

# Hawaii QUEST Integration

## 1115 Waiver

### Quarterly CMS Monitoring Report

### Federal Fiscal Year 2023 3rd Quarter (DY29 Q3)

<b>Date Submitted:</b> August 30, 2023	<b>Reporting Period:</b>	<b>April 2023 – June 2023</b>
	Federal Fiscal Quarter:	3rd Quarter 2023
	State Fiscal Quarter:	4th Quarter 2023
	Calendar Year Quarter:	2nd Quarter 2023
	Demonstration Year:	29th Year (10/1/22 – 9/30/23)
		<p>This reporting period includes the:</p> <ul style="list-style-type: none"> <li>• last month of 3rd Q. DY 29; and the</li> <li>• 1st &amp; 2nd months of 4th Q. DY 29</li> </ul> <p>when applying a DY of August 1st – July 31st.</p>

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## Attachments

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

The Budget Neutrality Summary (worksheet) for the quarter ending 3/31/2023 is attached. The Budget Neutrality Summary for the quarter ending 6/30/2023 will be submitted by the 8/31/2023 deadline.

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

The Budget Neutrality Workbook for the quarter ending 3/31/2023 is attached. The Budget Neutrality Workbook for the quarter ending 6/30/2023 will be submitted by the 8/31/2023 deadline.

### **Attachment C:** Schedule C

Schedule C for the quarter ending 6/30/2023 is attached. Schedule C includes a summary of expenditures for the reporting period.

## I. Introduction

Hawaii's QUEST Integration (QI) program is a state of Hawaii (State) Department of Human Services (DHS) and Med-QUEST Division (MQD) comprehensive section 1115(a) Demonstration waiver (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 using a whole person, whole family and whole community approach to health and well-being. 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.

#### HOPE Strategies:

- Invest in primary care, prevention, and health promotion
- Improve outcomes for high-need, high-cost individuals
- Payment reform and financial alignment
- Support community driven initiatives

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 Community Plan (collectively, Health Plans). Med-QUEST Division works closely with the Health Plans to facilitate contract implementation and improve healthcare access and services to members.

During this quarter, MQD restarted eligibility renewals after the pause on eligibility redeterminations ended in April. Also, the MQD communication campaign, “Stay Well, Stay Covered”, was launched. It included the translations of various materials into 20 languages. To help deal with the increased volume of work, efforts were made to contract for staff augmentation in the mail room and to answer calls.

## II. Operational Updates

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

#### 1. Managed Care

##### *Health Plan Reporting*

During this quarter, MQD continued to work with the Health Plans to improve report quality and data submission.

Health Plans continued to submit newly designed reports as part of the QI contract. Health Plans have submitted nearly all remaining reports with the last one submitted on 10/31/2022. 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 this 1115 quarterly report once data quality is adequate. 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 misformatted 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)*

April through June of 2023, MQD and its consultants, ATI Advisory and Speire Healthcare Strategies, LLC (collectively, Consultants), continued to meet regularly and work diligently on requirements and provisions for Hawaii's 2024 State Medicaid Agency Contract (SMAC). Additionally, the collaboration with representatives from the Centers for Medicare and Medicaid Services (CMS) Medicare-Medicaid Coordination Office (MMCO) and its partnering organizations, continued as needed to iron out details regarding Exclusively Aligned Enrollment (EAE). These endeavors filled the calendar and constituted the two primary objectives for the quarter, which were finalizing the new Fully Integrated Dual Eligible Special Needs Plan (FIDE SNP/FIDE) 2024 SMAC and EAE guidance for the Medicare Advantage Organizations (MAOs). Both were successfully achieved by the end of the quarter.

#### 2024 SMAC:

2024 will be the first year that Hawaii will offer eligible beneficiaries the Fully Integrated Dual Eligible Special Needs Plans. Three of Hawaii's D-SNPs agreed to move forward with opening FIDEs. Such D-SNPs are AlohaCare, Kaiser Permanente, and Ohana Health Plan.

