFYs

AlohaCare							
#	Case Name	File Number	Is this a state or a federal case/ sanction? Or both?	Court	Description of the Case	Adverse Action	Status
1	NONE						
HMSA							
#	Case Name	File Number	Is this a state or a federal case/ sanction? Or both?	Court	Description of the Case	Adverse Action	Status
1	Park, Sook Ja et al. v. Hawaii Medical Service Association	Civil No. 1:21-cv-00039 JMS-WRP	Federal case	United States District Court for the District of Hawaii	The lawsuit was brought against HMSA by certain elderly Korean-speaking QUEST members relating to the alleged denial of coverage for long-term services and supports.	None	The dispute has been resolved.
2	Stanford Health Care v. Hawaii Medical Service Association	California - 5:21-cv-06720 Hawaii - Civil No. 1:22-cv-00467-RT	Federal case	United States District Court Northern District of California Subsequently transferred to United States District Court District Court of Hawaii.	Out-of-state provider brought claims of breach of implied-in-fact contract and quantum meruit against HMSA.	None	The dispute has been resolved.
Kaiser							
#	Case Name	File Number	Is this a state or a federal case/ sanction? Or both?	Court	Description of the Case	Adverse Action	Status
1	United States ex. rel. Jeffery Mazik v. Kaiser Foundation Health Plan, Inc., Kaiser Foundation Hospitals, Inc., and The Permanente Medical Groups	19-cv-00559	State	Eastern District of California	On April 1, 2019, a former employee filed a False Claims Act case as a relator against KFHP, KFH and Permanente Medical Groups. The United States has declined to intervene in the case, and no state has intervened. The amended complaint was unsealed in late 2021, and alleges that Kaiser submitted false claims for payment in connection with Medicare Advantage and Medicaid programs.	N/A	The case was filed in the Eastern District of California (19-cv-00559) and is proceeding. The defendant entities intend to defend the case.
2	Insulin CID	CID No.: CID-21-2-0003 and USAO No.: 2019V00859	Federal	U.S. Department of Justice, Washington	On April 13, 2021, KFHP received a Civil Investigative Demand (CID No.: CID-21-2-0003 and USAO No.: 2019V00859) from the U.S. Department of Justice, Washington regarding claims submitted to federal programs in connection with insulin prescriptions.	N/A	The investigation is ongoing, and KFHP is providing responsive information.
3	United States ex. rel. Ronda Osinek, et al. v. Kaiser Permanente, et al.	13-cv-03891	Federal	U.S. Department of Justice (DOJ) and Department of Health and Human Services – Office of Inspector General	Pursuant to civil subpoenas, KFHP and KFH have provided documents and information to the U.S. Department of Justice (DOJ) and Department of Health and Human Services – Office of Inspector General relating to Medicare Part C risk adjustment practices, policies, and programs. On July 27, 2021, the Civil Division of the DOJ filed a notice indicating its intervention in certain aspects of lawsuits previously filed under seal against several Kaiser Permanente Medical Care Program entities. On October 25, 2021, the DOJ filed its complaint in intervention against those entities.	N/A	The case was filed in the Northern District of California (13-cv-03891) and is proceeding. The defendant entities intend to defend the case.
Ohana							
#	Case Name	File Number	Is this a state or a federal case/ sanction? Or both?	Court	Description of the Case	Adverse Action	Status
1	Maka, Mary B. v. WellCare Health Insurance of Arizona, Inc. dba 'Ohana Health Plan, etc.	Civil No. 19-0139-01	State Case	State of Hawaii, Third Circuit Court	On July 11, 2019, the Company was served with litigation from former Ohana member, Mary Maka which was filed in HI state court. The complaint alleges that WellCare breached the covenant of good faith and fair dealing owed to Plaintiff by failing to arrange, coordinate, and provide care that Plaintiff's treating physician ordered, which was not excluded under the Plaintiff's plan with Ohana. The Complaint states that amputation of Plaintiff's leg is a result of the above allegations. No monetary demand specified in the Complaint. Case settled after mediation in January 2023.	N/A	Case Closed
2	Feinberg, Soleil v. State of Hawaii DHS Directors	Civil No. CV 19-00289 JMS-WRP	Federal Case	United States District Court for the District of Hawaii	Former 'Ohana member has filed suit against the State of Hawaii for failure to administer mental health services, programs, and activities in the most integrated setting appropriate under the Americans with Disabilities Act and the Rehabilitation Act. State of Hawaii initially tendered defense to WellCare, but WellCare declined the tender, as the allegations involved the scope of the Medicaid program rather than 'Ohana's conduct. Trial set for January 2024.	N/A	Pending
3	Josserme, George v. 'Ohana Health Plan	1SC19-1-1797	State Case	Honolulu Division, State of Hawaii, Small Claims Division of the District Court of the First Circuit	Small claims suit brought in 2019 by a member alleging improper discharge and refusal to provide continuous treatment by doctor. Plaintiff suffered from chest pains and uncontrollable diarrhea, and claimed that improper treatment resulted in destruction of Plaintiff's personal property. Plaintiff sought \$954.24 in damages and the matter settled at a mandatory mediation with the small claims court.	N/A	Case Closed

