



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

**Federal Fiscal Year (FFY) 2023**  
**Demonstration Year (DY) 29**

<b>Date Submitted:</b> December 27, 2023	<b>Reporting Period:</b> <b>October 2022 – September 2023</b>	
	<b>Demonstration Year:</b>	29th Year (10/1/22 – 9/30/23)
	This reporting period excludes the first two months of year 29, and includes the first two months of year 30, when applying a DY of August 1st – July 31st.	

**Table of Contents**

I. Introduction .....	4
II. Operational Updates .....	5
A. Key Achievements and Challenges Related to the 1115 Waiver .....	5
1. Managed Care .....	5
2. Home and Community Based Services (HCBS) and Personal Care .....	6

3. Community Integration Services (CIS).....	8
4. Other .....	9
B. Issues or Complaints Identified by Beneficiaries .....	10
C. Audits, Investigations, Lawsuits, or Legal Actions .....	10
D. Unusual or Unanticipated Trends.....	10
E. Legislative Updates .....	11
F. Descriptions of any Public Forums Held.....	11
III. Enrollment and Disenrollment.....	15
A. Member Choice of Health Plan.....	15
IV. Performance Metrics .....	15
A. Impact of the Demonstration .....	15
1. Providing Insurance Coverage to Beneficiaries and the Uninsured Population .....	15
2. Outcomes of Care, Quality of Care, Cost of Care, and Access to Care.....	15
B. Results of Beneficiary Satisfaction Surveys (if conducted) .....	15
C. Results of Grievances and Appeals (from Health Plans) .....	16
V. Budget Neutrality and Financial Reporting Requirements.....	16
A. Financial Performance of the Demonstration .....	16
B. Updated Budget Neutrality Workbook.....	16
C. Quarterly and Annual Expenditures.....	16
D. Administrative Costs.....	17
VI. Evaluation Activities and Interim Findings.....	17
A. Current Results of the Demonstration per the Evaluation Hypotheses .....	17
B. Progress Summary of Evaluation Activities .....	17
1. Key Milestones Accomplished.....	17
2. Challenges Encountered and How They Were Addressed.....	17
3. Interim Findings (when available) .....	18
4. Status of Contracts with Independent Evaluators (if applicable) .....	20
5. Status of Institutional Review Board Approval (if applicable) .....	20
6. Status of Study Participant Recruitment (if applicable) .....	20
7. Result or Impact of the Demonstration Programmatic Area Defined by CMS that is Unique to the Demonstration Design or Evaluation Hypotheses .....	20
VII. Med-QUEST Division Contact.....	21

## Attachments

**Attachment A:** Up-To-Date Budget Neutrality Summary (Quarter Ending 9/30/2023)

The Budget Neutrality Summary (worksheet) for the quarter ending 9/30/2023 is presented here in Attachment A. This includes the period from 10/1/2022 to 9/30/2023.

**Attachment B:** Budget Neutrality Workbook (Quarter Ending 9/30/2023)

The Budget Neutrality Workbook for the quarter ending 9/30/2023 is presented here in Attachment B. This includes the period from 10/1/2022 to 9/30/2023.

**Attachment C:** Schedule C

Schedule C for the quarter ending 9/30/2023 is presented here in Attachment C. Schedule C includes a summary of expenditures for the reporting period.

**Attachment D:** Federal Fiscal Year 2023 4th Quarter Information

Federal Fiscal Year 2023 4th Quarter Information provides reporting on the 4th quarter of Federal Fiscal Year 2023. The 4th quarter of Federal Fiscal Year 2023 is the final leg of required annual reporting and covers July 2023 – September 2023.

**Attachment D1:** Up-To-Date Budget Neutrality Summary (Quarter Ending 6/30/2023)

The Budget Neutrality Summary (worksheet) for the quarter ending 6/30/2023 is presented here in Attachment D1. The Budget Neutrality Summary for the quarter ending 9/30/2023 is also attached (Attachment A).

**Attachment D2:** Budget Neutrality Workbook (Quarter Ending 6/30/2023)

The Budget Neutrality Workbook for the quarter ending 6/30/2023 is presented here in Attachment D2. The Budget Neutrality Workbook for the quarter ending 9/30/2023 is also attached (Attachment B).

## I. Introduction

Hawaii's QUEST Integration (QI) is a state of Hawaii (State) Department of Human Services (DHS) and Med-QUEST Division (MQD) comprehensive section 1115(a) Demonstration (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 (collectively, Health Plans or Managed Care Organizations (MCOs)). Med-QUEST Division works closely with the Health Plans to facilitate contract implementation, and improve healthcare access and services to members.

