# Hawaii QUEST Integration

# 1115 Waiver

# Quarterly CMS Monitoring Report

## Federal Fiscal Year 2022 2nd Quarter
## (DY28 Q2)

**Date Submitted:** May 25, 2022

**Reporting Period:** **January 2022 – March 2022**

| | |
|---|---|
| Federal Fiscal Quarter: | 2nd Quarter 2022 |
| State Fiscal Quarter: | 3rd Quarter 2022 |
| Calendar Year Quarter: | 1st Quarter 2022 |
| Demonstration Year: | 28th Year (10/1/21 – 9/30/22) |

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# Attachments

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

The Budget Neutrality Summary (worksheet) for the quarter ending 12/31/2021 is attached. The Budget Neutrality Summary for the quarter ending 03/31/2022 will be submitted by the 05/31/2022 deadline.

**Attachment B:** Budget Neutrality Workbook

The Budget Neutrality Workbook for the quarter ending 12/31/2021 is attached. The Budget Neutrality Summary for the quarter ending 03/31/2022 will be submitted by the 05/31/2022 deadline.

**Attachment C:** Schedule C

A Schedule C for the quarter ending 03/31/22 is attached. Schedule C includes a summary of expenditures for the reporting 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. Med-QUEST Division also focuses on the integration of behavioral health and health-related social risk factors taking a whole-person health approach.

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 were reduced to weekly, and now every other week as traction and initial experience with the pandemic was gained. They are now focusing on various critical topics other than predominantly pandemic responses. Discussions and planning for post-

PHE redeterminations and unwinding activities have begun. MQD is collaborating with the Health Plans on ways to prepare for, and effectively disseminate and communicate, the upcoming redeterminations and its importance, to members.

During this reporting period, MQD remained vigilant of the Omicron variant in the State of Hawaii. Med-QUEST Division anticipated higher infection counts but either lower levels, or the same levels, of hospital census pressure, and lower mortality for the Omicron variant, when compared to the Delta variant. These expectations came to pass. Med-QUEST Division continued to utilize the existing interventions related to COVID-19, and leveraged flexibilities afforded by CMS for the PHE under the approved 1135, 1115, and 1915(c) waivers. Work included: monitoring and reducing hospital wait-listed days to decompress hospital bed census; ensuring that alternative residential settings with COVID-19 positive members had appropriate PPE and food supplies; conducting continued outreach for Home and Community Based Services (HCBS) providers to improve awareness and preparation; and working with the Department of Health, and the Honolulu City and County, to secure isolation quarantine beds for the Medicaid population infected with COVID-19.

By the end of the quarter, 77% of the State of Hawaii (State) population 5 years old and older had completed the COVID-19 vaccination. Neighbor island immunization rates, ranging from 68% to 72%, tended to be lower compared with Oahu's 80%. This included 100% of those ages 65 to 74 years old, and 98.2% of those ages 75 years old and older. These relatively high immunization rates in the State contributed to reduced pressure on the hospital census and a lower COVID-19 mortality rate when compared to such during the Delta variant. Interestingly, the hospital admissions were much higher than during the Delta variant surge, but the length of stay average was much shorter. Therefore, although hospitals were much busier, the hospital census counts did not spike to crisis levels.

# II. Operational Updates

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

### 1. Managed Care

*Health Plan QI Contracts (start date 7/1/2021)*

This quarter, Health Plans continued to submit newly designed reports as part of the QI 2021 contract. Embedded in these reports, is a framework to consolidate reporting information into specific focus areas and to analyze performance based on Key Performance Indicators (KPIs). During 2021, and continuing into 2022, weekly training and technical assistance sessions have been held with the Health Plans to socialize the new reports. Report tools for these reports have been updated based on feedback from the Health Plans, and such updates are incorporated into the Health Plan Manual.

*Default Enrollment*

Med-QUEST Division and Hawaii's five Dual Eligible Special Needs Plans (D-SNPs) successfully launched D-SNP default enrollment. Hawaii's five D-SNPs are provided by the same five QI Health Plans in the State, and such default enrollment pertains to the D-SNP membership auto-enrollment process authorized by CMS. This process allows D-SNPs to automatically enroll a newly qualifying dual eligible individual who is already a Medicaid member of the D-SNP's companion Medicaid line of business, into its D-SNP membership after first providing the individual with 60 days of notice and given the individual does not choose to opt out of participation. The intent is to alleviate burden on the new dual eligible individual and provide enrollment into a plan that is poised to integrate and coordinate the individual's special needs care and services covered under Medicare and Medicaid. As early as July 2021, two D-SNPs were sending out member notice letters for default enrollment. By January 2022, all five were sending out such notice letters to members and default enrollment transactions to CMS for Medicare effective dates in February 2022. During the reporting period, about 367 individuals were successfully enrolled into the D-SNPs through default enrollment.