United							
#	Case Name	File Number	Is this a state or a federal case/ sanction? Or both?	Court	Description of the Case	Adverse Action	Status
1	JASON SCUTT, an individual, on behalf of himself vs. UNITEDHEALTH INSURANCE CO AND SUBSIDIARIES; MAUI COMMUNITY CLINIC AKA "MALAMA I KE OLA"	CV-21-00323-JAO-RT	Federal case	United States District Court	Member dispute asserting claims for medical malpractice, defamation, and violation of Title II of the Americans with Disabilities Act	N/A	Matter closed via settlement 10/4/2022.
2	H. H. v. Evercare	HER-11-156920; Civil No. 11-1-2903-11; ICA CAAP-12-0000645; Civil No. 19-1-1415-09 JHA.	State case	First Circuit Court (1CC), State of Hawaii	Member dispute regarding benefit determination and attorneys' fees.	N/A	Benefit dispute resolved via stipulation of the parties on 4/26/2017. Attorneys' fees resolved via award issued by the Commissioner on 12/3/2018. A motion for award of prejudgment interest on the attorneys' fee awards was denied by the Commissioner on 8/8/2019. That order was appealed to the 1CC, and affirmed in March 2020. The member appealed to the ICA, and on 2/24/2023, the ICA issued a Memorandum Opinion affirming the Commissioner's denial of prejudgment interest. No appeal was taken.
3	A. D. S. v. Evercare	HER-10-154685; Civil No. 11-1-2542-10; ICA CAAP-12-0000647	State case	Intermediate Court of Appeals (ICA), State of Hawaii	Initial dispute regarding benefit determination resolved, pending issue of attorney fees.	N/A	Matter resolved via settlement on 6/26/2023.
4	J.D.R., et al. v. Evercare (NOTE: one of five benefit disputes that were all resolved at the same time, in the same way, and then consolidated for the initial attorneys' fee order. The cases remained consolidated throughout the appeals process until the remand in April 2017. The other cases are: F.B. v. Evercare (HER-11-156241), F.H. v. Evercare (HER-11-156361), J.V. v. Evercare (HER-11-156251), and T.A. v. Evercare (HER-11-155842). Separate appeals were taken of the orders issued by the Commissioner on remand by J.D.R., F.B., J.V. and T.A. Only F.B., J.V., and T.A. have appeals pending at the ICA.)	HER-11-156251; Civil No. 11-1-2533-10; ICA CAAP-12-0000646.	State case	Intermediate Court of Appeals (ICA), State of Hawaii	Initial disputes regarding benefit determinations resolved, pending issue of attorney fees.	N/A	Matter resolved via settlement on 6/26/2023.
5	H.M. v. Evercare	HER-09-152033; Civil No. 10-1-2328-10 KKS; Civil No. 11-1-2695-11 RAN; Civil No. 19-1-1415-09 JHA	State case	First Circuit Court (1CC), State of Hawaii	Initial dispute regarding benefit determination resolved, pending issue of attorney fees.	N/A	Benefit dispute resolved via stipulation of the parties on 4/26/2017. Attorneys' fees resolved via award issued by the Commissioner on 12/3/2018. A motion for award of prejudgment interest on the attorneys' fee awards was denied by the Commissioner on 8/8/2019. That order was appealed to the 1CC, and affirmed in March 2020. The member appealed to the ICA, and on 2/24/2023, the ICA issued a Memorandum Opinion affirming the Commissioner's denial of prejudgment interest. No appeal was taken.
6	JRQ v. UnitedHealthcare Insurance Company	1:14-cv-00497-LEK-RLP	Federal case	Ninth Circuit Court of Appeals	Member sued alleging various federal and state law claims relating to benefit dispute re wheelchair.	N/A	Ninth Circuit Court of Appeals entered judgment in favor of UHIC on 10/30/2019.
7	Hawaii Coalition for Health v. UnitedHealthcare Insurance Company et. al.	INS-DR-2015-002	State hearing	Hawaii Dept. of Commerce and Consumer Affairs, Ins. Div.	Petitions seeks declaration that UHIC and other PBMs are in violation of HRS ch. 431R regarding specialty pharmacy networks and dispensing.	N/A	Awaiting the Commissioner's final order.
8	MetroPacific Group, Corp. v. UnitedHealthcare, et al.	Civil No. 15-1-0399; 3rd Circuit Court	State case	3rd Circuit Court; Dispute Prevention & Resolution (DPR)	Provider dispute alleging underpayment for LTC services provided to QExA members on the Big Island by UHIC and Ohana Health Plan	N/A	Litigation dismissed on 10/22/2019.
9	EAL Leasing, Inc. dba Emergency Airlift v. United Healthcare Services, Inc.	1:18-cv-02008	Federal case	USDC, D. Or.	Air ambulance provider filed a lawsuit in Oregon state court alleging non-payment of air ambulance transportation provided to a member from Hawaii to San Diego.	N/A	Matter resolved via settlement on 1/6/2020.