In FFY 2023, one of the largest impacts on the program was tied to the sunset of the continuous coverage requirements tied to the COVID-19 Public Health Emergency in April 2023. Beginning in April 2023, MQD resumed its annual renewal process for the more than 470,000 members enrolled – a historical high for Hawaii – with renewals for all members spread out over a 12-month period. This is the largest undertaking of its kind in the history of Hawaii Medicaid, and has required multiple reconfigurations to the KOLEA Eligibility system, policy waivers from the Centers for Medicare and Medicaid Services (CMS), and updated business processes and training for staff. There has also been considerable effort put into a communications campaign called "Stay Well Stay Covered" to help inform the community of the restart of eligibility renewals and the need to make sure member contact information is up to date with the program. The campaign also focuses community attention on the importance of reading and responding to the pink letters that MQD sends out to households whose eligibility is up for renewal. Additionally, there have been successful expansion of collaborations with the MCOs and with community partners for outreach efforts.

That renewal process was then paused for three months (September, October, and November of 2023) to enhance MQD's eligibility system to determine continued eligibility at a member level rather than a household level. This pause also allowed MQD time to address the emerging and complex needs in Maui County as a result of the August wildfires and to incorporate additional eligibility flexibilities granted to Hawaii by CMS.

As referenced above, another major impact on our program has been the Maui wildfire disaster in August 2023. The wildfires caused devastating losses in lives and properties that will reverberate for generations. MQD has been active in the disaster response. Med-QUEST Division worked with the Health Plans and community partners to coordinate various supports to help relocate houseless beneficiaries and those who needed immediate medical attention. Med-QUEST Division staff dedicated many hours, days and weeks assisting survivors with all of their basic needs and beyond, including shoulders to cry on.

## II. Operational Updates

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

#### 1. Managed Care

##### *Health Plan Reporting*

Health Plans continued to submit newly designed reports as part of the QI 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) which will be reported in the Performance Metrics section of these 1115 quarterly and annual reports once data quality is adequate. Additionally, data from these reports are key to answer evaluation questions for this waiver's evaluation framework.

Additional strategies for improving data quality have been developed including report templates with built in quality assurance flags that alert Health Plans of inappropriate or mis-formatted data. 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. Med-QUEST Division is looking at ways to streamline reporting and reduce administrative burden on Health Plans and MQD staff. These include combined data files and working toward more automated reporting.

##### *Dual Eligible Special Needs Plans (D-SNPs)*

Federal fiscal year 2023 was a productive and progressive year in the area of D-SNPs for MQD. So much was learned and accomplished with the help of MQD's consultants, ATI Advisory and Speire Healthcare Strategies, LLC (collectively, Consultants), and collaboration with staff from the CMS Medicare-Medicaid Coordination Office (MMCO), its partnering organizations, the Health Plans, and the Hawaii State Health Insurance Assistance Program (SHIP). As a result of the work done this year, in 2024 Hawaii is happy to offer qualified members Fully Integrated Dual Eligible Special Needs Plans (FIDE SNPs) with Exclusively Aligned Enrollment (EAE) and increased integrated healthcare services and member materials. Med-QUEST Division also successfully launched a D-SNP webpage on its Medicaid website, provided outreach and education to stakeholders, and has already begun laying the groundwork for possible movement toward single H contracts in upcoming years. These will help to simplify, streamline, and improve health care to members.

Hawaii's 2024 State Medicaid Agency Contract (SMAC) with the Medicare Advantage Organizations (MAOs), includes provisions and requirements for: aligned care management; an integrated provider and pharmacy directory; an integrated formulary; a unified grievance and appeals process and integrated communications; a benefits template to facilitate comparisons across plans; and data/information sharing to allow for increased and better care coordination between the D-SNPs and other programs that D-SNP members receive services from.

Presenting both, challenges and successes, this year was making it through the end of continuous enrollment and working through its effects on default enrollment, as well as providing guidance to the MAOs on numerous EAE scenarios. Overall, FFY 2023 was a good year for Hawaii and its D-SNPs with robust strides made toward supporting more integrated healthcare for its dual eligible individuals.

#### *Health Plan Manual*

During this year, MQD continued to update the Health Plan Manual on a quarterly basis, to include the latest report tools and operational procedures.

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

#### *Rate Studies*

Med-QUEST Division embarked on two rate studies during this program year.

The first rate study (Phase One), which focused on community residential providers such as: Community Care Foster Family Homes (CCFFHs); Expanded-Adult Residential Care Homes (E-ARCHs); In-Home Services; and Case Management Services, started on July 2022 and was completed December 2022. The study was completed by Milliman, an actuarial firm contracted with DHS MQD for a wide range of actuarial consulting services. A rate study report was delivered by Milliman to MQD on December 30, 2022, and a closing all-stakeholder meeting to communicate these findings was held on February 14, 2023.

A key part of this first rate study, included stakeholder outreach and engagement with Home and Community-Based Service (HCBS) providers and their associations, collecting provider cost and wage survey data, and getting provider feedback on draft rate calculations. Not surprisingly, the provider surveys showed significant wage pressure given the current labor market. The rate study methodology also used wage and salary data for direct care staff and supervisors, employee related expenses, transportation and administration, program support and overhead, and the Bureau of Labor and Industry Wage Indices to paying for employment benefits such as health insurance.

