

**Hawaii QUEST Integration**  
**1115 Waiver**  
**Quarterly CMS Monitoring Report**

**Federal Fiscal Year 2022 1st Quarter**  
**(DY28 Q1)**

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	Demonstration Year:	28th Year (10/1/21 – 9/30/22)

**Table of Contents**

I. Introduction .....	3
II. Operational Updates .....	4
A. Key Achievements and Challenges Related to the 1115 Waiver .....	4
1. Managed Care .....	4
2. Home and Community-Based Services (HCBS) and Personal Care .....	5
3. Community Integration Services (CIS).....	6
4. Other .....	6
B. Issues or Complaints Identified by Beneficiaries .....	6
C. Audits, Investigations, Lawsuits, or Legal Actions .....	7
D. Unusual or Unanticipated Trends.....	8
E. Legislative Updates .....	8
F. Descriptions of any Public Forums Held.....	8
III. Performance Metrics .....	9
A. Impact of the Demonstration .....	9

1. Providing Insurance Coverage to Beneficiaries and the Uninsured Population .....	9
2. Outcomes of Care, Quality of Care, Cost of Care, and Access to Care.....	9
B. Results of Beneficiary Satisfaction Surveys (if conducted) .....	10
C. Results of Grievances and Appeals (from Health Plans) .....	10
IV. Budget Neutrality and Financial Reporting Requirements.....	10
A. Financial Performance of the Demonstration .....	10
B. Updated Budget Neutrality Workbook.....	10
C. Quarterly and Annual Expenditures.....	11
D. Administrative Costs.....	11
V. Evaluation Activities and Interim Findings.....	11
A. Current Results of the Demonstration per the Evaluation Hypotheses .....	11
B. Progress Summary of Evaluation Activities .....	11
1. Key Milestones Accomplished.....	11
2. Challenges Encountered and How They Were Addressed.....	11
3. Interim Findings (when available).....	12
4. Status of Contracts with Independent Evaluators (if applicable) .....	12
5. Status of Institutional Review Board Approval (if applicable) .....	12
6. Status of Study Participant Recruitment (if applicable).....	12
7. Result or Impact of the Demonstration Programmatic Area Defined by CMS that is Unique to the Demonstration Design or Evaluation Hypotheses .....	12
VI. Med-QUEST Division Contact.....	13

## Attachments

### **Attachment A:** Up-To-Date Budget Neutrality Summary

The Budget Neutrality Summary (worksheet) for the quarter ending 09/30/2021 is attached. The Budget Neutrality Summary for the quarter ending 12/31/2021 will be submitted by the 02/28/2022 deadline.

### **Attachment B:** Budget Neutrality Workbook

The Budget Neutrality Workbook for the quarter ending 09/30/2021 is attached. The Budget Neutrality Workbook for the quarter ending 12/31/2021 will be submitted by the 02/28/2022 deadline.

**Attachment C: Schedule C**

A Schedule C for the quarter ending 12/31/21 is attached. Schedule C includes a summary of expenditures for the reporting period.

**Attachment D: 2021 Annual Plan Change (APC) Summary (from Med-QUEST Division)**

The APC Summary provides data on QUEST Integration member choice to change health plans during the 2021 APC period.

## **I. Introduction**

Hawaii's QUEST Integration (QI) is a Department of Human Services (DHS) and Med-QUEST Division (MQD) comprehensive section 1115(a) Demonstration that expands Medicaid coverage to children and adults originally implemented on August 1, 1994. QUEST Integration uses capitated managed care as a delivery system unless otherwise indicated. Also, QI provides Medicaid State Plan benefits and additional benefits including institutional and home and community-based long-term-services and supports, based on medical necessity and clinical criteria, to beneficiaries eligible under the State Plan and to the Demonstration populations.

Med-QUEST Division continues to focus on a comprehensive health care delivery system transformation, called the HOPE Initiative. "HOPE" stands for Hawaii-Medicaid Ohana-Nui Project Expansion. The goal of the initiative is to achieve the Triple Aim of better health, better care, and sustainable costs for our community. Med-QUEST Division anticipates that the investments in healthy families and healthy communities will translate to improved health and well-being through decreased onset of preventable illnesses, improved early detection and optimal management of conditions, and a continued sustainable growth rate in healthcare spending from reductions in unnecessary care and shifts of care to appropriate settings.

