Hawaii QUEST Integration

1115 Waiver

Annual CMS Monitoring Report

Federal Fiscal Year (FFY) 2024
Demonstration Year (DY) 30

Date Submitted: December 27, 2024	**Reporting Period:**	**October 2023 – September 2024**
	Demonstration Year:	30th Year (10/1/23 – 9/30/24)
	This reporting period excludes the first two months of year 30, and includes the first two months of year 31, when applying a DY of August 1st – July 31st.	

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Attachments

Attachment A: Up-To-Date Budget Neutrality Summary (Quarter Ending 9/30/2024) - Pending

The Budget Neutrality Summary (worksheet) for the quarter ending 9/30/2024 has not been submitted yet, pending the availability of the new template. Once the template is available, MQD will submit the updated summary. The Budget Neutrality Summary for the quarter ending 6/30/2024 is presented in Attachment D1.

Attachment B: Budget Neutrality Workbook (Quarter Ending 9/30/2024) - Pending

The Budget Neutrality Workbook for the quarter ending 9/30/24 has not been submitted yet, pending the availability of the new template. Once the template is available, MQD will submit the updated workbook. The Budget Neutrality Workbook for the quarter ending 6/30/2024 is presented in Attachment D2.

Attachment C: Schedule C

Schedule C for the quarter ending 9/30/2024 is presented here in Attachment C. Schedule C includes a summary of expenditures for the reporting period.

Attachment D: Federal Fiscal Year 2024 4th Quarter Information

Federal Fiscal Year 2024 4th Quarter Information provides reporting on the 4th quarter of Federal Fiscal Year 2024. The 4th quarter of Federal Fiscal Year 2024 is the final leg of required annual reporting and covers July 2024 – September 2024.

Attachment D1: Up-To-Date Budget Neutrality Summary (Quarter Ending 6/30/2024)

The Budget Neutrality Summary (worksheet) for the quarter ending 6/30/2024 is presented here in Attachment D1. The Budget Neutrality Summary for the quarter ending 9/30/2024 is pending the availability of the new template.

Attachment D2: Budget Neutrality Workbook (Quarter Ending 6/30/2024)

The Budget Neutrality Workbook for the quarter ending 6/30/2024 is presented here in Attachment D2. The Budget Neutrality Workbook for the quarter ending 9/30/2024 is pending the availability of the new template.

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.

During this reporting period, MQD successfully completed its restart of Medicaid eligibility renewals ("unwinding") of Hawaii's approximately 475,000 Medicaid members despite a pause to remediate the eligibility system and respond to the Maui wildfires. As part of this effort, MQD successfully launched the "Stay Well Stay Covered" campaign which included pink-colored envelopes used as a key promotion to bring awareness or alert to the Medicaid population and all the stakeholders. Communications included bus posters, TV spots, YouTube videos, and materials in 19 different languages and accessible on the MQD website. Med-QUEST Division and the MCOs collaborated in new ways by sharing lists of members whose renewal was approaching, updated information was needed, or membership might be terminating.

Also, MQD received the first in the nation approval for a community palliative care benefit. Med-QUEST Division has been working with the MCOs, providers, and beneficiary advocacy groups on implementation

guidance. Another accomplishment has been the implementation of Fully Integrated Dual Eligible Special Needs Plans (FIDE SNPs) for several MCOs, and progress toward that for the others. Additionally, several new health plan monitoring and oversight activities were added to MQD's regular activities.

II. Operational Updates

A. Key Achievements and Challenges Related to the 1115 Waiver

1. Managed Care

In addition to the increased Health Plan Reporting below, additional managed care projects of FFY 2024 for MQD, involved or were.

a. MCO-MQD Workgroups: Med-QUEST Division continues to have the five focus workgroups (clinical, quality, operation, provider and SDOH) to minimize duplicated tasks and to focus on specific projects. Each workgroup consists of MQD and Health Plan staff with subject matter knowledge in project-related areas. This includes MQD staff from its Eligibility Branch and Systems Office. These work groups work collaboratively with MQD during the Unwinding eligibility determination and Maui fire.

b. Health Plan performance 360: MQD started to review the performance of all the Health Plans in a 360 spectrum which includes quality, operation and contract compliances.

Health Plan Reporting

Health Plans are continuing to submit revised reports as part of the QI contract. Each report is structured to represent an analysis of specific areas of interest based on key performance indicators (KPIs). These KPIs will be reported in the Performance Metrics section of this and future 1115 quarterly reports as data quality improves. The addition of these metrics will be instrumental to answering evaluation questions presented in this waiver's framework.

Additional strategies for improving data quality were developed during this reporting period, including report templates with built in quality assurance flags that alert Health Plans of inappropriate or mis-formatted data and a standardization of reporting N/A and missing values during analysis which helped to facilitate data improvements. 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, working toward more automated reporting and evaluating the periodicity of each report.

Dual Eligible Special Needs Plans (D-SNPs)

For Hawaii, 2024 celebrates a significant leap toward Medicare and Medicaid healthcare integration for its dual eligible population as it included the launch of Hawaii's first Fully Integrated Dual Eligible Special Needs Plans (FIDE SNPs) by AlohaCare, Kaiser, and Ohana Health Plan. These FIDE SNPs are plans with Exclusively Aligned Enrollment (EAE), wherein all members receive both their Medicare and Medicaid healthcare services and benefits under a single entity. Also, these

FIDE SNPs provide members with elevated levels of integration through requirements such as: a single and unified grievances and appeals process; a single integrated member ID card; a single care manager; an integrated provider and pharmacy directory; an integrated formulary; and a single member call center to receive information and assistance on both Medicare and Medicaid services.

Additionally in 2024, both FIDE SNPs and Highly Integrated Dual Eligible Special Needs Plans (HIDE SNPs) worked to improve services and care for members through new requirements such as: ensuring culturally and linguistically competent care delivery; providing enhanced care coordination and care management for members enrolled in the Community Care Services (CCS) and/or the Intellectual and/or Developmental Disabilities Waiver (I/DD Waiver); screening for social risk factors; and establishing an Enrollee Advisory Committee (EAC) for Hawaii's dual eligible members and their family and/or caregivers. In 2025, HMSA will offer a FIDE SNP, and UnitedHealthcare will offer a HIDE SNP with EAE that will provide FIDE SNP integration requirements.

The successes of this year are attributed to collaboration and collective work and effort over the past several years. Namely, the: guidance and expertise of MQD's consultants, ATI Advisory and Speire Healthcare Strategies, LLC (collectively, Consultants); MQD leadership and their vision and support of integrated care for Hawaii's dual eligible population; Health Plan commitment and collaboration; technical assistance from CMS offices; and the work and partnership of various MQD branches and staff. To highlight the accomplishments and impacts of such work done, below are two charts compiled and provided by Consultants. The first provides a snapshot of the dual eligible population and D-SNP landscape in Hawaii. The second depicts Hawaii's full benefit dual eligible (FBDE) population and Hawaii D-SNP enrollments over time from 2020 to 2024.

SNAPSHOT: HAWAII'S DUAL ELIGIBLE AND D-SNP LANDSCAPE

	As of January 2024, **72%** of all full benefit duals are in D-SNPs (34,404 of 47,493). The number of full benefit duals in D-SNPs increased **51%** between January 2020 and January 2024 (22,756 vs 34,404).[1]
	As of July 2024, **64%** of all full benefit duals in D-SNPs are in an aligned D-SNP and QI plan (23,001 of 35,826). The number of full benefit duals in an aligned D-SNP and QI plan increased **26%** between July 2020 and July 2024 (18,251 vs 23,001).[2]
	In January 2024, three QI plans launched a new FIDE SNP offering (Kaiser, Ohana, AlohaCare). As of January 2025, Hawaii will be one of 12 states with a FIDE SNP program.
	Over 47,000 full benefit duals have access to a new FIDE SNP in their county,[1] with AlohaCare's FIDE SNP operating Statewide, Kaiser's serving 2 of 5 counties (Honolulu and Maui), and Ohana's serving 4 of 5 counties (all but Kalawao).
	As of January 2024, **17%** of full benefit duals in D-SNPs are in a new FIDE SNP (5,979 of 34,404).[1]
	As of January 2024, the remaining **83%** of full benefit duals in D-SNPs are in a HIDE SNP (28,425 of 34,404) with more robust requirements to coordinate care for members, including new requirements for coordinating with I/DD waiver and CCS case managers for members enrolled in either waiver/program.[1]
	Starting January 2025, all five QI plans will offer either a FIDE SNP or a HIDE SNP with EAE.