The rate study provides three scenarios (low, medium, high) based on different wage or caseload/staffing assumptions. A low scenario includes the lowest wage or highest caseload assumptions to calculate the lowest rates. A medium scenario includes middle wage or caseload assumptions, and a high scenario includes the highest wages or lowest caseload assumptions to calculate the highest rates (e.g., adjusting wages would create a low scenario with wage assumptions set at the 25th percentile, a medium scenario with wage assumptions set at the 50th percentile, and a high scenario with wage assumptions set at the 75th percentile). A legislative report incorporated the rate study, so that the legislature could consider budget appropriation

based on the results when the legislature began in mid-January 2023. Although ultimately, no rate increases were funded by the legislature, they will be considered again in the upcoming 2024 legislative session.

Building on the Phase One rate study, Phase Two commenced on March 8, 2023. Phase Two is a study of HCBS rates for Adult Day Care (ADC), Adult Day Health (ADH), Assisted Living Facilities (ALF), home delivered meals, respite care and in-home services, Level 3 Residential Services provided by Community Care Foster Family Homes (CCFFHs) and Expanded – Adult Residential Care Homes (E-ARCHs), and Level 3 Community Case Management Agency (CCMA) services. The Phase Two rate study is also being implemented by Milliman.

A unique element of Phase Two is the study of Level 3 residential and Care and Case Management services, particularly for those with complex medical and behavioral health needs. Part of this approach is to standardize Level 3 criteria that is based on current Level 1 and Level 2 criteria. The different levels are factored by the level of assistance needed for the member to perform activities of daily living (ADLs) and/or behaviors that require increased supervision or (re)direction to maintain their safety. The levels are progressive and meet Nursing Facility (NF) level of care, with Level 3 requiring the highest level of care. The Phase II study is due to be complete by the end of 2023.

As part of these processes, there has been increased stakeholder engagement, that have created opportunities to collaborate on strategies to better address the needs of members, identify resources, and facilitate their transition of care more efficiently and appropriately. One strategy now employed has been to identify and contract with a community partner(s) that can provide a robust curriculum and training to enhance the skills of residential providers and CCMA's. Additionally, reinforcing provider awareness and accessibility of existing community resources will help provide ongoing supports for both the member and the providers.

#### *Consumer Assessment of Healthcare Providers and Systems Home and Community-Based Services (HCBS CAHPS®) Survey*

MQD assesses the perceptions and experiences of members enrolled in the QUEST Integration (QI) health plans as part of its process for evaluating the quality of health care services provided to eligible adult members. The MQD contracted with Health Services Advisory Group, Inc. (HSAG) to administer and report the results of the Consumer Assessment of Healthcare Providers and Systems Home and Community-Based Services (HCBS CAHPS®) survey for members that received a qualifying HCBS service. The surveys were completed by adult members from January to April 2023 and a report describing the survey findings was submitted to MQD in this quarter.

A sample of 5,500 adult members was selected for the survey across the QI health plans. The survey instrument administered was the HCBS CAHPS survey without the Supplemental Employment module. Five QI health plans participated. In the coming months, MQD will review the results of the survey and determine next steps.

#### *Investment in Tools and Technology for Residential Alternative Providers*

Through its American Rescue Plan Act of 2021 (ARPA) grant, MQD received funding to support HCBS residential provider capacity for technology. To further this effort, MQD distributed sixty-

four (64) surface devices to residential providers state-wide, by the end of this quarter. This distribution increases provider capacity to interact electronically with health plans and medical providers and supports members' receipt of virtual services (where applicable).

#### *HCBS Settings Rule*

During the 4<sup>th</sup> quarter, MQD continued its efforts to bring settings into compliance with the federal home and community-based services (HCBS) regulations found at 42 CFR §§441.301(c)(4)-(5) and 441.710(a)(1).

As of the end of this quarter, MQD has completed site visits to one hundred fifty-two (152) out of one hundred fifty-four (154) sites on the island of Oahu, and nineteen (19) out of twenty-six (26) sites on the neighbor islands.

Most of the providers were found to be in compliance during the site visits. Med-QUEST Division continues to deliver technical assistance to settings found to be potentially out of compliance. It is anticipated that all providers will attain compliance through these capacity building activities.

The seven (7) neighbor island site that have not been visited are located on the island of Maui, which was devastated by wildfires with wide-reaching impacts across the State of Hawaii. Because of the wildfires and the resulting recovery efforts, MQD has requested an extension from CMS to its deadline to achieve compliance with the settings rule to July 1, 2024. CMS is completing its review of this request and formal approval is anticipated.

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

The Community Integrated Services (CIS) program provides outreach, pre-tenancy and tenancy sustaining supports to individuals who have mental illness, substance use disorders and/or complex health needs who are also unsheltered or at risk of homelessness. Med-QUEST Division, the Health Plans, and community-based organizations (CBOs) with expertise in providing the relevant services, have collaborated to implement CIS since 2018.