Having engaged with the MAOs early during the year on the new FIDE option and integration requirements, by mid-April MQD and Consultants were able to provide the MAOs with a full 2024 SMAC draft that allowed for operation of either or both HIDEs and FIDEs, and that contained MAO anticipated and vetted new provisions. The draft afforded the MAOs a timely review of all the pieces assembled together, and the opportunity to raise any final concerns and insights with the State. Along with this full draft, MQD and Consultants provided the MAOs with a Q&A Tracker that documented and organized prior MAO inquiries and feedback shared with MQD, as well as the MQD responses to each. Keeping all parties engaged and aligned helped to facilitate a smooth contract completion and execution.

Throughout May and the beginning of June, MQD and Consultants focused on incorporating MAO input and refining SMAC requirements, processes, and language. Along the way, MQD staff also engaged with the State Attorney General's Office for a SMAC review and any counseling and guidance offered on the terms and provisions of the contract. Additionally, MQD staff worked with CMS to produce Hawaii's first Integrated Provider and Pharmacy Directory template, and Integrated Formulary template, for FIDE use in 2024.

By June 13<sup>th</sup>, the final SMAC was provided to the MAOs for execution. All five of Hawaii's eligible MAOs had fully executed 2024 SMACs ready and early for timely submission to CMS by June 26<sup>th</sup>.

Some of the new requirements in Hawaii's 2024 SMAC include the following.

#### HIDEs and FIDEs:

- New comprehensive benefits template
- Data exchange and designated points of contact to support care coordination for D-SNP members also enrolled in the Community Care Services (CCS) or Intellectual or Developmental Disability (I/DD) Waiver programs

- Availability of specified D-SNP reports, such as those submitted to CMS and the MLR form

FIDEs:

- Exclusively aligned enrollment
- New EAE report
- Unified grievances and appeals
- Single member ID card
- Single member call center
- Integrated provider and pharmacy directory
- Integrated formulary

EAE Guidance:

Preparations for Hawaii's 2024 FIDE implementation of EAE, presented a heavy lift for the State in terms of mapping and ironing out the details of numerous EAE enrollment and disenrollment scenarios with corresponding actions or tasks for the multiple parties involved. In particular, in order to facilitate successful FIDE implementation of the new EAE policy, MQD aimed to provide the MAOs with detailed written guidance on possible paths and actions that members, the FIDE, CMS, the State, and the QI Plan, could take. The Consultants lead this effort and worked tirelessly to produce a comprehensive, well-organized, 28-slide deck of EAE guidance for the MAOs. In doing this, they engaged CMS and drove insightful discussions with MQD staff and CMS representatives to comb through the possibilities and think through issues. Once the groundwork was laid, MQD and Consultants shared draft EAE scenarios with the MAOs preparing to launch 2024 FIDEs. Med-QUEST Division and Consultants also conducted one-on-one meetings with each of such MAOs to address MAO questions and concerns. By mid-June, the final EAE Policy Guidance was provided to the MAOs.

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

The phase two HCBS rate study commenced on March 8, 2023 and is ongoing. It evaluates the rates paid 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 being done by Milliman, an actuarial firm contracted with MQD for a wide range of actuarial consulting services.

Additionally, a HCBS CAHPS survey was conducted, with the survey field closing on April 25, 2023. The final, reconciled disposition report was submitted to Med-QUEST on June 1, 2023, with a draft aggregate report scheduled to be submitted to Med-QUEST for review in mid-July 2023. The survey was conducted by Health Services Advisory Group (HSAG), a health consulting firm contracted with MQD for a wide range of health consulting services, including services as the External Quality Review Organization.

### 3. Other

#### *Member Outreach*

In March 2023, a letter was sent to all households informing members of the restart of eligibility renewals following the pause during the pandemic for the continuous coverage requirements. In April, Hawaii's "Stay Well, Stay Covered" campaign was rolled out. The communications toolkit includes newsletters, provider office posters, pamphlets, TV and Radio public service announcements in addition to bus placards. The written materials were translated into 20 different languages. Additionally, MQD's various community outreach contractors were active in supporting the campaign within their communities. Various staff organized and conducted numerous presentations to a diverse set of stakeholders on all of the islands ranging from legislators to church groups. The Stay Well, Stay Covered collateral includes references to MQD's "pink letter" campaign. The pink letter campaign is the State's intentional distribution and promotion of critical eligibility renewal notices and information to all members printed on pink paper and mailed in pink envelopes. The idea being, that use of pink paper will readily flag those items for members amongst household mail, and facilitate simple messaging to members from providers and community groups to be on the look-out for such pink mail and to take any necessary actions set forth within them.