ATI Advisory

Sources: ***Source 1*** – ATI Advisory analysis of Medicare Master Beneficiary Summary File for January of 2020-2024. ***Source 2*** – Data provided by Hawaii MedQUEST Division, as reported in Annual ICRC/Mathematica Aligned D-SNP Enrollment Reports for July of 2020-2024.
Notes: Data on D-SNP enrollment only count enrollment in D-SNPs serving Hawaii. Differing denominators between Source 1 and Source 2 reflect both different time periods and underlying sources.

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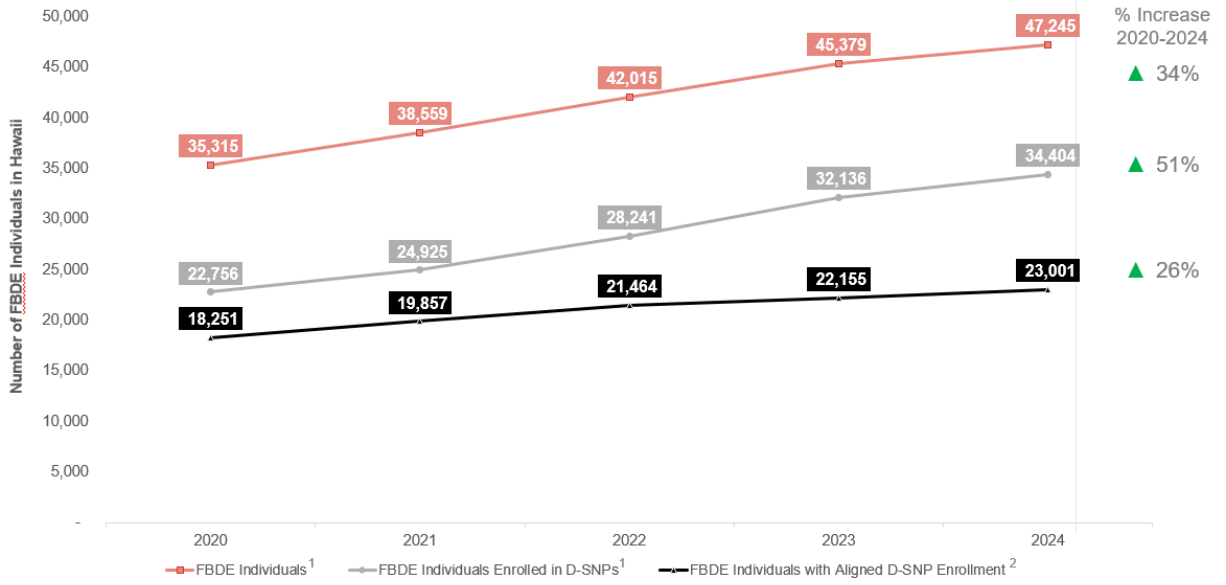
DEEPER DIVE: HAWAII'S FULL BENEFIT DUAL ELIGIBLE (FBDE) POPULATION AND D-SNP ENROLLMENT LANDSCAPE OVER TIME, 2020-2024



ATI Advisory

Sources: ***Source 1*** – ATI Advisory analysis of Medicare Master Beneficiary Summary File for January of 2020-2024; ***Source 2*** – Data provided by Hawaii MedQUEST Division, as reported in Annual ICRC/Mathematica Aligned D-SNP Enrollment Reports, for July of 2020-2024

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A challenge faced in 2024, includes the work to add individuals coming from the Medicaid Low Income Adult (LIA) category to D-SNP default enrollments. Planning for the processes needed within MQD, and between CMS and the plans, to carry this out took much time and coordination between multiple division branches and external contacts, including the: eligibility branch; systems and KOLEA (MQD's online eligibility application) teams, CMS, Health Plans, and Consultants. Since Hawaii was one of the first states to attempt this, there was no model to replicate or to guide this path for MQD. However, MQD and Consultants managed to map, test, and implement a process workflow to carry out the identification of eligible individuals and the timely transfer of appropriate information to the Health Plans. The next step toward launching actual default enrollments of individuals from the LIA category, is for the D-SNPs to receive CMS approval of their updated default enrollment applications. In preparation for this, MQD has been working with CMS to have language that will be included inside the updated default enrollment applications, pre-reviewed and pre-approved by CMS, to facilitate the final submission and approval processes via CMS's Health Plan Management System (HPMS). Med-QUEST Division looks forward to having final CMS approvals for all five health plans sometime within the 1st quarter of calendar year 2025.

Community Palliative Care

Hawaii Medicaid State Plan on Community Palliative Care was approved by CMS in April 2024. Palliative care is a specialized medical service designed for individuals with serious illnesses, provided in non-hospital, community-based settings. A serious illness is defined as a condition that carries a high risk of mortality and severely impacts daily functioning, quality of life, or places

excessive strain on caregivers. The focus of palliative care is to offer relief from the symptoms and stress of serious illness, improving quality of life for both the individual and their family, and it is applicable at any stage of the illness, irrespective of curative treatment.

Since the SPA approval, MQD prepared for the implementation of the Community Palliative Care. MQD contracted with Hui Pohala to prepare the Palliative Care work force. Hui Pohla provided education, training, awareness to the community via various projects.

2. Behavior Health

In addition to medical services, all Medicaid members have access to the full continuum of services from screening to specialty treatment services to support individuals who have behavioral health (BH), substance use disorders (SUD) and Community Integration (CIS) needs through QUEST Integration (QI) health plans.

Community Care Services (CCS) is a carve-out program that provides intensive behavioral health services, in addition to the basic behavioral health services that the QI Medicaid health plans normally provide, to adults diagnosed with a qualifying serious mental illness (SMI) and/or a serious and persistent mental illness (SPMI) and determined to meet the other areas of the CCS eligibility criteria. Once enrolled, CCS provides all BH, SUD and CIS services. All medical services are provided by the QI health plans. CCS coordinates and works closely with State agencies, QI health plans and community providers to ensure optimal provision of services to meet the individual member needs and maximize health outcomes.

As required by the CMS Medicaid Parity Final Rule and the Mental Health Parity and Addition and Equity Act (MHAPEA) of 2008, in 2018 the Department of Human Services (DHS) Hawaii, Med-QUEST Division (MQD), worked collaboratively with QI health plans and the CCS program to analyze the necessary components to determine parity compliance. Through analysis of annual reports since 2018, MQD has determined continued maintenance of parity compliance, statewide, for all QI health plans and CCS.

A key component of CCS is the provision of individualized case management for each member. Compliance standards regarding in-person member visits are required for case management based on member acuity. Issues with case management visit compliance standards have been under review and addressed with the contracted CCS provider. The CCS program is currently implementing a case management remediation plan to increase compliance in 2025. MQD will continue to monitor progress.

MQD has resumed conducting CCS contracted CBCM agency on-site visits to monitor member access to services and compliance. This effort has allowed the CBCM agencies a direct and safe platform for discussion and collaboration with MQD regarding any issues or concerns. In addition, MQD has worked throughout the year on updating and refining standards and requirements to the CCS program to enhance access to services and improve outcomes.