10	EAL Leasing, Inc. dba Emergency Airlift v. United Healthcare Services, Inc.	1:18-cv-02011	Federal case	USDC, D. Or.	Air ambulance provider filed a lawsuit in Oregon state court alleging non-payment of air ambulance transportation provided to a member from Hawaii to San Diego.	N/A	Matter resolved via settlement on 1/6/2020.
11	G.H. v. UnitedHealthcare Community Plan	1DSC-23-0000309	State case	Small Claims Court; Honolulu County	Member filed a lawsuit in HI alleging non-payment of benefits.	N/A	Matter resolved via settlement on 6/13/2023

United:

To the best of our knowledge and belief, UnitedHealthcare Insurance Company ("UHIC") is not a party to any ongoing state or federal sanction proceedings, prohibitions, restrictions, or ongoing criminal investigations related to the provision of Medicare or Medicaid services. In addition, as a health insurance company operating in 49 states, 5 territories and the District of Columbia, UHIC is subject to various market conduct and financial audits in the normal course of business, which may or may not result in the implementation of corrective action plans. We do not consider these to be civil or criminal investigations within the scope of the request.

UHIC is subject to various civil actions in the form of litigation or agency proceedings, mostly involving benefit disputes with members and/or providers. UHIC is currently involved in several matters in Hawaii and other jurisdictions, as described in the above table. UHIC is involved in litigation outside of Hawaii, none of which involve residents of Hawaii or impact QUEST Integration.

Finally, UHIC has not had any penalties imposed related to the provision of Medicare or Medicaid services involving residents of Hawaii or the Hawaii QUEST Integration Program during the reporting period.

Contributions to the Community

4) Provide the information below on contributions to the community. Include contribution descriptions and the percentage of revenue devoted to Hawaii community development projects and health enhancements, provided that contracted services shall not be included in the percentage calculation. Do not include any contribution for less than \$1,000. The Health Plan may combine all of the contributions for less than \$1,000 into one entry. For each contribution listed, provide whether the contribution is for the QUEST Integration program only or for all Health Plan lines of business.

The Health Plan shall enter the reporting period in cell B3 as the State Fiscal Year (SFY2xx).	SFY23			
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AlohaCare

Recipient or Community Event	Description	Amount	% of Revenue	QUEST only or all lines of business?
Quality Program Payments	AlohaCare's goal for the Quality Improvement Funding Program for Community Health Centers (CHCs) is to improve collaboration with the CHCs to demonstrably improve measures of clinical care and service that are important to external evaluation of AlohaCare's performance, specifically HEDIS® and CAHPS measures. There were 13 CHCs among other providers who were included in this program for this fiscal year.	1,357,924	0.30%	QUEST
Community Partnerships	As part of AlohaCare commitment to the community, we partner with other community organizations to help with donations, sponsorships, funding etc...Some organizations that we partnered with include: March of Dimes, Residential Youth Services & Empowerment, Boys and Girls Club of Hawaii, Young Womens Christian Association, Catholic Charities Hawaii.	674,626	0.15%	QUEST
Access and Availability Grants	As part of AlohaCare's commitment to ensure that the people of Hawaii continue to have access to high quality healthcare, we provide funding to key providers in medically underserved areas to enhance their capabilities to recruit physicians in urgently needed specialties within those rural communities. This includes 13 CHC's and other organizations	601,663	0.13%	QUEST
Total		2,634,212.15	0.59%	