#### *Data Quality Strategy*

In the 3<sup>rd</sup> quarter of federal fiscal year 2023, MQD focused on updating its encounter data submission guidance for Health Plans to improve encounter data completeness and limit errors in the processing cycle. This quarter MQD established a mechanism for Health Plans to submit encounters for services that its staff render directly to members, a subset of services that has not historically been captured in encounters. These encounters will provide MQD a more complete picture of the services members receive and the types of services Health Plan staff are delivering. This quarter MQD also kicked off work on a series of routine trend reports to help staff validate the volume of encounters received each month by Health Plan, service type, and paid amount, allowing for more frequent validation.

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

No new issues or complaints have stood out during this quarter.

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

#### *Audits and Investigations*

Currently, MQD and one of its contracted entities for payment audits, are reviewing the following.

1. Confirmative and presumptive drug screen testing
2. Dialysis use of Velphoro and possible kickback
3. Billing of immunotherapy preparation with no corresponding administration

## *Lawsuits and Legal Actions*

### *Administrative Hearings:*

**Bekkum v. DHS.** Curtis Bekkum, M.D. appeals MQD's decision to terminate him based on a criminal complaint and conviction of sexual assault, which occurred in his provision of medical services to a patient. Bekkum is represented by counsel. Bekkum moved to delay the administrative proceedings until his appeal to the Intermediate Court of Appeals was complete. MQD submitted arguments in opposition. The Hearing Officer denied Bekkum's motion and set the hearing for April 2023. Bekkum then filed motions to compel the DHS' Adult Protective Services (APS) to produce documents, which APS objected due to Bekkum's lack of legal authority and because the return for the subpoena was the date of the April hearing, which had not passed. Bekkum ultimately withdrew the motion. Bekkum then brought a motion to dismiss for lack of jurisdiction, which was denied on a procedural basis. An administrative hearing was held in May 2023. MQD filed proposed findings of facts, proposed conclusions of law, and written closing arguments on June 23, 2023.

**LaPorte v. DHS.** On January 12, 2023, MQD suspended Medicaid payments to Bryant LaPorte, DDS, based on credible allegations of fraud as follows: (1) billing for services not rendered, including x-rays, and (2) billing services not medically necessary, including oral evaluations and palliative emergency treatment. Dr. LaPorte requested for an administrative hearing after receiving the Notice of Suspension of Medicaid Payments dated January 18, 2023. A two-day hearing is scheduled for September 12 and 13, 2023.

### *Hawaii Courts:*

**Soleil Feinberg v. Cathy Betts, et al.** This is a federal district court challenge alleging a failure to provide adequate treatment, as required by EPSDT, to a young adult. The allegation is that the failure to provide adequate treatment led to the young person's eventual criminal case and her placement in the Hawaii State Hospital because her mental impairment makes her unable to stand trial in the criminal case. The cross motions for summary judgment were denied on May 6, 2022. The Case is set for bench trial on January 17, 2024. Parties are actively negotiating settlement of the case.

**Evergreen v. DHS (UIPA).** MQD Provider requested documents, under the Uniform Information Practices Act, related to an MQD investigation of the provider based on a credible allegation of fraud. Evergreen moved for summary judgment. MQD claimed exemptions to UIPA for all of the documents. That argument was rejected, and a partial disclosure was made, including some documents disclosed but in redacted form to protect the identity of the Medicaid members. The last order in the case was filed on June 9, 2023. The last pleading was filed on January 10, 2022.

**Evergreen v. DHS (Tort).** The Complaint alleges that MQD interfered with Provider's ability to secure contracts with the Health Plans and that MQD does not supervise their fraud investigator. Service on the State has not been perfected.