Many parties collaborated to coordinate the many moving parts that resulted in this success. Work on this project began over a year ago and included: setting forth a default enrollment process and workflow; leveraging channels of data transmission to provide necessary and timely information to the Medicare Advantage Organizations (MAOs); coordinating alignment of member notifications, processes and other materials between MQD, the MAOs, and the Hawaii State Health Insurance Assistance Program (SHIP); conducting various training sessions to prepare state and MAO staff, as well as, SHIP volunteers; and holding readiness reviews with each MAO prior to its official default enrollment implementation, to ensure MAO understanding, compliance, and capability.

To monitor, improve, and develop the State's D-SNP default enrollment and D-SNP program in general, MQD designed and created a comprehensive reporting package for the MAOs to submit monthly. Med-QUEST Division's Health Analytics Office (HAO) built this reporting package and continues to work with MQD staff and the MAOs to fine-tune it, address concerns, and provide training.

Key components contributing to the State's default enrollment success, were the guidance and expertise of its knowledgeable consultants, in this case, the Speire Group. Speire Group set forth a framework to begin and operationalize default enrollment in the State and helped MQD's team drive the implementation. It provided invaluable knowledge on Medicare and D-SNPs, experience from similar work with other states, and detailed research. It also led the default enrollment trainings and continues to work with the State to improve and develop Hawaii's D-SNP default enrollment. Current work is focused on planning and preparation for post-PHE processes.

Other parties that collaborated on, and contributed to, the D-SNP default enrollment success include the MAOs, Hawaii SHIP, and many of MQD's offices such as its policy, managed care operations, analytics, information systems, and eligibility offices.

*Conversion to All Patient Refined Diagnosis Related Groups (APR DRGs)*

For admissions beginning on July 1, 2022, the Health Plans will use a new APR DRG payment methodology for inpatient payments, as approved by CMS in the Hawaii State Plan section 4.19a. In preparation, Hawaii has continued to meet frequently with the Health Plans and hospitals. The Health Plans and hospitals have also attended several APR DRG Primer webinars hosted by 3M. Other related work and accomplishments include: the completion of system configuration documents; the successful cloud to mainframe Proof of Concept; the submission and approval of Health Plan testing plans; the implementation of testing; and the completion of capitation rates for both the QI contract and the Community Care Services (CCS) contract periods beginning July 1, 2022.

*Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) Program: Periodicity & Modernization – "EPSDT Online"*

In January 2022, after many reviews and stakeholder meetings, MQD updated its periodicity schedule for EPSDT so that it aligns with the American Academy of Pediatrics Bright Futures Periodicity Schedule.

Additionally, MQD launched an EPSDT modernization project, which is the first of many planned MQD form automation projects with the goals to significantly improve user experience and the process of collecting meaningful data. This project allows the online collection of EPSDT data from EPSDT providers in the community. Providers' data submission of EPSDT clinical visit data is collected on a shared database where plans and providers can access, review, and provide feedback on submissions of EPSDT visit data. Health Plans can retrieve, review, and match EPSDT visit data to claims, or request more information from providers via EPSDT Online. The previous process of providers mailing paper forms is still available, but also significantly improved with required forms more accessible for download and print from the MQD website. The downloaded, printed and mailed forms are also uploaded to the database after Health Plan review so that all EPSDT visit data is captured in EPSDT Online.

*Long Term Services and Supports (LTSS)*

Med-QUEST Division is working on the development of a Fall Risk Assessment Tool to be included in the Health and Functional Assessment Tool. The Fall Risk Assessment Tool is a fall safety initiative for vulnerable members and captures the requirements of the Managed Long-Term Services and Supports (MLTSS) Quality Measure.

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

*HCBS and Omicron*

Med-QUEST Division instructed the Health Plans to continue conducting health coordinator visits using remote modalities given the Omicron variant impact during the quarter.

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

The APRA HCBS Spending Plan (Spending Plan) was submitted for approval to CMS in July, and responses were received from CMS with additional questions. The first quarterly Spending Plan update was submitted in late October 2021, and the second Spending Plan update was submitted

in February 2022. Progress with, and spending on, this effort has been slower than anticipated. A project manager has been obtained to help address this issue.