HMSA

Recipient or Community Event	Description	Amount	% of Revenue	QUEST only or all lines of business?
Advertising	Support via TV, radio, print, and digital advertising for community health issues such as healthy eating, well-being, and disease prevention. Also supports nonprofit community organizations such as Aloha United Way, Hawaii Food Bank, American Heart Association, and various others.	39,595.00	0.00%	All lines of business
Community Events	Community events in support of various community health issues and nonprofit community organizations.	29,539.00	0.00%	All lines of business
Corporate Giving	Financial support for nonprofit organizations focused on improving the health of our community.	760,012.00	0.07%	All lines of business
Community Health Initiatives	Supports innovative community organizations and programs.	825,000.00	0.07%	All lines of business
HMSA Foundation	HMSA Foundation provides grants to nonprofit organizations that build health and connection among people and place.	2,246,850.00	0.20%	All lines of business
Government Reimbursement Shortfall Covered by Commercial Plans (all health plan related lines of business)	The estimated costs that providers did not recover through reimbursement by the Medicare and Medicaid plans administered by HMSA was between \$353 million and \$471 million. These costs were recovered through HMSA's commercial plan reimbursements.	356,000,000- 475,000,000	32.25% - 43.04%	All lines of business
Total		359,900,996- 478,900,996	% - 43.39%	

Kaiser				
Recipient or Community Event	Description	Amount	% of Revenue	QUEST only or all lines of business?
Charity Care	Medical financial assistance and charitable coverage to persons who are unable to afford care or coverage.	9,083,874	0.6%	All lines of business
Government Sponsored Programs	Un-reimbursed expenses for persons with Medicaid coverage-Med-Quest, non-member Medicaid and SCHIP.	6,987,712	0.5%	QUEST only
ETP (Educational Theater Program)	Lessons on healthy lifestyles provided to public elementary schools as plays presented at the schools with follow-up lesson plans to reinforce learnings.	130,174	0.0%	All lines of business
Medical Education and Training	Educating interns, residents and fellows and providing continuing medical education and training for health professionals throughout the community.	329,701	0.0%	All lines of business
Total Grants & Donations	Grants and donations given to organizations for work that improves health and well-being of people throughout the state.	1,234,316	0.1%	All lines of business
	Total	17,765,778	1.16%	

Ohana				
Recipient or Community Event	Description	Amount	% of Revenue	QUEST only or all lines of business?
KAU WELLNESS CLINIC	Donation (Vaccine Freezer)	\$ 4,649	0.0013%	All Medicaid LOBs
AUNT BERTHA	Sponsorships (Platform that connect members to community)	\$25,000	0.0071%	All Medicaid LOBs
DUN PRODUCTION HAWAII	Sponsorships (Sr. Expo)	\$15,537	0.0044%	All Medicaid LOBs
FUSION MARKETING	Sponsorships (Health Fair and Sr Lifestyle Fair)	\$1,152	0.0003%	All Medicaid LOBs
GREGORY HOUSE PROGRAMS	Sponsorships (HIV/AIDS programs)	\$2,500	0.0007%	All Medicaid LOBs
HAWAII FOODBANK INC	Sponsorships	\$5,075	0.0014%	All Medicaid LOBs
HEALTH MANAGEMENT ASSOCIATES	Sponsorships (Health Policy Conference)	\$7,500	0.0021%	All Medicaid LOBs
HUI MALAMA OLA NA OIWI	Sponsorships (Keike Camp)	\$1,000	0.0003%	All Medicaid LOBs
KAHO OMIKI	Sponsorships (Keiki Rainbow Wellness Challenge)	\$5,000	0.0014%	All Medicaid LOBs
LEGAL AID SOCIETY	Sponsorships (Legail partnership for Ohana Members)	\$13,000	0.0037%	QUEST only
MARCH OF DIMES FOUNDATION	Sponsorships	\$5,000	0.0014%	All Medicaid LOBs
MENTAL HEALTH AMERICA OF HAWAII	Sponsorships	\$5,500	0.0016%	All Medicaid LOBs
NAMI HAWAII	Sponsorships	\$5,000	0.0014%	All Medicaid LOBs
OAHU PUBLICATIONS	Sponsorships (Young at Heart Expo)	\$20,000	0.0057%	All Medicaid LOBs
PARTNERS IN CARE	Sponsorships (Homelessness and Housing Conference)	\$1,000	0.0003%	All Medicaid LOBs
PACIFIC BASIN COMMUNICATION	Sponsorships (Wahine Forum 2022 / Women's Leadership)	\$2,000	0.0006%	All Medicaid LOBs
THE CAREGIVER FOUNDATION	Sponsorships (CNA (Certified Nursing Assistant) Scholarship)	\$20,500	0.0058%	All Medicaid LOBs
	Total	139,413.00	0.0395%	