CCS was the first to undergo the 360 Performance Accountability Review, which assessed the quality and performance of the Managed Care Organization (MCO) across its various functional areas,

compared to other health plans. The review aimed to foster a collaborative, operational discussion focused on key metrics, trends, and actions related to the MCO's core CCS Program operations. It was not an audit or a formal, comprehensive evaluation. However, this provided a valuable opportunity for cooperative discussion. As a result, CCS was able to submit feedback and follow up with recommendations for improving MQD report tools and processes, while also identifying areas for improvement on their own end.

Lastly, in 2024, MQD has continued its efforts to support members directly impacted by the Maui Wildfires by expediting the review and enrollment process for CCS services.

3. Home and Community Based Services (HCBS) and Personal Care

Rate Studies

Building on the Phase One rate study, Phase Two commenced on March 8, 2023 and was completed in this program year. 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 was implemented with support from Milliman.

A unique element of Phase Two is the study of a potential 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 develop Level 3 criteria that builds on current Level 1 and Level 2 criteria. The different levels are determined by the assistance needed by 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 was completed on January 10, 2024.

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. 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. 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.

The surveys were completed by adult members from July to September 2024 and the results are currently being analyzed, due to be submitted to MQD by February 2025.

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 has distributed sixty- two (62) surface devices to residential providers state-wide as of September 2024. There are forty-one (41) additional laptops that will be distributed in the coming months. 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

From October 2023 to September 2024, 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).

MQD has completed site visits to 7 sites on the island of Oahu (2 residential settings, 5 non-residential settings), and 12 sites on the neighbor islands (8 residential settings, 4 non-residential settings) including the island of Maui.

MQD has also validated provider compliance through phone interviews and desk reviews to 250 residential settings statewide.

Most of the providers were found to be in compliance during the site visits.

Four (4) sites identified to meet the criteria for heightened scrutiny (HS). MQD's HS Packet/Summary of Findings report to CMS was submitted on 06/28/2024 and is currently under review.

MQD continues to complete validation checks for new providers enrolling to become HCBS Medicaid providers. MQD is supporting the enrollment process by requiring new providers to complete training related to the HCBS settings rule. The training is accessible online.

A SharePoint site was also created to store completed provider's self-assessment surveys and validation tools. The health plans have shared access to the site for ongoing compliance monitoring.

4. Community Integration Services (CIS)

The Community Integration 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.

The CIS program 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 to implement the CIS program. 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. In this program year, MQD also continued its collaboration 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.

Key activities in this program year have centered around Hawaii's participation in the Housing Services Partnership Accelerator (HSPA) and the expansion of housing services and supports through MQD's 1115 demonstration waiver renewal, currently under review by CMS.

Housing Services Partnership Accelerator (HSPA)

HSPA is a 12-month unfunded learning collaborative jointly sponsored by the United States Department of Health and Human Services (HHS) and the Department of Housing and Urban Development (HUD). The goal of this initiative is to support states & communities to accelerate partnerships to implement innovative strategies to coordinate housing-related activities and supports to people experiencing/at risk of homelessness. The collaborative recognizes that coordination of housing assistance and wrap-around supportive services is a proven, cost-effective approach to assisting people with disabilities and chronic/complex health conditions transition from homelessness, exit or avoid institutional settings, and live in the community. Through the accelerator, MQD has been able to more closely engage with cross-sector teams from the Aging, Aging, Disability, Housing, Homelessness, & Health sectors. MQD also participated in a State Needs Assessment, received 1:1 state coaching, delivered three presentations: during an in-person convening for all accelerator states in Bethesda, MD on June 2024; at the Home and Community Based Services (HCBS) conference in Rockville, MD on August 2024; and at a virtual HSPA Learning Track Presentation led by the Hawai'i team on September 2024.

Community Integration Services Plus (CIS +)

In this program year, efforts have also focused on seeking CMS authority to expand the set of services available under the CIS program. The proposed improvements build on existing authority and are modeled after similar Section 1115 Demonstration benefits approved in other states, such as Oregon and Washington and propsoe: 1) expanding rental assistance supports to include moving costs, utility set up and up to 6 months of utility payments, including past due utility payments, a one-time security deposit, up to 6 months of rent, including past due rental payments, and housing application costs, including document recovery and application fees; and 2) offering a new medical respite initiative which would serve as a bridge between institutions and permanent housing for Medicaid members deemed eligible to receive these services. These approaches are grounded in research that highlight the association between poor health outcomes, higher healthcare costs and housing instability. Preliminary experience from other

states that invest in permanent housing and medical respite services demonstrate promising results with significant reductions in healthcare, correctional, and other public costs.

Other accomplishments

MQD also continued its collaboration 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 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 continues to incorporate 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 community needs. MQD and its partner health plans also continue to grow the CIS provider network in the State and now include a majority of homeless services provider agencies in its CIS provider network. More importantly, MQD has continued 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.

5. Other

Data Quality Strategy

In late 2023 MQD began the Encounter Data Validation (EDV) project which conducts a comparative analysis between the encounter data health plans submitted to the Hawaii Prepaid Medicaid Management Information System (HPMMIS), and the encounter data health plans report for actuarial activities. This comparative analysis will identify differences in these two data sources at both the record level—whether encounters exist in both data sources or just one—and the field level to compare completeness and accuracy. During this reporting period, the contractor (Health Services Advisory Group [HSAG]) completed a discrepancy analysis and provided results for health plans to review and provide feedback. The Health Analytics Office (HAO) and HSAG met with the health plans in August to discuss the EDV project initial findings. The health plans are researching the discrepancies and developing corrective action plans. HAO and HSAG conduct bi-weekly meetings to discuss project developments, and the project is expected to be completed in December 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

Audits and Investigations

Unified Program Integrity Contractor (UPIC)

Current UPIC audits underway are for the following.

- Drug Screens: Several provider's billing practices for definitive and presumptive drug screens.
- Hospice: A repeat review for a hospice provider for extended periods of time in hospice.

Other Completed Audits

One audit for podiatry, and another for Continuous Positive Airway Pressure (CPAP) machines and supplies. Med-QUEST Division has initiated recovery of funds.

Other Cases of Note under Investigation

Audits under investigation in the past year focused on Mental Health providers, insulin infusion, and prescribing of Adderall for off-label use, and billing for telehealth psychotherapy when unlicensed mental health counselors are providing the services.

Research on the use of Current Procedural Terminology (CPT) 99072, which is a COVID Public Health Emergency (PHE) specific code. At issue was billing after the conclusion of the COVID PHE. Although the provider billed, the majority of claims were ultimately denied, or recouped if paid initially.

Lawsuits and Legal Actions

Administrative Hearings

1. **Coastal Medical Supply v. DHS** – Audit of Coastal Medical Supply, a Medicaid Provider, conducted by Unified Program Integrity Contractor, Qlarant, found overpayments for Continuous Positive Airway Pressure (CPAP) devices and supplies that were not medically necessary. DHS sent an overpayment notice to recover the $647,648.00 overpayment. Coastal Medical Supply requested an administrative hearing on the overpayment. A Pre-Hearing Conference was held on April 10, 2024. Pre-Hearing briefs are due October 25, 2024, and the Administrative Hearing is scheduled for December 2-4, 2024.

2. **W. Kawasakis v. DHS** – Petitioner was determined to be not eligible for long term care services because Petitioner's pooled special needs trust was not an exempt asset due to a lack of disability as defined in the Social Security Act. Petitioner requested an administrative hearing on the denial and an administrative hearing was scheduled.

3. **In the Matter of Petitioner J.M. (Appeal #15)** – Petitioner requested approval of ongoing 24/7 care of Delegated Personal Assistance Service Level II services. The Petitioner's health plan denied this request, and the Petitioner requested an administrative hearing on the denial. Administrative hearings were held and the Parties are awaiting a decision.

4. **In the Matter of Petitioner J.M. (Appeal #16)** - Petitioner requested approval of 24/7 care of Delegated Personal Assistance Service Level II services while the Petitioner was out of the State for almost three weeks. The Petitioner's health plan denied this request, and the Petitioner

requested an administrative hearing on the denial. Administrative hearings were held and the Parties are awaiting a decision.