During this program year, MQD has strengthened its relationships with the two Continua of Care (CoC) organizations in Hawaii that coordinate services for the unhoused and those at-risk of homelessness. These two organizations, Partners in Care, for Honolulu County (Oahu) and Bridging the Gap, for Kauai, Maui, and Hawaii Counties manage the Coordinated Entry Systems (CES), the Homelessness Management Information Systems (HMIS), and federal funding for their respective islands. The partnerships between MQD and the Hawaii CoCs ensure that the CIS program is a known resource in the homeless provider networks in Hawaii.

The CIS program also partners with health plans, homeless services providers, and engages regularly with the Hawai'i Governor's Coordinator on Homelessness and the Homeless Programs Office of the Department of Human Services. The Governor's Coordinator, in their role to develop and implement the policies and programs addressing homelessness in Hawaii, provides consultation for and with MQD on policies, expansion of relevant services, and implementation challenges. The Homeless Programs Office of DHS manages an array of grants programs, including emergency grants, housing placement, and permanent supportive housing programs. Med-QUEST Division's collaboration with



the Governor's Office and the Homeless Programs Office ensures that the CIS program is integrated into the homeless services infrastructure in Hawaii.

#### *Notable accomplishments:*

Since the beginning of CIS, MQD has collaborated with the Health Plans, homelessness service agencies and other stakeholders in the state to implement the CIS program. The Health Plans have hired housing coordinators contracted with several of the largest homeless providers/CBOs, and as a result, have had initial successes in finding placements for houseless individuals. The Health Plans have also collaborated with the CoCs for access to relevant data systems such as CES and HMIS.

The CIS program has also incorporated rapid-cycle assessments (RCA) in its evaluation. This has helped enable MQD and their partners to identify and address early implementation challenges. In this program year, through continued collaboration with Health Plans, homeless service providers, homeless service system leaders, and other key stakeholders, the CIS program has adapted and remained responsive to local needs and has issued 3 memos describing updated guidance to address the implementation challenges identified. Improvements to the program include simplified billing and payment requirements to ensure adequate and timely reimbursement of provider agencies and reducing barriers to program participation for providers and members by decreasing the length of the required forms to participate in the program. The length of time to enroll as a CIS provider has also decreased significantly, and MQD and its partner health plans continue to grow the CIS provider network in the State. More importantly, MQD has begun to bridge siloed health services and homeless services systems that had minimal engagement prior to CIS implementation. To further its CIS efforts, MQD convenes regular meetings with Health Plans, providers and key stakeholders to ensure that a forum exists to discuss program challenges and to celebrate program successes.

## **4. Other**

#### *Medicaid Beneficiaries Outreach Activities*

In the Fall of 2023, MQD Health Care Outreach Branch (HCOB) actively planned and prepared for the Annual Medicaid Enrollment system (named, KOLEA) and Health Insurance Marketplace training to approximately 170 "Kōkua" (outreach/enrollment assisters) and in-person assisters from Federally Qualified Health Centers (FQHC's), Med-QUEST Kōkua Services Contractors, and other community health centers statewide. This year we planned for a combination of virtual online trainings as well as in-person training sessions.

Additionally, during August/September 2023, Maui Community Partners and Maui Eligibility staff worked to help families and individuals displaced by the Maui Wildfires in Lahaina and Kula by conducting outreach to various shelters, hotels, beaches, parks, Maui War Memorial, Lahaina Civic Center, etc., wherever displaced residents could be found to help assist them with obtaining housing, food, health coverage and more.

Significant work from October 2022 into the Spring of 2023 continued in identifying Medicaid beneficiaries and helping beneficiaries confirm that contact information is up-to-date in electronic

beneficiary case records within our online eligibility system, in preparation and anticipation of the end of the Public Health Emergency.

From April 2023 through summer of 2023 our HCOB team along with all community partners continued to assist residents with renewals, and confirming their current contact information as Med-QUEST began our Unwinding of the Public Health Emergency (PHE), began reviewing cases for redetermination.

Additionally, the team continued on-going outreach and assistance to justice involved populations working closely with Department of Public Safety, Hawaii Youth Correctional Facility, and the Hawaii State Hospital.

#### *Data Quality Strategy*

This year MQD completed the first year of its Data Quality Strategy which sets a foundation for data quality improvement efforts moving forward. Med-QUEST Division first established formal definitions for data quality based on five dimensions: completeness, validity, timeliness, plausibility, and accuracy. With these definitions MQD initiated baseline measures to monitor data quality through routine reports which MQD plans to put into production in the coming year. As part of this year's Data Quality Strategy MQD continued to make progress in ensuring its MMIS edits align with Med-QUEST policy to prevent unnecessary pends. This is ongoing work that MQD will continue in the coming year. Finally, in FFY 2023 MQD established guidance for the Health Plans to submit encounters for services which Health Plan staff render directly to Med-QUEST members. MQD should begin receiving these encounters in early FFY 2024.

### **B. Issues or Complaints Identified by Beneficiaries**

No new issues or complaints were identified during this program year.

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

The cases reported in the prior quarterly reports continue to be in progress. No new cases or issues to report this quarter.