The current QI contracts are held by five health plans. Those five health plans are AlohaCare, Hawaii Medical Service Association (HMSA), Kaiser Permanente, Ohana Health Plan, and UnitedHealthcare. Med-QUEST Division works closely with these health plans to facilitate contract implementation and improve healthcare access and services to members.

Since the COVID-19 Public Health Emergency (PHE) began, MQD leadership conducted targeted communications with the QI health plans (Health Plans) to strategize and meet the evolving and urgent needs brought on by the pandemic. A task force of key MQD and Health Plan staff began meeting three times a week in the spring of 2020. Such task force meetings have since been reduced to once a week as traction and initial experience with the pandemic was gained.

During this reporting period, MQD continued to focus on issues and interventions related to COVID-19, and leverage flexibilities afforded by CMS for the PHE under the approved 1135, 1115, and 1915(c) waivers. Such focus included efforts to deliver in-home booster vaccinations for the fragile Home and Community Based Services (HCBS) home-bound population, reduce wait-listed hospital days, ensure alternative residential settings have appropriate PPE, and conduct outreach for provider HCBS associations to increase awareness and preparation. By November 30, 2021, 76% of the State of Hawaii (State) population 5 years old and older had completed the COVID-19 vaccination. This included 100% of those ages 65 to 74 years old, and 98.2% of those ages 75 years old and older.

Anticipating the Omicron variant and following guidelines from the U.S. Centers for Disease Control and Prevention, the State recommended that all adults fully vaccinated for 6 months prior get the COVID-19 booster. On December 2, 2021, the first case of the Omicron variant was reported in the State, and during the following weeks, COVID-19 cases increased rapidly. Med-QUEST Division partnered with independent pharmacies and the QI Health plans to roll out booster shots to some of our most vulnerable Medicaid beneficiaries – those receiving HCBS services.

## II. Operational Updates

### A. Key Achievements and Challenges Related to the 1115 Waiver

#### 1. Managed Care

##### *Health Plan Contracts (contract 7/1/2021)*

This quarter, there were new reports submitted by the health plans as part of the new contract. Embedded within these new reports is a structure to consolidate specific focus areas and convert them into Key Performance Indicators (KPIs). Beginning pre-contract execution during the readiness review timeframe and continuing through the remainder of 2021, weekly training and technical assistance sessions were held with health plans to socialize the new reports. While it is positive that the reports were submitted, it highlighted difficulties where health plans are struggling with correctly populating the many data fields. Also, MQD staff continue on a steep learning curve in reviewing and responding to the new content in these reports.

##### *Policy Memorandum Updates*

Older policy memorandum from the prior contract period were either expired or reissued in this quarter, and this resulted in 21 reissued sub-regulatory guidance memos ranging from non-emergency transportation to Early and Periodic Screening, Diagnostic, and Treatment (EPSDT).

##### *Default Enrollment*

Health plans are required as a part of the new contract to submit requests for default enrollment authority to Medicare in a timely fashion, with the goal of acquiring Dual Eligible Special Needs Plan (D-SNP) default enrollment authority beginning January 1, 2022. All five health plans have

4

completed the D-SNP agreements and received CMS approval to enable default enrollment for dual eligible members prior to the January 1, 2022 requirement.

#### *Health Plan Manual*

Hawaii's first Health Plan Manual was published in July 2021. The first amendment was completed in October 2021, and regular quarterly updates are scheduled throughout the year.

#### *Unforeseen Barrier (CMS QI contract approvals)*

An issue emerged regarding risk mitigation strategies that prevented CMS approval of capitation rates during prior periods, and this impacted the approval of the QI RFP-MQD-2021-008 contract. An 1115 Emergency Waiver was submitted and approved to address the issue. The approval of this new contract remains forthcoming.

#### *Annual Plan Change*

QI members were able to participate in the Annual Plan Change (APC) process that was open from October 1, 2021 through October 31, 2021. Members were sent APC packets during the month of September 2021, and were able to mail in, call in, or fax in their APC selection forms. A total of 6,436 plan change selections were made statewide, with HMSA gaining the most members (3,087) and AlohaCare losing the most members (1,745). There were 1,417 plan change selections made by individuals in the aged, blind, or disabled (ABD) member group and 5,019 selections made by non-ABD members. The APC counts are in line with historical averages. An APC summary is provided in Attachment D.