5. **In the Matter of Petitioner J.M. (Appeal #17)** – Petitioner requested an electroencephalogram to be administered by a specific physician. The Petitioner's health plan denied this request because the physician was not a Medicaid provider, and the Petitioner requested an administrative hearing on the denial. Petitioner withdrew his request for an administrative hearing.

6. **In the Matter of Petitioner J.M. (Appeal #18)** – Petitioner requested authorization for a certain number of wet wipes. The total number of requested wet wipes was not approved. Petitioner requested an administrative hearing on the denial of the additional requested wet wipes. An administrative hearing was held and the Parties were directed to submit written closing arguments and proposed findings of fact and conclusions of law.

7. **In the Matter of Petitioner J.M. (Appeal #19)** – Petitioner requested authorization for a replacement stander due to the Petitioner's growth. Petitioner's health plan denied the request due to a lack of information about the Petitioner's growth. Petitioner requested an administrative hearing on the denial and submitted the requested information to DHS. The health plan reconsidered its decision based on the information and Petitioner withdrew his request.

8. There are two eligibility administrative hearings in which DHS is being represented in part by the Hawaii Department of the Attorney General due to the complexities of the cases.

Hawaii Courts

1. **Bekkum v. DHS** – DHS appeals the administrative hearing decision in favor of Curtis Bekkum, M.D. DHS had sought to terminate Bekkum's provider participation in the Medicaid program based on a criminal complaint and conviction of sexual assault, which occurred in his provision of medical services to a patient. The administrative hearing decision found in favor of Bekkum because the Hearing Officer believed that the services Bekkum provided were not Medicaid services. The Circuit Court found in favor of Bekkum and DHS is considering its option to appeal.

2. **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 Parties reached a settlement with no payment or request for attorneys' fees and a stipulation to dismiss with prejudice was filed on April 15, 2024.

3. **[Appellants], for and on behalf of J.M. v. Director DHS** – Appellants appeal DHS' decision to deny his request for an administrative hearing regarding 3 Resolution of Appeal letters denying coverage for durable medical equipment. The request for administrative hearing was denied as untimely, i.e. past 210 days. Appellant filed the Notice of Appeal to the Circuit Court to: 1) request vacating dismissal of administrative hearing request; 2) remand matter to Director to vacate dismissal; 3) Order DHS to review motion for hearing and allow filing of request for hearing after the deadline; and 4) order DHS to hold a contested case hearing on the Request for Hearing. The hearing was held on August 23, 2023. The Court found in favor of Appellants, deciding that the

Hearing Officer had the discretion to extend the time and accept the late filing because the reason for the late filing. The case is remanded to the Administrative Appeals Office to schedule a hearing consistent with the DHS hearing procedures.

4. **[Appellants] and on behalf of J.M. v. Director of State of Hawaii Department of Human Services** – Appellants appeals denial of additional delegated Personal Assistance Service Level II (PAII) services for Member for the duration of an 18-day trip to an out-of-state hospital. Appellants allege the additional PAII services, which would equate to 24 hours day/7 days a week services, are medically necessary and must be covered under Member's Medicaid and QUEST-Integration coverage. The Court issued a decision in favor of DHS on August 28, 2024.

5. **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 (ICA). The ICA issued its Summary Disposition Order on April 19, 2024, affirming the Circuit Court's Order and Judgment in favor of DHS. The Judgment on Appeal was filed on May 16, 2024. Aloha Nursing's application for Writ of Certiorari to the Hawaii Supreme Court was granted. This case was consolidated with In re F.W.H., by and through Aloha Nursing Rehab Centre matter, for oral argument scheduled on November 21, 2024.

6. **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 (ICA). The ICA issued its Summary Disposition Order on April 29, 2024, affirming the Circuit Court's Order and Judgment in favor of DHS. The Judgment on Appeal was filed on May 30, 2024. Aloha Nursing's application for Writ of Certiorari to the Hawaii Supreme Court was granted. This case was consolidated with In re F.T., by and through Aloha Nursing Rehab Centre case, for oral argument scheduled on November 21, 2024.

9th Circuit Court of Appeals

1. **HDRC 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 9th Circuit Court of Appeals on September 30, 2022. The case remains on appeal to the 9th 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. Oral argument before a panel of the Ninth Circuit Court of Appeals occurred on October 4, 2023. We are awaiting the decision.

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

Over the past year, the unusual trends were tied to the ending of the COVID 19 Public Health Emergency, and subsequent restarting of conducting renewals for the entire covered population. Additionally, the Maui wildfires of August 2023 required ongoing recovery efforts, which also required various Appendix K and Emergency waivers for home and community based services and provider locations.

E. Legislative Updates

The 2024 Hawaii legislative session made several significant investments in long-term services and supports, including funding rate increases for home and community based residential providers. Additional investments were made for a Long-term Care Strategic Plan, and Kupuna Care services.

Maui wildfire recovery efforts were the primary focus during the legislative session, as well as addressing the continued affordable housing shortage crises and related homelessness crises. Separately, but related, investments were made to strengthen the behavioral health continuum of care. The 2024 Legislature also strengthened access to reproductive health.

F. Descriptions of any Public Forums Held

Hawaii Med-QUEST Division held a total of seven public forums during the reporting period from October 2023 – September 2024.

Quarter 1 (October 2023—December 2023)

Hawaii held three Public Forums during this time period. Two were Med-QUEST Division (MQD) Healthcare Advisory Committee (MHAC) meetings and one was a separate Public Forum solely for the Section 1115 Demonstration Renewal for 2024. Public comments and questions were received from all three meetings and summarized below.

MHAC meeting, October 18, 2023 (Includes Public Forum #1 for the Section 1115 Demonstration Renewal for 2024)

MQD presented information and updates on current Med-QUEST program activities and the Presentation and Discussion for the Public Forum #1 for the Section 1115 Demonstration Renewal for 2024. There were no questions from the MHAC committee or the public regarding the updates on the current Med-QUEST program activities. However, One member from the MHAC committee provided a comment and congratulated the Med-QUEST team for their work and

subsequent award from the National Association of Medicaid Directors (NAMD) based on MQD's Maui Wildfire response.

There were both comments and questions from the MHAC committee and members of the public regarding the presentation and discussion of the Section 1115 Demonstration Renewal for 2024. MQD presented information on the draft Section 1115 Demonstration Renewal for 2024. The proposed topics included:

- Hawaii's Current Section 1115 Demonstration
- Proposed Section 1115 Demonstration changes and additions:
    - Home and Community Based Services
    - Community Integration Services Plus (CIS+)
    - Continuous Eligibility
    - Contingency Management
    - Pre-release Medicaid Services for Justice-Involved Individuals
    - Nutrition Supports
    - Native Hawaiian Traditional Healing Practices
    - New Funding Opportunities
- Budget Neutrality and Financing

One MHAC member had multiple questions and comments. She questioned whether telehealth would be allowed in the Home and Community Based Service area for the initial visit or whether an in-person visit is required. MQD responded that this should be included in the public comment, and we would address it at that point. This member also asked what is counted under Designated State Health Program (DSHP). MQD responded that based on certain circumstances federal Medicaid funds can be used to match certain Medicaid-like services that are 100% state funded, which frees up state funds that can then be used in the state's 1115 innovations. She also provided a comment about the evaluation plan being included in the 1115 Demonstration waiver and asked if there is a way for the community to weigh in on the evaluation plan. She would like to see a benchmark in the evaluation plan that would demonstrate that our Long-Term Services and Supports (LTSS) members have better health care than commercial members since our LTSS members have access to certain services (i.e. respite and at-risk services) that commercial members do not have access too. Thereby having evidence that Medicaid is a leader in health care. MQD explained that the evaluation design is due six months after the 1115 Demonstration waiver is approved, it does go out for public comment, and that we will take her comments into consideration for the next evaluation design.