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

As noted earlier, Hawaii Medicaid restarted eligibility redeterminations during the reporting period. However, the renewal process was then paused for three months (September, October, and November of 2023) to enhance MQD's eligibility system to determine continued eligibility at a member level rather than a household level. This pause also allowed MQD time to address the emerging and complex needs in Maui County as a result of the August wildfires and to incorporate additional eligibility flexibilities granted to Hawaii by CMS. The wildfires also impacted MQD staff as they assisted with the disaster response, and of course, Hawaii Medicaid members, as well as MQD staff, as they dealt with the loss of life, homes, work and the devastation of a site of great cultural and historic significance.

Additionally, MQD continues to face staffing shortage challenges coupled with historically high workloads, particularly for its eligibility, outreach and call-center staff. For these reasons, in order to more effectively manage the eligibility redeterminations and the Annual Plan Change, Hawaii chose to modify the Annual Plan Change from the month of October to a monthly basis until July 2024. This will allow the staff sufficient time to process both eligibility redeterminations and member's Annual Plan Change in a more manageable workload.

## **E. Legislative Updates**

The 2023 legislature approved major budget items including monies allocated to increase medical/professional and behavioral health services' Medicaid fee schedule to 100% Medicare. These increases are due to be implemented starting January 2024.

Monies were also allocated to rebase nursing facility (NF) fees along with changing NF rate methodologies from using "RUGS" to "PDMP" for case mix adjustments. Additionally, NF reimbursement methods increased rates to incentivize higher nursing staffing ratios. These are also due to go into effect January 1, 2024.

Other providers, such as community HCBS providers, also advocated for reimbursement increases, as did MQD based on the HCBS rate studies. However, no monies were allocated for that purpose. As noted above, this will be an issue in the upcoming 2024 legislative session.

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

Med-QUEST Division held a total of 6 public forums during the reporting period from October 2022 – September 2023.

### **Quarter 1:**

Hawaii held 2 MQD Healthcare Advisory Committee (MHAC) meetings during Quarter 1 on October 19, 2022, and December 14, 2022. Public comments were received from both meetings and are summarized below.

#### ***MHAC meeting, October 19, 2022***

Med-QUEST presented information and updates on Adult Dental Services, Annual Plan Change, Home and Community Based Services (HCBS) and the American Rescue Plan (ARP) spending activities for the HCBS Rate Study and the Person-Centered Planning. Med-QUEST Division also presented on State Plan Amendments (SPA) related to Community Palliative Care Services and Monkeypox vaccine administrative rates, and Member Communications related to the Public Health Emergency Unwinding and Renewals and Redeterminations.

Comments and questions were received by both the MHAC members and the public regarding the Adult Dental Services ranging from reimbursement rates to dental providers. Comments and questions were also received regarding HCBS ARPA spending activities for the HCBS Rate Study

and the Person-Centered Planning. There were other questions on mid-wives, reimbursement rates for Child/Adolescent Mental Health division, and the HCBS rate studies.

#### *MHAC meeting, December 14, 2022*

Med-QUEST Division presented updates on information regarding the Social Determinants of Health (SDOH) Transformation Plan, Dental Services. MQD also presented on State Plan Amendment updates for Pregnant Woman and Unborn, and MQD Member Communications on the Public Health Emergency Unwinding process. Comments and questions were received from both the MHAC members and the public regarding the update information presented ranging from the SDOH plan, dental services and the legislative session.

A comment was received by MHAC regarding the PHE unwinding and the movie theater campaign. Med-QUEST Division showed a video clip about the PHE unwind and the video was well received by the MHAC member.

#### *Quarter 2:*

Hawaii held 1 MQD Healthcare Advisory Committee (MHAC) meeting during Quarter 2 on February 15, 2023. Public comments and questions were received from the meeting and summarized below.

#### *MHAC meeting, February 15, 2023*

Med-QUEST Division presented information and updates on the Restart of Renewals & Member Communications (related to the Consolidated Appropriations Act of 2023 passed by Congress and signed by President Biden on December 29, 2022, which restarts Medicaid eligibility renewals), Advancing Medicare and Medicaid Integration, Adult Dental, Social Determinant Transformation Plan, and the State Plan Amendments. Comments and questions were received by both the MHAC members and the public on each of the topics.

For the State Plan Amendments (SPAs) update a member of the public asked if the EPSDT benefit is covered under private insurance and MQD clarified that EPSDT is only covered by Medicaid.

#### *Quarter 3:*

Hawaii held 2 MQD MHAC meetings during Quarter 3 on April 19, 2023, and June 21, 2023. Public comments were received from both meetings and are summarized below.

#### *MHAC meeting, April 19, 2023*

Med-QUEST Division presented information and updates on the Stay Well Stay Covered campaign for the restart of renewals for all Medicaid members, the Legislative and Budget updates, and the State Plan updates. There were questions regarding the Hospital and Nursing Facility Sustainability (Provider fees) legislative bills. MQD explained that this bill outlines how the fees are assessed from patient revenue are received and used for performance improvement projects and metrics for the nursing facilities and hospitals. These programs will be sustained based on the fees that are collected for this purpose.