## **2. Home and Community-Based Services (HCBS) and Personal Care**

#### *Home and Community Based Services & Hospice*

Policy guidance on simultaneous, coordinated services for HCBS and hospice services was completed. This was done in collaboration with health plans, hospice agencies, Med-QUEST Division staff and a trade association for hospice providers through various stakeholder meetings.

#### *American Rescue Plan Act (ARPA) HCBS Spending Plan*

The ARPA HCBS Spending Plan (Spending Plan) was submitted for approval to CMS in July, and responses were received from CMS with additional questions. Med-QUEST Division responses to the additional questions were then submitted to CMS. The first quarterly Spending Plan update was submitted in late October.

#### *COVID-19 Booster Shot Response*

Med-QUEST Division helped organize COVID-19 booster shots provided to Adult Foster Home caregivers and residents. The shots were provided by independent pharmacies who traveled from house to house, in order to bring the booster shots to the most vulnerable Medicaid members. The efforts were not as successful as the initial COVID-19 vaccines that were rolled out earlier in 2021 with far fewer homes consenting to the vaccines. However, during the latter part of December and into January, the efforts picked up some, likely in response to the rapid spread of the Omicron variant.

### 3. Community Integration Services (CIS)

Hawaii launched its first rapid-cycle review this quarter. The review topic was implementation of CIS, and the review was conducted by an independent evaluator, the University of Hawaii. The review showed that while there has been good progress in some areas, such as the hiring of housing coordinators by each of the health plans, and the issuance of guidance earlier in 2021, there remains many detailed questions regarding the implementation that are continuing to slow our implementation efforts. The questions center on the roles and responsibilities of the various parties involved in homeless services, enrollment of providers to become Medicaid providers, billing codes and tracking information.

### 4. Other

#### *Limited Resources*

Needed human resources have typically been relatively challenging to acquire. However, a hiring freeze through all of 2020 and into 2021, further taxed this resource capacity within the State agencies. For MQD, enduring staff retirements and resignations with little ability to hire, while facing a lot more work that is much more intense, the pandemic affected staff morale and stretched its ability to implement various initiatives in the waiver, as well as, to perform day-to-day work. Med-QUEST Division is responding as best it is able to by prioritizing work, moving implementation dates out, and trying to recruit new staff as quickly as it can.

### B. Issues or Complaints Identified by Beneficiaries

There were no systemic trends to report.

The following reported data from the health plans show the type of cases and the numbers of cases for the period October 2021 to December 2021:

#### STATE GRIEVANCES RECEIVED in calendar year (CY) Q4 2021

	CCS	QI Health Plan					QI Totals
	Ohana CCS	AlohaCare	HMSA	Kaiser	Ohana	UHC	
<i>Plan members December 2021</i>	--	79,381	210,889	48,449	38,709	59,054	436,482
Appointment Availability	0	0	2	10	0	0	12
Network Adequacy/ Availability	0	2	0	1	0	1	4
Interpreter	0	0	0	0	0	0	0
Health Plan Staff Behavior	2	5	10	3	7	8	33
Health Plan Information	0	0	0	0	9	0	9

	CCS	QI Health Plan					QI Totals
	Ohana CCS	AlohaCare	HMSA	Kaiser	Ohana	UHC	
Health Plan Policy	0	3	4	15	6	7	35
Billing/Payments	0	2	5	4	20	1	32
Provider Communication	0	0	3	0	10	0	13
Provider Competency	0	17	2	9	16	0	44
Provider Policy	0	0	2	4	1	0	7
Provider/Provider Staff Behavior	1	14	22	26	0	20	82
Treatment Plan/ Diagnosis	0	4	11	9	1	0	25
Waiting times (office, transportation)	1	39	0	4	18	51	112
Transportation Customer Service	3	29	1	0	0	17	47
Condition of Office/ Transportation	0	3	0	0	1	2	6
Other (Transportation)	0	0	0	0	0	0	0
Member Rights	1	0	1	1	9	0	11
Suspected Fraud and Abuse of Services	0	1	0	0	2	0	3
Other	0	0	0	1	16	0	17
Plan Totals*	8	100	63	90	114	107	474
Number grievances per 1,000 members	--	1.26	0.30	1.86	2.95	1.81	1.09

\*Summation of the individual grievance categories for a given health plan may exceed the column total (i.e. plan total) as health plans may classify a grievance with one or more grievance categories.