Another MHAC member questioned the language we are using in the Native Hawaiian Traditional healing practices. She has issues with how MQD named certain services and wants MQD to be aware of the terminology we are using. MQD responded that we would review our terminology and make the appropriate corrections.

We had several members of the public provide comments and questions regarding the proposed Section 1115 Demonstration Waiver Renewal. One member of the public asked if it would help if he submitted written testimony regarding the new initiatives MQD is proposing? MQD said it would be very useful if he submitted written testimony during our public comment period.

Another member of the public stated that she was very happy with all the new initiatives that MQD is pursuing in the 1115 Demonstration Waiver. Another member of the public thanked MQD for all the work and effort MQD is doing to work with other agencies outside of the Department of Human Services (DHS) and to work with the Department of Public Safety. She also commented that incorporating Native Hawaiian Traditional healing practices is very progressive and the State will see cost savings by doing this and will promote healing in the community. She also appreciated the concept that MQD would not limit this service to only Native Hawaiians but to open it up to anyone who qualified for the service as she believes that what is good for Native Hawaiians is good for humanity overall. She also appreciated that MQD was using the Kupuna Council model for the licensure issue as it will be using healers to assess other healers in the community and thanked us for having the fortitude to engage at this level.

Another member of the public commented that she is also very excited about the Native Hawaiian Traditional healing practices. However, she expressed concerns about the Native Hawaiian healers being approved by Papa Ola Lokahi as this will raise many questions. She wanted to know if there are plans to be more specific on how this will be done. MQD clarified that when health care services are being provided outside of the traditional realm MQD needs to identify who is eligible, whether the service is medically appropriate, how long the services can be received, what is the criteria or definition of the service, who are the providers to perform this service etc. MQD further explained that we need to figure out who are the providers of traditional Native Hawaiian healing and want the providers to be recognized by the Kupuna Council. Overall MQD is learning with the community on this issue and need to have more discussions with the community to figure out how this initiative can be implemented. She agreed that MQD has a tremendous amount of work to do in this area.

The last comment received by the public thanked DHS for taking on the pre-release services. She stated that she has been doing this work for over 25 years and it is amazing to see DHS moving in this direction. She appreciates this work effort for this vulnerable population.

Public Hearing #2 – Section 1115 Demonstration Renewal for 2024, October 24, 2023

Med-QUEST Division presented information on the draft Section 1115 Demonstration Renewal for 2024. The proposed topics included:

- Hawaii's Current Section 1115 Demonstration
- Proposed Section 1115 Demonstration changes and additions:
    - Home and Community Based Services
    - Community Integration Services Plus (CIS+)
    - Continuous Eligibility
    - Contingency Management
    - Pre-release Medicaid Services for Justice-Involved Individuals
    - Nutrition Supports
    - Native Hawaiian Traditional Healing Practices
    - New Funding Opportunities
- Budget Neutrality and Financing

Various questions were received from multiple members in the audience both in person and on Zoom on the topics presented by MQD.

A member from the public asked if the recording and the presentation will be available online and MQD responded that both will be available on the MQD website. She also asked if the public will be able to see the final application that MQD will submit to CMS. MQD explained that CMS will post Hawaii's application on the CMS Medicaid.gov website for public comment for 30 days so the public will be able to see the final application on the CMS website. She also asked how long it took CMS to approve California and Washington 1115 applications. MQD explained that CMS will normally take at least 6 months to review and approve an 1115 application and that CMS is not held to a set timeline when reviewing the 1115 Demonstration Waiver applications. She also stated that she is in full support of the pre-release initiative and how important it is to have seamless continuity of services (especially medication) for individuals coming out of prison. She commented that Hawaii has a "silver tsunami" meaning that we have a lot of individuals in prison over age 55 and it is very important for them to have access to health care. In addition, she commented on the importance of breaking the cycles imbedded in the carceral system and it is not good when we switch the conversation from public health to public safety as we start treating people differently. It is important to treat individuals coming out of the carceral system as human beings and teach them how to be good neighbors. She thanked MQD for working on this issue in the application as it gives her hope. MQD appreciated her comments and explained that the real hard work will begin when it is time to implement and operationalize this benefit.

Another member of the public wanted to know how we plan on increasing coverage of services while not increasing the amount spent. MQD explained that by investing and spending time and effort in prevention of serious illnesses we can make sure people receive the care that prevents more costly care later and avoid hospitalization and nursing facility.

An individual from Papa Ola Lokahi (POL) commented that it is important for POL to have a voice and will submit comments in writing in addition to what she presented in the public hearing. He explained that the Traditional Healing section has misinformation in it and that POL does not train or certify healers as this is the responsibility of the Kupuna Council. The Kupuna Council only recognizes certain traditional healing practices, and it will take time for the Kupuna Council to figure out how to recognize the additional healing practices MQD listed in the 1115 Demonstration Waiver Renewal application. MQD said they would work with POL to obtain accurate information and make the necessary corrections in the application. He also raised an issue about how MQD will measure this initiative to achieve outcomes and what tools will MQD be using. MQD responded that we work with CMS for the authority to implement first and then MQD decides how to roll out the services, what data to collect and measure. MQD further explained that we have an evaluation team who assists in determining the type of evaluation that is needed for both the qualitative and quantitative components. This individual questioned how the State would properly evaluate something that is "spiritual" in nature, especially if MQD opens up these services to non-Native Hawaiians. MQD explained that they would do a culturally based evaluation and POL said they would like to be included in this process.

Another member of the public had question on lactation supports and why it was included in the Native Hawaiian Traditional Healing Practices but not the Nutrition Supports? MQD explained that lactation supports are being worked on outside of the 1115 Demonstration Waiver process. Another member of the public had questions about community health workers and how they will be paid by MQD. MQD explained that community health worker ("CHW") services do not need to go through the 1115 Demonstration Waiver process. CHW's need to have an organization that will certify the individual who qualifies as a CHW and this is not a function of MQD. MQD does not license or certify providers, however MQD is willing to be part of the conversation to assist in this area. A different member of the public commented on the importance of CHWs as they are able to understand and navigate marginalized communities, help them enroll in Medicaid and Medicare, understand the benefits that are available to them through these programs, and help members have access to health care. Overall, CHW's have strong relationships in the community and fill the gap for the community. MQD explained that they recognize the important role that CHW's serve and are willing to work with them.

Another member of the public thanked MQD for the wonderful presentation and is excited about the pre-release services.

Lastly, a member from the legislature thanked MQD for all the tremendous amount of work MQD has put into this 1115 Demonstration Waiver Renewal application and that all of these issues are what the legislature wants for Hawaii. She then asked MQD to present this information to the legislature and MQD agreed.

MHAC meeting, December 13, 2024

Med-QUEST Division presented information and updates on the Stay Well Stay Covered campaign for the restart of renewals for all Medicaid members, the Section 1115 Demonstration Renewal for 2024, an overview of the Dual Eligible Special Needs Plans (DSNP) for Medicare and Medicaid Enrollees website updates, and State Plan Amendments and updates. There were questions from the MHAC committee on all the topics presented except for the DSNP website update.

One MHAC member commented that the Stay Well Stay Covered campaign and said the MQD website information on this topic is easy to navigate for the renewals.

Another MHAC member provided a comment regarding the 1115 Demonstration Waiver Renewal. She wants MQD to consider including the MHAC members with the Native Hawaiian Cultural Healing Practices discussion so they can assist MQD in this process. MQD said they will do this and wanted to share with the MHAC members and the public that when MQD is trying out something new and if it does not work the first time that is okay. It is better to have the dialogue and conversation on the topic with the community and have the community provide MQD with their input and guidance on how to proceed.

Another MHAC member had comments regarding the State Plan presentation. She asked if MQD could provide the MHAC members with a link to the proposed State Plan Amendments ahead of time so they can review and prepare questions to ask during the meeting. One MHAC member asked a question related to the increase payment for Medical Professional Services and how the increase will work and how long will it last? MQD explained that the increases will happen

annually, and this is the new policy going forward. This member also asked for clarification of the non-emergency medical transportation (NEMT) State Plan Amendment (SPA) and how will it be different from what is currently covered. MQD explained that the NEMT SPA will clarify the policy and be more descriptive in the types of transportation being provided.