**3. Community Integration Services (CIS)**

Med-QUEST Division and the Health Plans are partnering with a large community-based organization, the Institute for Human Services (IHS), which serves homeless populations. Currently, they are collaborating to pilot CIS service delivery and document operational lessons and policies. These will be shared with smaller agencies that have the potential to deliver CIS services as they gain more understanding of the program and Medicaid in general.

**4. Other**

*Electronic Visit Verification (EVV)*

Med-QUEST Division received CMS certification for the EVV system as part of the Hawaii Medicaid Enterprise System (MES) module in March 2022. Med-QUEST Division met one-to-one with all Hawaii provider agencies who had below 85% auto verification. Fraud, waste, and abuse data were distributed to the Health Plans for analysis, and MQD continues to hold quarterly town hall meetings on EVV matters.

*Data Quality Strategy*

In March 2022, the MQD Health Analytics Office (HAO) in partnership with contractors Freedman Healthcare, launched the 2022 Data Quality Strategy. This Strategy establishes five tasks to improve encounter data quality for calendar year 2022. The five tasks are: 1) Defining Data Quality; 2) Reducing Pended Encounters; 3) Implementing Data Quality Monitoring; 4) Modeling and improving data quality business processes; and 5) Collecting Health Plan staff-delivered services as encounters.

For each task HAO will work with stakeholders to meet goals that will enhance MQD's ability to measure, define, and monitor incoming encounter data for completeness, timeliness, accuracy, plausibility, and validity. In March, the team developed initial drafts for data quality definitions, data quality monitoring reports, and business processes for keeping mainframe reference tables up to date. Over the next quarter, HAO will engage with the Health Plans to understand where better guidance is needed to reduce pended encounters and collect Health Plan staff-delivered services as encounters.

The Health Analytics Office plans to update the Data Quality Strategy each calendar year to improve on different aspects of data quality at MQD. While 2022, and likely 2023, will have a strong focus on encounter data quality, in the future the same framework for this Strategy can be applied to other bodies of data, such as member data or grievances and appeals.

*Limited Resources*

A continued barrier to addressing all the waiver-related work continues to be a lack of capacity due to limited human 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 its ability to perform day-to-day work. Med-QUEST Division is responding as best it is able by re-prioritizing work, moving implementation dates out, and trying to recruit new staff as quickly as it can.

## B. Issues or Complaints Identified by Beneficiaries

### 1. Trends in MQD State Grievance Reviews and Complaints Reported Directly to MQD

*Staff Shortages*

Med-QUEST Division received complaints and cases for State Grievance Review regarding care coordination and overall care. Gaps in care at issue, were largely due to workforce shortages over the holidays that were further exacerbated by the impact of the Omicron variant on staffing.

In response to the staff shortage, MQD administrators discussed the following with Health Plan executives.

- Med-QUEST Division raised Health Plan awareness regarding the issue, and apprised Health Plans of the increase in complaints to MQD that members were not receiving approved visits or services from Health Plan Service Coordinators, Chore Workers, etc.

- Med-QUEST Division informed the Health Plans that members were directed to file a complaint with the appropriate entity (Department of Health (DOH), Adult Protective Services (APS), Office of Health Care Assurance (OHCA), Home Health or Care Agency, Health Plan, etc.) as this could be considered a form of neglect.

- Med-QUEST Division reminded Health Plans to review delivery of all member home care and directed Health Plans to anticipate and always prepare for worst case scenarios to ensure basic care needs are met for this vulnerable population. This includes devising back-up plans to address workforce shortages, and commitment to the principal that no member should be left to fend for himself/herself.

Health Plans responded quickly and worked to ensure that members received needed care. Examples of solutions were: training and temporary use of family members as self-directed providers; and reimbursing members who paid out-of-pocket to private, non-participating personal care attendants.

*Denied or Delayed Medication Coverage*

During this period, MQD learned of numerous cases where members were denied medication coverage at the pharmacies. When switching to a new Health Plan, members experienced delays

due to either new prescriptions, formulary limitations, or inadvertent denials. Issues were usually resolved quickly once MQD contacted the Health Plan. However, MQD directed the Health Plans to create internal workflow processes to resolve these types of issues immediately, and which would not rely upon MQD intervention for timely resolution. The Health Plans conducted drill down analyses to unearth the sources of these issues so that preventive action can be taken to avoid future problems.