**Waianae Coast Comprehensive Health Center (WCCHC) v. State of Hawaii, DHS.** WCCHC is a federally qualified health center and receives reimbursement under the Prospective Payment System (PPS) of reimbursement created under Hawaii Revised Statutes §§346-53.62, *et seq.* In



February 2019, WCCHC requested a rate change for its medical PPS and dental PPS rates. MQD ultimately denied the request for a rate change for the dental PPS rate because the services actually began in 2010 and WCCHC did not provide documentation to support the change in an increased type, intensity, duration, or amount of services for the 2019 year.

As for the medical PPS rate change request, after extensive discussion, requests for data, and review of their data, MQD issued a projected adjusted medical PPS rate in September 2019. MQD then provided payments on that projected adjusted medical PPS rate, requested data, and reviewed data until a final adjusted PPS rate was determined in November 2020. MQD provided final settlements based on the final medical PPS rate. All required notices were sent by certified mail in compliance with Hawaii Administrative Rules.

Years after these decisions, around October 2022, WCCHC requested an administrative hearing to contest the final settlement for 2019 (notice dated September 10, 2021), final adjusted medical PPS rate (notice dated November 19, 2020), the denial of the request for a dental PPS rate change (notice dated November 19, 2020), and check payments that were provided to WCCHC checks (dated December 18, 2020). MQD moved to dismiss the hearing for failure to timely request an administrative hearing pursuant to Hawaii Administrative Rule (HAR) §§17-1736-58 and 59. These rules required WCCHC to request an administrative hearing 90 days after the decisions were issued and limit its right to a hearing when the request is not timely made. The Hearing Officer granted MQD's motion to dismiss. On February 22, 2023, the Order granting MQD's motion was issued. On March 23, 2023, WCCHC appealed the decision to the Circuit Court.

WCCHC filed its opening brief. DHS is working on an answering brief, which is due on July 31, 2023.

**In re F.T., by and through Aloha Nursing Rehab Centre (Aloha Nursing).** Aloha Nursing requested an administrative fair hearing on behalf of deceased former patient regarding the patient's Medicaid eligibility. Aloha Nursing is seeking payment for services rendered to F.T. at a time when patient was ineligible for Medicaid coverage. The hearing officer determined that Aloha Nursing had no standing as an authorized representative of the former patient because it lacked the proper legal documentation providing authority to act on behalf of the deceased patient. Circuit Court affirmed in favor of DHS. Aloha Nursing appealed to the Intermediate Court of Appeals. Decision is pending.

**In re F.W.H., by and through Aloha Nursing Rehab Centre (Aloha Nursing).** Aloha Nursing requested an administrative fair hearing on behalf of deceased former patient regarding the patient's Medicaid eligibility. Aloha Nursing is seeking payment for services rendered to F.W.H. at a time when patient was ineligible for Medicaid coverage. The hearing officer determined that Aloha Nursing had no standing as an authorized representative of the former patient because it lacked the proper legal documentation providing authority to act on behalf of the deceased patient. Circuit Court affirmed in favor of DHS. Aloha Nursing appealed to the Intermediate Court of Appeals. Decision is pending.

#### *9<sup>th</sup> Circuit Court of Appeals:*

**HRDC v. Kishimoto.** This was a challenge to the State of Hawaii's provision of Medicaid funded Applied Behavioral Analysis (ABA) therapy for children on the autism spectrum attending public

schools. The State of Hawaii won a Motion for Summary Judgment in the federal district court on August 31, 2022 and the Plaintiffs appealed to the 9<sup>th</sup> Circuit Court of Appeals on September 30, 2022. The case remains on appeal to the 9<sup>th</sup> circuit. HDRC filed an Opening Brief and the State of Hawaii filed an Answering Brief. HDRC's Reply Brief was filed on July 14, 2023. The case is being considered for oral argument in Honolulu in October 2023.

#### *Foreclosure Actions:*

There are approximately 17 foreclosure actions that list DHS as a defendant. These actions are usually brought by banks or mortgage companies against Medicaid claimants and/or their estates. Through these actions, DHS requests any remaining surplus funds from the sale of the foreclosed property to be distributed to DHS.