The public had no comments or questions for any of the topics raised and discussed by MQD.

Quarter 2 (January 2024—March 2024)

Hawaii held one Public Forum during this time period. MHAC comments and questions were received from this meeting and summarized below.

MHAC meeting, February 21, 2024

Med-QUEST Division presented information and updates on the Stay Well Stay Covered campaign for the restart of renewals for all Medicaid members, the Section 1115 Demonstration Renewal for 2024, an overview of the Hawaii Child Wellness Incentive Program, and State Plan Amendments and updates. In addition, MQD is having all five of its managed care organizations present on their Health Plan Member Communications with their Medicaid population. Aloha Care (AC) was the first health plan to present their information on this issue to the MHAC. There were no questions from the MHAC or the public on the first two items. Questions were asked by the MHAC on the three remaining items and are summarized below.

One MHAC member asked if there is a tool kit or any other basic information, they can share to promote the Hawaii Child Wellness Incentive Program. MQD responded that they do not have any additional printed flyers to distribute at this time as they have been focusing on the Stay Well Stay Covered campaign but that they would take this comment back and have conversations with the Managed Care Organizations to help promote this program. Another MHAC member commented that she appreciated the clarification that the parent must be on Med-QUEST in order to claim the $50.00 Visa/Master Card for having their child complete a well-child examination annually and that the child does not have to be receiving Medicaid for the parent to receive this benefit.

A MHAC member had a question for AC regarding their presentation on their Member Communication for the Medicaid population. She asked how Aloha Care was able to get the staff on board to understand where the Medicaid families are at and how to meet their needs given the diversity of the Medicaid population. AC responded that there is a strong focus on developing a company culture where everyone is onboard with their goals. AC conducts one on one meetings, all staff meetings, engages their employees to participate in volunteer work, teaches their employees to listen, be empathetic, and learn to work with community leaders and partners so they can develop their capacity to better understand the community they serve. Another MHAC member commented that AC did a great presentation on their Member Communication.

Another MHAC member had comments regarding the State Plan presentation. She stated that MQD is doing a lot of exciting work and thanked MQD for persevering on the palliative care issue.

The public had no comments or questions for any of the topics raised and discussed by MQD.

Quarter 3 (April 2024—June 2024)

Hawaii held one Public Forum during this time period. MHAC comments and questions were received from this meeting and are summarized below.

MHAC meeting, April 17, 2024

The Med-QUEST Division (MQD) presented information and updates on the 1) Stay Well Stay Covered campaign for the restart of renewals for all Medicaid members, 2) the Section 1115 Demonstration Renewal for 2024, 3) the Medicaid Membership Card, and 4) State Plan Amendments and updates. In addition, MQD is having all five of its managed care organizations present on their Health Plan Member Communications with their Medicaid population. HMSA was the second health plan to present their information on this issue to the MHAC.

There were no questions from the MHAC or the public on the Stay Well Stay Covered campaign. Questions/comments were asked by the MHAC on the four remaining items and are summarized below.

The Public had no questions on the Section 1115 Demonstration Renewal for 2024, the State Plan Amendments and updates and HMSA's presentation on their Health Plan Member Communications. The Public had questions/comments on the Medicaid Membership Card which is summarized below.

Section 1115 Demonstration Renewal 2024

MQD presented information on the Section 1115 Demonstration Renewal for 2024 regarding the timeline for approval from the Centers for Medicare and Medicaid Services (CMS). Hawaii's current 1115 Demonstration Waiver is scheduled to end July 31, 2024. However, MQD explained that CMS will not be able to approve the Section 1115 Demonstration Renewal for 2024 by August 1, 2024, due to current workload. CMS is anticipating the approval date to be sometime during the first quarter of 2025. One MHAC member commented that she acknowledges that the MQD team is being very proactive with the Section 1115 Demonstration Renewal and suggest MQD work with CMS to expedite the approval.

Medicaid Membership Card

MQD had a representative from the Hawaii Medical Service Association (HMSA) present on the Medicaid Membership Card on behalf of all the health plans that provide Medicaid services in the State of Hawaii. They explained that the Medicaid members are experiencing a difficult time proving they have Medicaid because the Medicaid Membership Card references QUEST Integration and not Medicaid. The health plans updated the front of the Medicaid Membership Card to define QUEST Integration as the State's Medicaid program. Four MHAC members provided comments and questions regarding this issue. All four MHAC members agree with the new card's format as it is more simple, clear, and identifies that QUEST Integration is the program that the health plans are providing the Medicaid services under.

Another MHAC member asked about the Medicaid Membership Card for the individuals in Fee For Service. MQD confirmed that these individuals receive a Medicaid Membership Card. She also asked about whether there is a Membership Card for dental and MQD said there is not one. This MHAC member also asked if the health plans will be offering a digital card that a member could download and will the update include the new language. HMSA said they will need to take this question back to the health plans to review.

A member from the public asked when will the Medicaid member be issued the updated card. HMSA explained that for their particular health plan, HMSA will only issue a new card if the member is a newly enrolled member into Medicaid, if the member lost eligibility in Medicaid and regained their eligibility, or if the member requests a new card. HMSA does not issue a new Medicaid member card annually.

State Plan Amendments (SPA)

MQD presented on the SPA's that were recently approved and pending with CMS. MQD also commented on two upcoming SPAs regarding adding hearing services under a health service initiative and am updated payment methodology related to a vision health service initiative. A member from MHAC wanted to know more about the hearing coverage for children in schools as hearing tests are not being performed in schools and parents have to do this on their own. She asked if MQD will be providing hearing tests in schools. MQD stated that they will address this issue and provide more information in the next MHAC meeting as this issue is new and MQD is still exploring the options for this service.

HMSA Presentation on their Health Plan Member Communications with their Medicaid population

HMSA presented their guiding principles for how they connect and communicate with their QUEST Integration Medicaid members. The MHAC had several comments and questions for HMSA. One MHAC member stated that he was surprised by HMSA's statistic that the average age for an HMSA member is 20 for females and 27 males. He asked how does HMSA know how to manage someone who is older? The HMSA representative acknowledged the concern, and that HMSA should not tailor their messaging for only the majority of its population but should also think about other age groups. This MHAC member, who is also a physician, asked if HMSA collects data on why a member would choose to change their PCP, and if they do collect this information, is this shared with the physician as the physicians should be made aware so they can make improvements. Per HMSA, they do not silo out the communications from the members and they do try to connect the dots as to why the member is changing PCPs. She said the PCP can see the members who have dropped off of their panel and the members who have joined. MQD asked HMSA specifically if the member calls to change the PCP does HMSA ask the reason why and is that information compiled, gathered, and shared from a quality perspective? HMSA said they will take this inquiry back to be discussed and shared at a later time.

Another MHAC member commented that she was struggling with HMSA's presentation as she did not see how QUEST Integration Medicaid members were uniquely identified as there was no specific strategy for this population with social drivers of health. She was also surprised by the average age of the HMSA QUEST Integration Medicaid member and wanted more

information on what strategies HMSA will develop to make connections with this group. She could not identify what HMSA is doing differently for the QUEST Integration Medicaid members vs. how they treat their commercial population. HMSA explained that they have to align their communication strategies for all of their members but should also align the unique elements of the QUEST Integration Medicaid population. HMSA stated that they do have unique strategies for this population. For example, the language requirements and the focus groups for the Long-Term Services and Supports (LTSS) population. HMSA also has a dedicated community health and equity team, and they recognize they should have spent more time covering this area in their presentation as there is always opportunity to improve in this space.

Another MHAC member commented that HMSA should focus on how they engage their Medicaid members with the organization and that HMSA should invest more in the language services on their website. HMSA said they appreciate all the comments and will take them back to the HMSA communications team.