A member from MHAC had a question regarding the State Plan Amendment regarding the Waiver of Provider Application Fees (SPA 23-0009). 42 CFR 455.460 requires states to collect the

applicable application fee for any newly enrolling or reenrolling institutional provider. Section 1866 (j)(2)(ii) of the Act permits the Secretary to waive the application. Hawaii is choosing to waive the application fee for the institutional providers. The MHAC committee member asked if the waiver of the application fee is for everyone or only those with financial hardship. MQD clarified that the waiver of the application fee applies to everyone.

#### *MHAC meeting, June 21, 2023*

Med-QUEST Division presented information and updates on the on the Stay Well Stay Covered campaign for the restart of renewals for all Medicaid members, the 1115 Waiver Renewal, Legislative and Budget updates, and the State Plan updates. Questions were raised for all areas except the Legislative and Budget updates.

Questions were raised as to whether MQD will continue to use the pink envelopes as MQD does a renewal process every year, and how long the “Stay Well Stay Covered” campaign will remain in effect. MQD is continuously looking at ways to improve our process and outreach and will monitor the campaign and processes for possible future use.

MQD reviewed the 1115 Waiver Renewal process (as our current 1115 Waiver will end July 31, 2024), and the potential additional initiatives it may pursue for the next 5-year 1115 Waiver Renewal. MQD presented that it will continue current programs and services to support individuals with housing, behavioral health, and home and community based services needs. MQD will consider new initiatives that will add services to address health-related social needs among select QUEST Integration members such as Medical Respite, Rental Assistance, Pre-Release Services, Nutritional Supports, and Traditional Healing Practices.

A member of MHAC expressed excitement over the new initiatives and asked if the Pre-Release Services initiative includes the State Hospital. MQD responded that the State Hospital is not included at this time. The MHAC member thinks that the State Hospital should be included as individuals are placed there based on the legal system. Another MHAC member raised a question on whether Medical Respite is exclusive to those who are “unsheltered” or would it apply to Medicaid members who come to Oahu for care from a Neighbor Island and do not have a place to stay after discharge from the hospital. MQD is not sure and will review this matter. MQD explained that Medical Respite is not skilled nursing facility of care but for individuals who can be discharged home with wrap around supports. The individuals who will qualify for the service are those who are discharged from the hospital and do not have homes to return and do not meet skilled nursing facility level of care. Another question on this topic was raised as to whether Medical Respite would apply to the caregiver that the member brought with them to the hospital. MQD responded that Medical Respite services are only for the individual who needs the service. Separately MQD may pay for a caregiver for the individual who is travelling for care and needs the travel companion to get the member to the hospital and general care.

Another question was raised regarding Nutrition Supports and how this service will be provided. MQD explained that it is in the beginning phases of developing this initiative and therefore still under consideration. A question was raised about Rental Assistance and whether the funding will be used for those who are at risk of losing housing or for those who are houseless. MQD explained that all the initiatives that MQD is exploring must supplement and not supplant existing resources

and Hawaii already has an existing program that covers the population for those who are at risk of losing housing. MQD will be focusing on filling the gaps in services and are currently doing research on how MQD will want to design this initiative.

MQD reviewed various State Plan approvals, provided updates on pending State Plan Amendments and reviewed upcoming State Plan Amendments.

#### Quarter 4:

Hawaii held 1 MQD MHAC meetings during Quarter 4 on September 20, 2023. Public comments were received in this meeting and are summarized below.

##### *MHAC meeting, September 20, 2023*

MQD presented information and updates on the current Med-QUEST program activities such as the Maui Wildfire Response and the Stay Well Stay Covered—campaign for the restart of renewals for all Medicaid members. MQD also discussed the 2023 Med-QUEST Quality Strategy, the 1115 Demonstration Waiver Annual Public Forum, and the State Plan updates. Questions were raised for all areas except the Maui Wildfire Response and State Plan updates.

A member from the MHAC committee had comments and questions regarding the 1115 Demonstration Waiver Annual Public Forum. She raised issues about contracting with certain provider types that are not currently contracted with MQD such as birth centers. MQD explained that recognizing certain provider types is not done through the 1115 Demonstration Waiver and may require a State Plan change.

A member of the public had a comment about how the 1115 Demonstration Waiver ensures that providers are supported by doing provider education and compensating them financially. MQD explained that provider training is very important and that MQD recently partnered with the health plans to conduct the Screening, Brief Intervention and Referral to Treatment (SBIRT) training. In addition, the health plans are required to conduct provider training. The member of the public also stated that there should be more financial assistance to providers, specifically Federally Qualified Health Centers (FQHCs) since they have to take on additional services to provide care for members. MQD explained that FQHC's have a different payment model under the Prospective Payment Systems (PPS) and if the FQHC's want to explore different payment models to review the Alternative Payment Model. She also asked if it is possible to see the attendees of this meeting. MQD stated that all the meetings are recorded and on the website, so anyone can review the materials presented and who spoke at the meeting.