United				
Recipient or Community Event	Description	Amount	% of Revenue	QUEST only or all lines of business?
Kokua Kalihi Valley	Roots Program Contribution	75,000	0.02%	QUEST Integration
University Health Partners of Hawaii	Project ECHO Contribution	60,000	0.01%	QUEST Integration
Hilo Medical Center Foundation	Event Sponsorship	20,000	0.00%	QUEST Integration
Alzheimer's Association	Event Sponsorships	11,500	0.00%	QUEST Integration
American Diabetes Association	Event Sponsorships	10,000	0.00%	QUEST Integration
University of Hawaii Foundation	Fundraising Contribution	5,000	0.00%	QUEST Integration
Salvation Army	Event Sponsorship	5,000	0.00%	QUEST Integration
Big Island Docs	Event Sponsorship	3,750	0.00%	QUEST Integration
Fresh Aloha Direct	Event Sponsorship	1,500	0.00%	QUEST Integration
Community contributions less than \$1,000	Contributions by UnitedHealthcare Community Plan - Hawaii to multiple organizations	6,932	0.00%	QUEST Integration
	Total	198,682	0.05%	

Health Plan Notes

Kaiser:

For Government Sponsored Programs, the percentage of revenue decreased primarily due to higher hospital tax revenue from prior year adjustment and coding enhancements.

Ohana:

Total community contributions were in line with 2022 as a percent of premiums. Our single largest contribution was to Aunt Bertha, a not for profit that provides an environment to connect any member in the community (not just Ohana members) to food, health, housing and employment programs.

Management and Administrative Contracts

5) Provide the information below on any management and administrative service contracts for Med-QUEST services made in Hawaii and outside of the State, including a description of the purpose and cost of each contract.

The Health Plan shall enter the reporting period as the State Fiscal Year (SFYxx)	SFY23		
AlohaCare			
Contractor Name	Description of Contract Purpose (describe the services provided)	Cost	% of Revenue
Administep/Legacy	Operates clearing house	45,598	0.01%
American Well	Telehealth	86,392	0.02%
Carenet Healthcare Services	Nurse advice line	77,018	0.02%
Change Healthcare	Encounter reporting and analytics	23,968	0.01%
HealthLogix	Mailings to disease management program participants	248,834	0.06%
CarelonRx, Inc	Pharmacy benefit & management	2,542,062	0.56%
Inovalon	HEDIS Review Services	531,793	0.12%
IntelliRide	Member Transportation Services	1,113,038	0.25%
Language Services Associates	Interpretations	9,396	0.00%
Medical Review Institute of America	Physician review svcs for quality & utilization mgmt	1,075	0.00%
Physician Exchange	After hours & weekend telephone & assistance coverage	7,877	0.00%
Zelis Healthcare	Cost Containment/Claims Editing/Bill Review and Audit	381,411	0.08%
Total		5,068,462	1.13%

HMSA			
Contractor Name	Description of Contract Purpose (describe the services provided)	Cost	% of Revenue
American Well	Platform for HMSA Online Care	5,184,696.94	0.47%
Carelon Behavioral Health / Beacon Health Options, Inc	Behavioral Health, Service Coordination and Utilization Mangement	7,126,540.34	0.65%
Carenet Health (Carenet)	24-hour nurse call line	982,764.65	0.09%
CVS Caremark	Pharmacy Benefits Manager (PBM), Specialty Drug Services, Rare Disease Management	447,652.92	0.04%
eviCore Healthcare (eviCore)	Physical and Occupational therapy utilizationmanagement	356,059.93	0.03%
EyeMed	Claim processing, member servicing and provider inquiries for all routine vision services	831,590.13	0.08%
NIA Magellan Health, Inc. (NIA)	Radiology services, pain management, utilization management	619,568.25	0.06%
Firstsource	Claims operations, membership and enrollment functions, and some provider network, customer service and product design functions	7,553,482.94	0.68%
Ceridian	Payments to providers of home and community based services	4,756,502.93	0.43%
Total		27,858,859.03	2.52%