*Non-Emergency Transportation*

Complaints related to non-emergency transportation were received. The issues raised involved difficulty with scheduling transportation, long waiting periods, and upfront out-of-pocket payments. Med-QUEST Division addressed these issues directly with the Health Plans. One Health Plan developed several initiatives to work through issues within its contracted vendors and to improve its vendor customer service process. This Health Plan also took the initiative to meet with one of the hospitals experiencing ongoing transportation issues for discharges to discuss matters and hear recommendations for improvement. As part of this Health Plan's oversight, it met weekly with its vendor's Regional Manager located in Hawaii, along with numerous representatives from various departments. During the weekly meetings, issues are shared and discussed in depth to resolve and prevent future occurrences. Recently, the Health Plan implemented processes to improve discharge communications and efficiency, and to also address the following:

1. Need for a vendor point of contact;

2. Weekly meetings initiated by the point of contact, with the top 5 facilities by volume of discharges; and

3. Weekly touch-base meetings with the top 10 dialysis centers to ensure members are receiving needed dialysis.

This Health Plan also learned the details of individual transports and is following up on these to see where additional improvements can be made. As of today, this Health Plan has revised its process and its routing team will be contacting facilities every hour to give updates on the status of requested transports.

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

*Program Integrity of the Managed Care Plans*

The Fiscal Integrity Team is meeting quarterly with the program integrity team of each QI Health Plan. During this quarter, no new trends or audits were initiated.

*Litigation*

Med-QUEST Division was party to litigation, along with the Children and Adolescent Mental Health Division (CAMHD) of the State Department of Health, for the provision of mental health services to a child or young adult. Med-QUEST Division added transition of care language to address when youths age out of the CAMHD program and possibly transition into the Community Care Services (CCS) program. The CCS

program provides behavioral health services to eligible adult QI members with Serious Mental Illness (SMI) or Serious and Persistent Mental Illness (SPMI). This language was added to both the Memorandum of Agreement with CAMHD and the CCS contract. An update on this matter, is that the plaintiffs withdrew.

### 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. There are no other unusual or unanticipated trends to report.

### E. Legislative Updates

The Hawaii State Legislative session began in January 2022. Med-QUEST Division has budget requests for Home and Community Based ARPA Spending Plan carryover funds, for the expansion of adult dental benefits, and for the ARPA post-partum expansion from two months to one year of coverage. Thus far, these have been positively considered. Additionally, the nursing facility trade association requested one-time funds to help address losses suffered during the pandemic. Home and Community Based Service providers are also being added to the bill to provide a one-time funding support for those providers as well. Other topics receiving robust attention are telehealth and telephonic health care services.

### F. Descriptions of any Public Forums Held

No public forums were held during this reporting period.

# III. Performance Metrics

### A. Impact of the Demonstration

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

- Total enrollment as of 3/31/22: 443,748

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

- MQD continues to work with the Health Plans as the new reporting package is released in a phased approach and ensure that accurate, valid, and high quality data on key performance metrics are being reported to MQD.

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

No CAHPS surveys were conducted during the reporting period.

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

| Type | Total | Timely Resolved* # (%) | Appeals Resolved in Favor of Beneficiaries** # (%) |
|---|---|---|---|
| Grievances | 438 | 433 (98.9%) | -- |
| Appeals | 362 | 346 (95.6%) | 210 (58.0%) |

Grievances timely resolved
*Timely is defined as within 30 days for standard grievances and appeals, within 14 days for expedited appeals, and within the approved extension time period for grievances and appeals with approved extensions. Denominator excludes grievances and appeals received within 30 days of the end of the reporting period with no resolution (or 3 days for expedited appeals).
**Denominator excludes appeals for which no decision has been made.

# 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 03/31/2022 will be submitted by the 05/31/2022 deadline. The Budget Neutrality Workbook for the quarter ending 12/31/2021 is attached (Attachment B).

**C. Quarterly and Annual Expenditures**

Expenditures for the quarter ending 03/31/2022 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 03/31/2022.

**D. Administrative Costs**

There were no significant issues for Hawaii's administrative costs for the quarter ending 03/31/2022. 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 completed Special Health Care Needs (SHCN) reports on 1/31/22. The University of Hawaii and MQD hosted weekly technical assistance sessions with the Health Plans to review data quality issues, report findings, and key data sources for VBP, Primary Care, CIS, LTSS, and SHCN reports. As of a result, the health plans are working on improving data quality and system upgrades to improve data completeness and accurate reporting. Similarly, this has led to streamlining assessments and other health plan data collection tools to increase efficiency. The reports have also been updated to better collect data needed for evaluation.

**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 improving data quality and quality assurance. Concurrently, additional data sources are being explored to supplement existing data sources.

# VI. Med-QUEST Division Contact

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