### III. Enrollment and Disenrollment

#### A. Member Choice of Health Plan

October 2022 – September 2023	# of Members
Individuals who chose a health plan when they became eligible	14,784
Individuals who were auto-assigned when they became eligible	13,527
Individuals who changed health plan after being auto-assigned	4,074
Individuals in the ABD program that changed health plan within days 61 to 90 after confirmation notice was issued	35

### IV. Performance Metrics

#### A. Impact of the Demonstration

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

Total enrollment as of 9/25/2023: 461,634

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

Med-QUEST Division is moving KPIs to production. Data is included in Evaluation which will be submitted with the 1115 Renewal application, and available on the MQD website.

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

A Consumer Assessment of Healthcare Providers and Systems (CAHPS) was conducted for adult members of all five Quest Integration plans between February to May 2022. Results were shared by MQD's External Quality Review Organization (EQRO) in November 2023. The Hawaii CAHPS had a 18.4% response rate which was higher than the national response rate (15.4%). For most composite measures and global ratings, there were no statistically significant differences compared to the 2020 CAHPS. However, there were some areas including "Rating of Personal Doctor" and "How Well Doctors Communicate" that showed significantly lower ratings. These results have been shared with Health Plans and internal to MQD,

including the internal quality committee and collaborative quality workgroups, to identify the key drivers for these decreases and improve member satisfaction in these domains.

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

Type	Total	Timely Resolved*	Resolved in Favor of Beneficiaries
Grievances	1835***	1675	455**
Appeals	1225	866	166

\*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.

\*\*For the 2<sup>nd</sup> quarter, only one Health Plan provided data.

\*\*\*For the 4<sup>th</sup> quarter, only four Health Plans submitted data for grievances. MQD identified this as a data quality issue and the Health Plan is resubmitting.

## V. Budget Neutrality and Financial Reporting Requirements

### A. Financial Performance of the Demonstration

Throughout the fiscal year, Hawaii has continued to accrue budget neutrality savings as demonstrated in the attached Budget Neutrality Summary and Workbook.

### B. Updated Budget Neutrality Workbook

The Budget Neutrality Workbook for the quarter ending 9/30/2023 was submitted on 12/1/2023. The Budget Neutrality Workbook for the quarter ending 9/30/2023 is attached (Attachment B).

### C. Quarterly and Annual Expenditures

Expenditures for the quarter ending 9/30/2023 were reported on the CMS-64 and certified on 10/30/2023. A summary of expenditures is shown on the attached Schedule C for the quarter ending 9/30/2023.



## **D. Administrative Costs**

Administrative Costs for FFY 2023 have remained constant throughout the year, despite enrollment being at an all-time high.

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

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

See progress summary and notes 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. Health Plans submitted another round of Community Integration Services (CIS), Long-Term Services and Supports (LTSS), Special Health Care Needs, Value-Driven Health Care, and Primary Care reports with data quality improving compared to previous quarters. Additionally, MQD is working on improving data collecting on members receiving health coordination services and currently is planning to expand SHCN reporting. However, MQD and the University of Hawaii (UH) Evaluation team are still providing targeted technical assistance and engaging with the Health Plans to improve data quality across all reports.
- UH completed the first draft of the interim evaluation report which will be submitted to CMS along with the next 1115 waiver. This is currently going under internal review.
- The UH Evaluation Team held four Rapid Cycle Assessment presentation for Health Plans, providers, and MQD. Reports with results and recommendation were submitted to MQD. The team also submitted feedback on individual Health Plan reports using the Review Tool. These reports have been used during internal and multi-agency CIS meetings to improve the CIS program.

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

Data quality among evaluation reports remained a challenge for Health Plans. During this quarter many reports moved into production meaning the Health Plans consistently met data quality standards. These have informed ongoing monitoring of demonstration populations as well as inform the development of the 1115 waiver interim evaluation report.

### 3. Interim Findings (when available)

<b>Subject</b>	<b>Successes in Implementation</b>	<b>Barriers in implementation</b>
<b>CIS</b>	<p>Data quality continues to improve.</p> <p>MQD restructured its “Core Team” to discuss and launch a CIS 2.0 that responded to the challenges raised by the providers, HPs, and Evaluation Team. Daily meetings often include members of the Eval Team, local government, and other homelessness experts.</p> <p>MQD restructured CIS payments to bundled payments to make billing easier; and to pay for outreach services regardless of if member ends up consenting to compensate providers for time</p>	<p>Challenges to enrolling members is largely due to provider capacity, limited affordable housing, and suboptimal coordination between HPs and providers.</p>
<b>LTSS</b>	<p>The analysis shows that the level of care (LOC) scores for LTSS members in the home setting are stable as they progress during the years in the program suggesting effectiveness of HCBS.</p>	<p>The analysis shows that the level of care (LOC) scores for LTSS in the nursing home or foster homes deteriorate over the years they stay in the program.</p>
<b>SHCN</b>	<p>Through individualized meetings and technical assistance, MQD and UH are now receiving health care services data extracts directly from HP care coordination system to help identify the breadth and depth of services provided to waiver target populations and other populations of members.</p>	<p>Unstandardized documentation across Health Plans makes it difficult to integrate data of all members and determine the impact of care coordination services for SHCN member</p>
<b>SDOH</b>	<p>Qualitative analyses were conducted on the Health Disparity reports submitted by Health Plans and preliminary results are shown below:</p> <p>Health Plans identified racial/ethnic or geographical disparities on the utilization of several health service</p> <p>Health Plans conducted root cause analyses and found many drivers including but not limited to:</p> <ul style="list-style-type: none"> <li>lack of transportation</li> <li>language barriers and health literacy skills</li> </ul>	<p>Shortage of Health Plans staff and community health workers to address SDOH and social needs</p>