### C. Audits, Investigations, Lawsuits, or Legal Actions

#### *Audits*

Audits of hospice providers were concluding during this quarter, and letters to request monies to be recouped were sent.

#### *Managed Care Plans' Program Integrity*

Part of the new health plan contracts that went into effect July 1, 2021, included increased reporting requirements for the health plans to meet and work with our Fiscal Integrity team. Those meetings kicked off during this quarter.

#### *Litigation*

Med-QUEST Division continues to be a party to litigation along with the Children and Adolescent Mental Health Division of the State Department of Health for the provision of mental health services for a child

or young adult. All administrative hearings have sided with the State, and the matter has now moved to the Circuit Court. Depositions will occur in the spring of 2022, and a court date is anticipated in late spring.

The Liberty Dialysis trial, related to inappropriate billing of dialysis services, was re-scheduled for January 2022.

#### **D. Unusual or Unanticipated Trends**

Due to the pandemic, and the continuous coverage requirements tied to the federal Public Health Emergency, there has been continued increases in the Medicaid populations, particularly in the working-age adult groups.

#### **E. Legislative Updates**

Med-QUEST Division leadership met with Finance, Health and Human Services subject matter chairs to provide an update regarding the Home and Community Based ARPA Spending plan. Additionally, MQD leadership reviewed Medicaid budget requests to expand adult dental benefits, and to take up the ARPA post-partum expansion from 2 months to one year of coverage. Legislators were also interested in what policy options could be taken to enhance use of Community Integration Services and to clarify when Medicaid dollars could be used given the challenges of braiding funding with already existing funding for these services. This continues to be one of the most difficult and challenging Special Terms and Conditions (STCs) of the QI 1115 Demonstration to implement, and since homelessness remains a major problem in the State, there is a lot of legislative interest in trying to do more with Medicaid.

#### **F. Descriptions of any Public Forums Held**

Hawaii held two Med-QUEST Division Healthcare Advisory Committee (MHAC) meetings during this reporting period on November 17, 2021, and December 15, 2021. We received public comments in our November 17<sup>th</sup> meeting regarding the Medicaid Innovation Collaborative. Hawaii is participating in a 12-month program that works with the community, Medicaid members, and technology resources to advance health equity and transform the well-being for the most vulnerable populations in Medicaid. Hawaii will focus on how to improve maternal mental health associated with substance use disorder by conducting interviews with Medicaid members and gathering information on how to provide better services and access. Med-QUEST Division received two comments from the public on this issue. One comment was in support of this initiative and thanked the Hawaii Med-QUEST Division for selecting maternal mental health as its focus. There was also a comment requesting that the Med-QUEST Division have the interviewer of the Medicaid members be familiar with our culture and have experience and background with mental health issues.

No public comments were received in our December 15, 2021, MHAC meeting.



### III. Performance Metrics

#### A. Impact of the Demonstration

##### 1. Providing Insurance Coverage to Beneficiaries and the Uninsured Population

- Number of applications processed: 17,015
- Number of new enrolled members: 9,485

Additionally, during the Federal Marketplace, our staff and contracted outreach teams worked to communicate about open enrollment in general, and to provide outreach and enrollment assistance to communities that face more challenges accessing health insurance and/or digital means to enroll.

##### 2. Outcomes of Care, Quality of Care, Cost of Care, and Access to Care

In July 2021, at the start of the new QUEST Integration contract, Med-QUEST Division released a new reporting package comprised of 38 reports spanning topics such as quality of care to program integrity with key performance indicators allowing for enhanced monitoring of access to care, cost of care, quality of care, and outcomes of care. These reports are being released in a phased approach over the first contract year and will be available in a future report.

Some example performance measures for Outcomes of Care include:

- % of CIS members who had a routine check-up within a past year
- % of CIS members who did not have two or more hospitalizations
- % of SHCN members who did not experience two or more hospitalizations
- EPSDT screening ratio

Some example Quality of Care performance indicators include:

- Number of additional NCQA or other health plan distinctions, certifications, or accreditations
- Number of robust QAPI plan/progress report for categorical areas

Some example Cost of Care performance indicators include:

- TPL cost savings
- Total dollars of supplemental drug rebates received

Some example Access to Care performance indicators include:

- % of PCPs (serving adults and children) who do not exceed the provider-member ratio
- % of Adult and Child Members with access to their PCP within Driving Time Standards