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

This quarter marked the kick-off of the unwinding of the public health emergency continuous enrollment. Any terminations that were a result of restarting renewals did not occur until the first part of June. Med-QUEST Division did see an uptick in the number of calls received, particularly starting in June, and the mail volume has been excessive. As noted in the Introduction section, MQD contracted for additional staff to augment the call center and mail room activities.

### **E. Legislative Updates**

The 2023 legislature concluded its session the first week of May 2023. The major budget items that were included were monies allocated to increase medical/professional fees to 100% Medicare. This also includes some behavioral health services. Monies were allocated to rebase nursing facilities fees that will coincide with changing rate methodologies from using RUGS to PDMP. Monies were not included for any increases for 1115 Home and Community based services, although the 1915(c) for the Intellectual/Development Disabilities waived services were allocated monies for their rate increases.

Legislation that passed that impacts the QUEST program include changing the State's telehealth law so that it aligns with Medicare on the use of real-time audio-only telehealth. Prior to the change, telephone calls were not included in the definition of telehealth. Additionally, the laws for the State's two types of provider assessments/fees hospitals and nursing facilities, were made permanent and no longer need to be renewed every two years. All this legislation has already been signed into law by the Governor.

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

#### **1. Public Forum for Section 1115 Demonstration Project**

Hawaii held two MQD Healthcare Advisory Committee (MHAC) meeting during this reporting period. One was held on April 19, 2023, and the second one was held on June 21, 2023. Public comments and questions were received from both meetings and 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 no questions from the MHAC committee or the public on the Stay Well Stay Covered campaign.

A member from MHAC had a question on one of the Legislative bills that MQD presented on. The question was regarding the Hospital and Nursing Facility Sustainability legislative bill. 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. There were no questions raised from the public on the Legislative and Budget updates.

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. There were no questions raised from the public on the State Plan presentation.

#### *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.

A member from the MHAC committee had comments and questions regarding the Stay Well Stay Covered campaign. First, the MHAC member stated that MQD is doing an excellent job with all the communication tools being used to inform our members what to look for and how to maintain their medical coverage during the renewal of eligibility process for all Medicaid members with our pink letter campaign and various outreach methods. A question was raised as to whether MQD will continue to use the pink envelopes as MQD does a renewal process every year. MQD is continuously looking at ways to improve our process and outreach and will monitor this process for possible future use. In addition, a question was asked as to how long the “Stay Well Stay Covered” campaign will remain in effect. MQD explained that some components of this campaign will stay in place, however MQD will need to discuss to determine what they will be and utilize the best processes going forward.

Another question raised was regarding the special enrollment period for the open market place and whether this will happen every year. MQD explained that every year there is a special enrollment period and if there is ever a need for a specific renewal (i.e. there is a community need that will leave a group without access to coverage) then MQD expects the open market place to accommodate this need. There were no questions or comments from the public on the Stay Well Stay Covered campaign.

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. MQD stated that it would continue to work with the State Hospital to ensure a smooth transition for these individuals once they are released. Another MHAC thought the 1115 Waiver Renewal update was “very good” and is excited to see what will happen with the 1115 Waiver Renewal application. The 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.

There were no questions raised from the public on the 1115 Waiver Renewal issues.

MQD reviewed State Plan approvals, provided updates on pending State Plan Amendments and reviewed upcoming State Plan Amendments. A member from MHAC asked questions about the State Plan approval regarding coverage of Naloxone and Birth Control over the counter that was approved on 4/25/23 with an effective date of 1/1/23. The question is whether a member has to have a prescription to obtain these medications or can the member just purchase it over the counter. MQD will review this and follow up with the MHAC member. A separate question was asked as to whether MQD covers the birth control app called “Natural Cycles” as this app has been

approved by the FDA. MQD will review this with the Managed Care Plans and follow up with the MHAC member.