Quarter 4 (July 2024—September 2024)

Hawaii held two Public Forums during this time period. One was held on July 10, 2024, and the second one was held on August 21, 2024 (which include the Annual Public Form for the 1115 Demonstration Waiver). MHAC comments and questions were only received from the July 10, 2024, meeting and are summarized below.

MHAC meeting, July 10, 2024

The Med-QUEST Division (MQD) presented information and updates on 1) the Stay Well Stay Covered campaign for the restart of renewals for all Medicaid members, 2) the Section 1115 Demonstration Renewal for 2024, 3) the New CMS Rules for MHAC, 4) Health Plan Medicaid Membership Cards, 5) Dental Program Updates, and 6) State Plan Amendments and updates. In addition, MQD is having all five of its managed care organizations present on their Health Plan Member Communications with their Medicaid population. Kaiser was the third health plan to present their information on this issue to the MHAC.

There were no questions or comments from the MHAC or the public on the following topics 1) Stay Well Stay Covered campaign, 2) the Section 1115 Demonstration Renewal for 2024, 3) the new CMS rules for MHAC, 4) the Health Plan Medicaid Membership Cards, and 6) the State Plan Amendments and updates. Questions/comments were asked by the MHAC on item 5) the Dental Program Update and Kaiser's Member Communications with their Medicaid Population and are summarized below.

Dental Program Updates

MQD presented information about the process and importance for making improvements to the adult dental benefit program. It was discussed how dental disease is the most unmet need and the importance of seeing more meaningful use of public money in this area. MQD is looking for ways to improve payments to dentists and services to adults. One MHAC member had a question regarding children with special needs who require access to "laughing gas" and whether there is access for both children and adults. MQD commented that not all dentists are trained to administer general anesthesia and there is a goal to increase providers

who have the training and can treat special needs children who may require that service. The MHAC member wanted to know if this service was available on the neighbor islands and MQD explained that this type of service may not always be available on the neighbor islands and if it is needed MQD would fly the member to Oahu for treatment.

Kaiser Member Communications

MQD had a representative from Kaiser Permanent (KP) present on their Medicaid Communications plan. KP reviewed general information about the overall mission of KP, the QUEST Member Experience, the Communications Strategy, Community Health, and their Rapid Response to the Maui Wildfires. MQD provided a comment on the excellent communication and work that KP performed during the Maui Wildfire. There were no other questions or comments from the MHAC or the public.

MHAC meeting, August 21, 2024---this MHAC meeting includes the 1115 Demonstration Waiver Annual Public Forum

The Med-QUEST Division (MQD) presented information and updates on the 1) Stay Well Stay Covered – Restart of the eligibility renewals, 2) the Annual Plan Change, 3) the Annual Public Forum – Progress Report and update on the QUEST Integration Section 1115 Demonstration Project, and 4) State Plan Amendments and updates. In addition, MQD is having all five of its managed care organizations present on their Health Plan Member Communications with their Medicaid population. Unitedhealthcare was the fourth health plan to present their information on this issue to the MHAC.

There were no questions or comments from the MHAC or the public on the 1) Stay Well Stay Covered – Restart of the eligibility renewals, 2) the Annual Plan Change, 3) the Annual Public Forum – Progress Report and update on the QUES Integration Section 1115 Demonstration Project, 4) State Plan Amendments and the Unitedhealthcare presentation.

The Annual Public Forum – Progress Report and update on the QUEST Integration Section 1115 Demonstration Project

MQD provided a summary of the purpose for the 1115 Demonstration Waiver explaining that Hawaii has had an 1115 Demonstration Waiver since 1994 and the current 1115 Demonstration Waiver is in effect from 8/1/19 through 7/31/24. MQD also explained that CMS gave the State of Hawaii an extension to the current 1115 Demonstration Waiver to 3/31/25. The current 1115 Demonstration Waiver has 99% of its members under managed care with five health plans.

MQD continues to provide all the services for the Home and Community-Based Services and Personal Care Services, Specialized Behavioral Health Services, Cognitive Rehabilitation Services, Habilitation Services, Community Integration Services etc. In addition, it covers the Duals population and in 2024 MQD incorporated Fully Integrated Dual Eligible (FIDE) special needs plans with 3 of the 5 health plans. This created more integration for the member by implementing unified grievances and appeals, one care manager, one member ID card, one provider and pharmacy directory, and one member call center. MQD also added this information on the MQD website.

MQD provided an update on Community Integration Services and explained how it had to reset the program to decrease administrative burdens, increase collaboration between plans and providers, and continue the partnership with Housing Continuum of Care networks. MQD also provided updates on the managed care reporting and explained that the health plans submit 36 reports and that 29 out of the 36 reports are meeting the data quality requirements.

III. Enrollment and Disenrollment

A. Member Choice of Health Plan

October 2023 – September 2024	# of Members
Individuals who chose a health plan when they became eligible	16,220
Individuals who were auto-assigned when they became eligible	13,408
Individuals who changed health plan after being auto-assigned	3,582
Individuals in the ABD program that changed health plan within days 61 to 90 after confirmation notice was issued	48

IV. Performance Metrics

A. Impact of the Demonstration

1. Providing Insurance Coverage to Beneficiaries and the Uninsured Population

Total enrollment as of 9/30/24: 408,590

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

Eleven reports were transitioned into production to enhance data quality. Through continued evaluation efforts, significant improvements in report completion and data accuracy have been observed among the MCOs over the past fiscal year. Additionally, 39 Key Performance Indicators

(KPIs) were moved into production during this period. Operationalizing these reports and KPIs empowers MQD to address non-compliance through remediation measures. In March 2024, MQD initiated its first issuance of Preliminary Non-Performance Notices and Notices of Concern to MCOs for recurring data quality issues and KPI non-compliance. These remediation measures have led to improvements across all MCOs in data quality and long-term planning efforts to meet KPI benchmarks.

B. Results of Beneficiary Satisfaction Surveys (if conducted)

The Consumer Assessment of Healthcare Providers and Systems (CAHPS) surveys continue to expand. Results from the 2023 child and the Children's Health Insurance Program (CHIP) surveys were shared by MQD's EQRO in October 2023. The 2023 Hawaii child CAHPS had a 13.2% response rate which was higher than the national response rate (12.3%). Global ratings were high for the health plans overall, for personal doctors, specialists and coordination of care, at 50th-74th percentile nationally. However, the plans rated poorly, individually and as a whole for getting needed care, and getting care quickly. How well doctors communicate and customer service ranked in the 25th-49th percentile collectively, but there was considerable variation among plans. The 2023 CHIP CAHPS had a 20.9% response rate which was considerably higher than the national response rate (12.5%). Rating of health plan (75.4%) and specialist seen most often (76.7%) improved compared to 2022. Rating of all health care declined slightly (65.5%), as did rating of personal doctor (77.7%), but Hawaii is still slightly higher than the NCQA national average. 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.

CAHPS was conducted for adults, children (all) and Children's Health Insurance Program (Hawaii CHIP) members of all five Quest Integration (QI) plans between February to May 2024. The results of the 2024 CAHPS are being finalized and are expected in the first quarter of FY 2025.

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

Type	Total	Timely Resolved* # (%)	Resolved in Favor of Beneficiaries # (%)
Grievances	1,807	1,614 (98.4%)	896 (54.7%)
Appeals	1,458	1,069 (98.3%)	245 (37.3%)**

*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).

** Please note that the Number of Appeals resolved in favor of beneficiaries does not reflect the Q4 2023-Q3 2023 time period. This measure was recently added to reporting in the Q2 2024 Member Grievance and Appeals report, so it just reflects data submitted since then (2 quarters).

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. In addition, the Budget Neutrality workbook also shows budget neutrality savings for the Expansion eligibility Hypothetical Group. Hawaii continues to project budget neutrality savings in future years.

B. Updated Budget Neutrality Workbook

The Budget Neutrality Workbook for the quarter ending 9/30/2024 has not been submitted yet as MQD has been waiting for a new template to be made available. Once the template is available, MQD will submit the updated workbook.