	<p>unstable housing and homelessness unemployment or having to work multiple jobs or jobs with unreliable schedules, differences in cultural health practices (belief, mistrust) healthcare access and quality.</p> <p>Support strategies and interventions implemented (or to be implemented) include: patient engagement and outreach community engagement improving health care coordination and access to health care, such as providing transportation or relieving travel burden and scheduling access to services outside of the regular weekday clinic hours.</p>	
<b>Primary Care</b>	<p>A key early success was development of first and second year report that provides a picture of primary care spend. This helps us get a better picture of the baseline spending</p> <p>Some of the Health Plan's strategy for increasing the percent spend on primary care have included: Increasing P4P incentives that reward patient engagement and PC visits Changes to P4P measures that reward both correct coding and reducing gaps in coding Increasing VBP arrangements that reward increasing patient engagement Increasing the number of member outreach activities through telephonic, text, and face-to-face from their care navigation and care coordination staff that will increase PC visits and beneficial services Utilizing vendors to assist in contacting and returning members back into the PCP's practice Regular member communication to keep PC services and benefits top of mind Directly addressing and assisting PCPs on the gaps in care Actively recruiting and hiring PCPs</p>	Health Plans had challenges with reporting on primary care

<b>VBP</b>	Several VBC and APM initiatives were implemented at MCO and provider level respectively. VBC arrangements were mostly aimed at primary care providers, FQHCs and CHCs. Independently, plans report positive results from implementation of VBC arrangements	Many pilot arrangements make directly testing relationship between VBC / APM arrangements and system changes in quality of care at the state level difficult. UH Team is exploring case studies to demonstrate impact at facility and provider level.
------------	---	---

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

Contract executed for 2022 and 2023 calendar years

**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**

<b>Subject</b>	<b>Result or Impact</b>
<b>CIS</b>	<p>CIS was implemented and demonstrates that Medicaid can develop innovative programs to address SDOH.</p> <p>Two hundred fifty-five members were in pre-tenancy at some point during the waiver period and so far 33% (n=100) had transitioned to tenancy at exit.</p> <p>Of those members who received tenancy services, the majority remained housed at exit.</p> <p>The UH Evaluation Team assessed ER visits, hospitalizations, and total cost of care data for CIS members. This analysis will be completed and available in the upcoming interim evaluation report.</p> <p>The RCAs have proven to be an effective evaluation tool to assist MQD, Health Plans, and service providers with identifying successes and barriers in real time to allow for the development of solutions or shared lessons learned. The MQD Core Team continues to meet weekly with members of the State and City governments, housing service providers, and other housing experts to ensure integration with existing housing services.</p>

<b>LTSS</b>	At-Risk and HCBS are effective strategies to support individuals as LOC scores remain, on average, stable over time.
<b>SHCN</b>	Data from one Health Plan with complete data demonstrates that among members who are enrolled and engaged in health coordination services, they have higher utilization of home health and primary care services. Further, these populations also had lower ED and inpatient hospitalization utilization.
<b>SDOH</b>	In the Social Determinants of Health (SDOH) work plan, Health Plans proposed or implemented quality activities focusing on reducing emergency room visits, improving maternal health, improving patients' education, reducing isolation, and expanding alternative medicine practice. Other quality activities focusing on addressing COVID-19 recovery, homeless, and food insecurity. Health Plans also proposed or implemented quality activities that aim to improve SDOH understanding and SDOH screening and documentation of SDOH data. Few Health Plans have some plan on collaborating with other parties and utilizing measurement and progress during these quality activities MQD established a statewide SDOH Transformation Plan.
<b>PC</b>	So far, Health Plans have some changes in primary care spending over time. report documents small changes in spending over time
<b>VBP</b>	Impact of the implemented models was evaluated and included in the interim evaluation report. Current evaluation opens up avenues for new research questions for further investigation into implementation of VBC arrangements and APM by health plans. Future investigation needs to include qualitative analyses of the implementation, barriers and facilitators and expansion of initiatives currently in place

## VII. Med-QUEST Division Contact

Jon D. Fujii  
Health Care Services Branch (HCSB) Administrator  
601 Kamokila Blvd., Suite 506A  
Kapolei, HI 96707  
Phone: 808-692-8083  
Fax: 808-692-8087