- Of adult and child PCPs reached, % callers offered an appointment

#### **B. Results of Beneficiary Satisfaction Surveys (if conducted)**

A Consumer Assessment of Healthcare Providers and Systems (CAHPS) was conducted for child members of all five QI health plans between February 2021 to May 2021 (response rate = 18.2%, higher than national response rate = 13.1%). These results were shared with MQD in October 2021. Overall, the health plans in aggregate exceeded the 90<sup>th</sup> percentile for “rating of personal doctor” and “rating of specialist seen most often” categories. However, the results did show that some areas, including “customer service” and “how well doctors communicate”, with lower percentile scores indicating a need for quality improvement in these areas. Compared to 2019 results, the 2021 survey results show no decline in any areas.

#### **C. Results of Grievances and Appeals (from Health Plans)**

Type	Total	Resolved as of Last Day of Reporting Period # (%)	Resolved within 30 Days # (%)
Grievances	474	442 (92.9%)	382 (86.4%)
Appeals	317	279 (88.0%)	261 (93.5%)

## **IV. Budget Neutrality and Financial Reporting Requirements**

#### **A. Financial Performance of the Demonstration**

Hawaii continues to accrue budget neutrality savings as demonstrated in the most recent Budget Neutrality Summary. The hypothetical Expansion eligibility category also shows significant budget neutrality savings. These savings are projected to increase throughout the demonstration period.

#### **B. Updated Budget Neutrality Workbook**

The Budget Neutrality Workbook for the quarter ending 12/31/2021 will be submitted by the 02/28/2022 deadline. The Budget Neutrality Workbook for the quarter ending 09/30/2021 is attached (Attachment B).

### **C. Quarterly and Annual Expenditures**

Expenditures for the quarter ending 12/31/2021 were reported on the CMS-64 and certified on 1/28/2022. A summary of expenditures is shown on the attached Schedule C for the quarter ending 12/31/2021.

### **D. Administrative Costs**

There were no significant issues for Hawaii's administrative costs for the quarter ending 12/31/2021. Staff costs have remained relatively constant despite enrollment numbers being at an all-time high. The cumulative administrative expenditures can be found on the attached Schedule C.

## **V. Evaluation Activities and Interim Findings**

### **A. Current Results of the Demonstration per the Evaluation Hypotheses**

See information provided below.

### **B. Progress Summary of Evaluation Activities**

#### **1. Key Milestones Accomplished**

Med-QUEST Division released a new reporting package which will assist with monitoring evaluation goals for the 1115 waiver. Key milestones accomplished during the reporting period include the first Long Term Services and Supports (LTSS) and CIS monitoring and evaluation reports which were submitted by the Managed Care Plans on 10/31/21. Additionally, health plans are beginning to collect data on other evaluation topic areas including Special Health Care Needs and Expanded Health Care Needs, primary care, and Value-Based Payments. Additionally, the UH evaluation team released the first CIS implementation status evaluation report in November 2021.

#### **2. Challenges Encountered and How They Were Addressed**

One challenge is data quality issues in the reports Med-QUEST Division is receiving from the health plans. In response, Med-QUEST Division and the University of Hawaii Evaluation Team have been providing one-on-one and group technical assistance sessions to health plan staff to review common data quality issues ahead of the next reporting cycle.

### **3. Interim Findings (when available)**

*CIS*

Some select successes in implementation include:

- Managed care plans working together to implement allowing for sharing of best practices and collaboratively exploring solutions to any encountered challenges
- Managed care plans are leveraging existing relationships
- Managed care plans are providing ongoing education and outreach to providers

Select barriers in implementation include:

- Inconsistent information and data sharing between agencies and housing service providers due to siloed and non-interoperable systems
- Managed care plans still optimizing best workflows

### **4. Status of Contracts with Independent Evaluators (if applicable)**

Contract is being renewed with the University of Hawaii Evaluation team for CY2022.

### **5. Status of Institutional Review Board Approval (if applicable)**

N/A

### **6. Status of Study Participant Recruitment (if applicable)**

N/A

### **7. Result or Impact of the Demonstration Programmatic Area Defined by CMS that is Unique to the Demonstration Design or Evaluation Hypotheses**

Evaluation and data collection efforts are currently in process. Given some early and expected challenges in data quality, the immediate focus is on quality assurance. Concurrently, additional data sources are being explored to supplement existing data sources.

## **VI. Med-QUEST Division Contact**

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