C. Quarterly and Annual Expenditures

Expenditures for the quarter ending 9/30/2024 were reported on the CMS-64 and certified on 10/30/2024. A summary of expenditures is shown on the attached Schedule C for the quarter ending 9/30/2024.

D. Administrative Costs

Administrative Costs for FFY 2024 have remained constant throughout the year, despite enrollment being at an all-time high. Administrative costs for the year 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.7 for results and findings.

B. Progress Summary of Evaluation Activities

1. Key Milestones Accomplished

- UH revised the 1115 Waiver Evaluation Report with modifications based on the feedback from CMS and it was submitted on September 25, 2024.
- MQD released the Health Coordination Services (HCS) report in early 2024. The new report is streamlined to capture Long-Term Services and Supports (LTSS) and Special Health Care Needs (SHCN).
- The UH Evaluation Team continued to provide quarterly Rapid Cycle Assessments (RCA) reports of Community Integration Services (CIS) during the reporting period. The most recent Rapid Cycle Assessment presentation for Health Plans, providers, and MQD held during this reporting period was August 23, 2024. Improvements in standardizing the reporting of N/A and missing values during analysis helped to facilitate data improvements.
- The UH Evaluation Team, with support of MQD, began to use encounter data in conjunction with the Hawai‘i Level of Care (HILOC) database for the evaluation of LTSS and HCBS.
- MQD is working to improve data collection on members receiving health coordination services and is working to expand SHCN reporting. MQD, Public Consulting Group (PCG), and the University of Hawaii (UH) Evaluation team are continuing to provide targeted technical assistance for engaging with the Health Plans in order to improve data quality across all reports.

2. Challenges Encountered and How They Were Addressed

Evaluating data quality remains a consistent challenge. Future work will include UH as the main actor for evaluating CIS member health outcomes and program outcomes related to healthcare utilization and cost. PCG and MQD HAO continue to monitor and improve data quality by maintaining and revising report templates, and providing technical assistance and report training. Future efforts will evaluate reporting periodicity to reduce burden while assuring quality.

3. Interim Findings (when available)

Subject	**Successes in Implementation**	**Barriers in implementation**
CIS	• Data quality continues to improve. • MQD has restructured key personal to develop an improved CIS 2.0 which will better respond 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. • CIS payments were bundled in an effort to make billing more efficient and to pay for outreach services regardless of if member ends up consenting to compensate providers for time	• Challenges to enrolling members is largely due to provider capacity, limited affordable housing, and lack of coordination between HPs and providers. • There is an increased need for personal care & end of life planning. The increased need for support services suggests an increase in fragility of members compared to the previous quarter

		• Data collection and formatting continue to impede the ability to determine the programs full impact. Specific issues include unknown date data, housing status, and exit destinations which limit the ability to fully capture the program impacts.
LTSS	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.	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.
SHCN	Updated SHCN report was released to more comprehensively identify services and populations MQD is in the process of working with health plans to submit plan services, such as health coordination, as encounters. This will make reporting more automated and assist with evaluation and ongoing monitoring.	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
SDOH	Qualitative analyses were conducted on the Health Disparity reports submitted by Health Plans and preliminary results are shown below: Health Plans identified racial/ethnic or geographical disparities on the utilization of several health service Health Plans conducted root cause analyses and found many drivers including but not limited to: • lack of transportation • language barriers and health literacy skills • 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. Support strategies and interventions implemented (or to be implemented) include: • patient engagement and outreach	Shortage of Health Plans staff and community health workers to address SDOH and social needs

	• 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.	
Primary Care	A key early success was the development of first and second year report that provides a picture of primary care spend. Key examples of the Health Plan's strategy for increasing the percent spend on primary care 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	Health Plans had challenges with reporting on primary care
VBP	• 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)

No data to report

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

Subject	**Result or Impact**
CIS	The University of Hawai'i (UH) Social Science Research Institute (SSRI) was selected to carry out an independent evaluation of the Community Integration Services (CIS) conducted during the 1115 waiver period. Of the 4,656 CIS members with any H Code during the evaluation period, 38% (*n* = 1,787) were confirmed eligible for services. Among eligible members, 78% (*n* = 1,396) moved into tenancy and pre-tenancy services at some point during the evaluation period. Of these members that were confirmed eligible, 20% were assigned H5 (Pre-Tenancy) and 33% were in H6 (Tenancy) as their final H code. Notably, 23% of those ever confirmed eligible remained in H2 at exit, and 12% were lost to follow-up. These findings suggest that of those members found eligible for CIS, 53% (*n* = 145) were receiving tenancy or pre-tenancy services at exit. Of those members who exited CIS, 153 (9%) were enrolled in tenancy at some point, the vast majority of which (93%; *n* = 143) remained in tenancy (H6) at exit. Two hundred fifty-five members (*n* = 255; 55%) were in pre-tenancy at some point during the waiver period. Forty-five percent (*n* = 114; 45%) of these members were still enrolled in pre-tenancy at exit, and 33% (*n* = 100) had transitioned to tenancy at exit.
HCBS/LTSS	The evaluation of home- and community-based services (HCBS) demonstrated that members receiving At-Risk services and those residing at home stayed longer in community dwellings, had higher goal attainment, and lower total cost of care. Long-term services and supports (LTSS)-receiving members with similar level of care scores, age, and sex at baseline who were in home settings had a substantially lower rate of functional decline over time than those in community-care foster homes or nursing homes.
SHCN	UH's evaluation team sampled 2,538 unique beneficiaries with Special Health Care Needs (SHCN), who are defined by MQD as members with "chronic physical, behavioral, developmental, or emotional conditions that require health-related services of a type or amount that is beyond what is required of someone their general age". Of the 2,538

	members enrolled in the SHCN program, only 15% were engaged with HCS. Further analysis of this high non-engagement rate indicated that members who do not speak English as primary language were less likely to be engaged, which implicates language barriers as a potential factor that predicts a lack of participation. In order to increase the HCS engagement rate for the full SHCN population, more investigation is needed to explore why SHCN engagement is low for certain groups and what can be done to increase engagement and follow up.
SDOH	Health plans focused on a variety of activities: reducing emergency room visits, improving maternal health, improving patients' education, reducing isolation, and expanding alternative medicine practice. Additionally, health plans proposed activities to improve SDOH screening and documentation of SDOH data. <u>Across Health Plans, patterns of disparities emerged:</u> Members identifying as Native Hawaiian, other Pacific Islander, Filipino, and White had lower utilization of preventive health services, breast cancer screening, and follow-up after hospitalization for mental illness compared to other ethnic and racial identity groups. Members identifying as Japanese, Filipino, and Chinese had higher rates of screening for depression across age groups compared to other ethnic and racial identity groups. Members for whom English is not their first language (ESL) had lower utilization of preventative health services, fewer EPSDT screenings, and reduced rates of initiation of substance use disorder treatment compared to members for whom English is their first language. Rural communities (i.e., Hanalei/Kapaʻa, Lānaʻi/Molokaʻi, Lihue/Waimea, Nanakuli/Waianae, North Shore Oʻahu, North Shore/Upcountry Maui, South Hawaiʻi) reported fewer breast cancer screenings and EPSDT screenings compared to more urban communities. However, other disparities existed across specific neighborhoods regardless of urbanicity. For instance, initiation of AOD abuse or dependence treatment occurred at lower rates for some urban areas (i.e., Aiea/Pearl City/Waipahu, Downtown/Waikiki) and rural areas (i.e., Hanalei/Kapaʻa, Lānaʻi/Molokaʻi, Nanakuli/Waianae), thus highlighting the need to take a fine-grained approach to geographical service disparities. Individuals living with serious mental illness (SMI) also showed higher rates of plan all-cause readmissions and lower utilization of initiation and engagement of AOD treatment compared to members not living with SMI.

VII. Med-QUEST Division Contact

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