### III. Enrollment and Disenrollment

#### A. Member Choice of Health Plan

April 2023 – June 2023	# of Members
Individuals who chose a health plan when they became eligible	3,760
Individuals who were auto-assigned when they became eligible	2,000
Individuals who changed health plan after being auto-assigned	606
Individuals in the ABD program that changed health plan within days 61 to 90 after confirmation notice was issued	10

### IV. Performance Metrics

#### A. Impact of the Demonstration

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

Total enrollment as of 6/26/2023: 465,541

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

There is no reporting on the above for this quarter.

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

No beneficiary satisfactions surveys were conducted during this period.

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

Type	Total	Timely Resolved* # (%)	Resolved in Favor of Beneficiaries** # (%)
Grievances	490	437 (98.9%)	120 (42.1%)
Appeals	276	175 (96.2%)	1 (50.0%)

\*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.

## V. Budget Neutrality and Financial Reporting Requirements

### A. Financial Performance of the Demonstration

Hawaii has continued to accrue budget neutrality savings, which is shown in the Budget Neutrality Summary attached to this report. In addition, the Hypothetical Expansion eligibility category has continued to accrue budget neutrality savings. The Demonstration continues to project budget neutrality savings in future years.

### B. Updated Budget Neutrality Workbook

The Budget Neutrality Workbook for the quarter ending 6/30/2023 will be submitted by the 8/31/2023 deadline. The Budget Neutrality Workbook for the quarter ending 3/31/2023 is attached (Attachment B).

### C. Quarterly and Annual Expenditures

Expenditures for the quarter ending 6/30/2023 were reported on the CMS-64 and certified on 7/28/2023. A summary of expenditures is shown on the attached Schedule C for the quarter ending 6/30/2023.

### D. Administrative Costs

There have been no significant increases in Hawaii's administrative costs for the quarter ending 6/30/2023. Cumulative administrative expenditures can be found on the attached Schedule C.

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

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

See B.3 for results and findings.

### **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. 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 is drafting the interim evaluation report which will be submitted to CMS along with the next 1115 waiver.
- The UH Evaluation Team held a Rapid Cycle Assessment presentation for Health Plans, providers, and MQD on Q1 2023 on May 26, 2023. A corresponding report was submitted to MQD. The team also submitted feedback on individual Health Plan reports using the Review Tool.

#### **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 slowly improve. 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 pay for outreach services regardless of if member ends up consenting to compensate providers for time</p> <p>Bundled payments to make billing easier</p>	<p>Challenges to enrolling members is largely due to provider capacity, limited affordable housing, and lack of 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> <li>unstable housing and homelessness</li> <li>unemployment or having to work multiple jobs or jobs with unreliable schedules,</li> </ul>	<p>Shortage of Health Plans staff and community health workers to address SDOH and social needs</p>



	<p>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>	<p>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.</p>	Many pilot arrangements make directly testing relationship between VBC / APM arrangements and system changes in quality of care at the

	Independently, plans report positive results from implementation of VBC arrangements	state level difficult. UH Team is exploring case studies to demonstrate impact at facility and provider level.
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#### 4. Status of Contracts with Independent Evaluators (if applicable)

Contract with University of Hawaii Evaluation team has been extended into CY2023.

#### 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

<i><b>Subject</b></i>	<b>Result or Impact</b>
<i><b>CIS</b></i>	<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 is currently assessing 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>
<i><b>LTSS</b></i>	<p>The UH team is still analyzing data to identify impact of “At Risk” and LTSS populations.</p>

<b>SHCN</b>	The UH team is currently analyzing data extracts from Health Plans' care coordination systems.
<b>SDOH</b>	<p>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.</p> <p>At a higher level, Health Plans also proposed or implemented quality activities that aim to improve SDOH understanding and SDOH screening and documentation of SDOH data.</p> <p>Few Health Plans have some plan on collaborating with other parties and utilizing measurement and progress during these quality activities.</p>
<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>	<p>Impact of the implemented models is being evaluated</p> <p>Current evaluation opens up avenues for new research questions for further investigation into implementation of VBC arrangements and APM by health plans.</p> <p>Future investigation needs to include qualitative analyses of the implementation, barriers and facilitators and expansion of initiatives currently in place</p>

## VII. Med-QUEST Division Contact

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