Kaiser			
Contractor Name	Description of Contract Purpose (describe the services provided)	Cost	% of Revenue
Oneill Digital Solutions	Member materials printing and mailing	19,962	0
Cardinal Mailing Services	Member materials printing and mailing	4,758	0
MedImpact	Pharmacy benefits management system	*	0
Cotiviti	HEDIS and Non-HEDIS performance metric data analysis and reporting	45,575	0
Ride Assist of Maui, LLC	Transportation services	43,477	0
Tan's Transport Services	Transportation services	3,530	0
Medical Transportation Mgmt, Inc.	Transportation services	548,040	0
Above and Beyond Case Mgmt, LLC	Case management in foster homes	113,093	0
Absolute Care Management Services	Case management in foster homes	40,923	0
Advanced Case Management	Case management in foster homes	19,778	0
All Island Case Management Corp.	Case management in foster homes	50,419	0
Azil Case Management	Case management in foster homes	10,462	0
Blue Water Resources, LLC	Case management in foster homes	20,957	0
Case Management Professionals, Inc.	Case management in foster homes	21,696	0
Case Management Solutions, LLC	Case management in foster homes	25,494	0
Health Services Hawaii 808, Inc.	Case management in foster homes	51,108	0
HI Secure Care Case Mgmt Agency LLC	Case management in foster homes	6,177	0
Keanna Allar	Case management in foster homes	245	0
Kina'ole Case Mgmt Agency, LLC	Case management in foster homes	16,566	0
Lokahi Case Management Agency, LLC	Case management in foster homes	53,747	0
Nightingale Case Management	Case management in foster homes	62,478	0
Ohana Case Management CCMA QI	Case management in foster homes	63,552	0
Quality Case Management, Inc.	Case management in foster homes	10,202	0
Residential Choices, Inc.	Case management in foster homes	24,642	0
Total		\$1,256,881	0.00%

Ohana			
Contractor Name	Description of Contract Purpose (describe the services provided)	Cost	% of Revenue
Centene Corporation	Claims Administration	Covered under Corporate allocation	
Centene Corporation	Enrollment & Member Administration	Function performed at Corporate	
Centene Corporation	Marketing & Materials Fulfillment (i.e. sending members' ID cards or handbooks)	Function performed at Corporate	
American Specialty Health System	Acupuncture	\$54,714	0.0155%
Audiology Distribution, Inc. d/b/a HearUSA	Hearing services	\$149,000	0.0422%
Carenet	Outreach services to include supporting EPSDT or Nurse Lines	\$30,237	0.0086%
Ceridian	Payroll Processing for Self-Direction	\$66,876	0.0190%
Pharmacy Benefits Manager (WHI & CVS)	Pharmacy administration	\$291,244	0.0826%
Transportation (Intelliride)	Member transportation services	\$7,791,238	2.2092%
Premier Eye Care	Eye care administrative services	\$2,944,232	0.8348%
Translations (Interpretek, Translation Station)	Translation services	\$152,742	0.0433%
Healthhelp, LLC	Educative and collaborative model to improve member care	\$79,561	0.0226%
Liberty Dental Plan	Dental Services	\$169,572	0.0481%
DME (Medline Industries & United Medco)	Medical Supplies	\$2,361,000	0.6695%
Total		14,090,415.77	3.9954%

United			
Contractor Name	Description of Contract Purpose (describe the services provided)	Cost	% of Revenue
Ceridian (in Hawaii)	Administration of payroll processing for caregivers (personal assistance and CHORE services)	69,817.33	0.02%
Medline (mainland based with Hawaii Operations)	Incontinence management supply benefit administration (estimated administration costs)	69,533.60	0.02%
Modivcare, fka LogistiCare (mainland based with Hawaii Operations)	Non-emergent ground and air transportation benefit administration (estimated administration costs)	1,125,585.80	0.26%
Total		1,264,936.73	0.29%

Health Plan Notes

Kaiser:

*Kaiser Foundation Health Plan, Inc. contracts with MedImpact for all lines of business and does not have a Medicaid specific contract.

United:

For State Fiscal Year 2023 UnitedHealthcare Insurance Company dba UnitedHealthcare Community Plan - Hawaii did not have third-party management and administrative service contracts for the following categories of service:

Behavioral Health Management, Claims Administration, Enrollment and Member Administration, Hearing Services, Outreach Services to include EPSDT or NurseLines, Pharmacy Benefits Management, Third party auditing of health plan functions, Vision Services.