

Hawaii QUEST Integration

1115 Waiver

Quarterly CMS Monitoring Report

Federal Fiscal Year (FFY) 2024 1st Quarter Demonstration Year (DY) 30 Q1

Date Submitted: February 24, 2024	Reporting Period: October 2023 – December 2023	
	Federal Fiscal Quarter:	1st Quarter 2024
	State Fiscal Quarter:	2nd Quarter 2024
	Calendar Year Quarter:	4th Quarter 2023
	Demonstration Year:	30th Year (10/1/23 – 9/30/24)
		<p>This reporting period includes the:</p> <ul style="list-style-type: none"> • last month of 1st Q. DY 30; and the • 1st & 2nd months of 2nd Q. DY 30 <p>when applying a DY of August 1st – July 31st.</p>

Table of Contents

I. Introduction	3
II. Operational Updates	4
A. Key Achievements and Challenges Related to the 1115 Waiver	4
1. Managed Care	4
2. Home and Community Based Services (HCBS) and Personal Care	6
3. Other	6
B. Issues or Complaints Identified by Beneficiaries	7

C. Audits, Investigations, Lawsuits, or Legal Actions	7
D. Unusual or Unanticipated Trends.....	10
E. Legislative Updates	10
F. Descriptions of any Public Forums Held.....	10
III. Enrollment and Disenrollment.....	15
A. Member Choice of Health Plan.....	15
IV. Performance Metrics	15
A. Impact of the Demonstration	15
1. Providing Insurance Coverage to Beneficiaries and the Uninsured Population	15
2. Outcomes of Care, Quality of Care, Cost of Care, and Access to Care.....	16
B. Results of Beneficiary Satisfaction Surveys (if conducted)	16
C. Results of Grievances and Appeals (from Health Plans).....	16
V. Budget Neutrality and Financial Reporting Requirements.....	16
A. Financial Performance of the Demonstration	16
B. Updated Budget Neutrality Workbook.....	17
C. Quarterly and Annual Expenditures.....	17
D. Administrative Costs.....	17
VI. Evaluation Activities and Interim Findings.....	17
A. Current Results of the Demonstration per the Evaluation Hypotheses	17
B. Progress Summary of Evaluation Activities	17
1. Key Milestones Accomplished.....	17
2. Challenges Encountered and How They Were Addressed.....	18
3. Interim Findings (when available).....	18
4. Status of Contracts with Independent Evaluators (if applicable)	20
5. Status of Institutional Review Board Approval (if applicable)	20
6. Status of Study Participant Recruitment (if applicable).....	20
7. Result or Impact of the Demonstration Programmatic Area Defined by CMS that is Unique to the Demonstration Design or Evaluation Hypotheses	20
VII. Med-QUEST Division Contact.....	22

Attachments

Attachment A: Up-To-Date Budget Neutrality Summary

The Budget Neutrality Summary (worksheet) for the quarter ending 9/30/2023 is attached. The Budget Neutrality Summary for the quarter ending 12/31/2023 will be submitted by the 2/29/2024 deadline.

Attachment B: Budget Neutrality Workbook

The Budget Neutrality Workbook for the quarter ending 9/30/2023 is attached. The Budget Neutrality Workbook for the quarter ending 12/31/2023 will be submitted by the 2/29/2024 deadline.

Attachment C: Schedule C

Schedule C for the quarter ending 12/31/2023 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 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 quarter, MQD held two public forums to share the October 16, 2023 draft of its Section 1115 Demonstration Renewal Application with the public and the Medicaid Healthcare Advisory Committee. The first was held on October 18, 2023 and the second was held on October 24, 2023. Much interest was generated and MQD received many informative comments, some of which led to revisions of the original draft. More information on the public forums is provided below in section II.F (*Descriptions of any Public Forums Held*) of this report.

Also, in December 2023 MQD re-engaged its eligibility redeterminations following an intentional three-month pause placed on such due to the Maui wildfires and also to address the household versus individual ex parte process. The MCOs continued to work with MQD on member outreach and providing member support and assistance to keep eligible individuals covered and healthy.

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. 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 mis-formatted data. Report tools for these reports have been updated based on feedback from the Health Plans, and such updates are incorporated into the Health Plan Manual. Med-QUEST Division is looking at

ways to streamline reporting and reduce administrative burden on Health Plans and MQD staff. These include combined data files and working toward more automated reporting.

Dual Eligible Special Needs Plans (D-SNPs)

During this reporting period, MQD and its consultants, ATI Advisory and Speire Healthcare Strategies, LLC (collectively, Consultants), successfully launched a new Dual Eligible Special Needs Plan (D-SNP) page on the MQD website. This page contains information to help members and the public learn about D-SNPs in general, and those offered in Hawaii. The information is divided into 3 tabs (Member, FAQ, and Program Details) and is presented in a clean and simple format. The D-SNP page can be reached via the “Members & Applicants” drop-down menu, and inside the “Member Resources” link. Also, the launch of this webpage occurred in good time with the Medicare open enrollment period.

To further assist members and the public during the open enrollment period, MQD and Consultants provided Hawaii’s State Health Insurance Assistance Program (SHIP) with a standardized template for each D-SNP containing detailed information on the benefits to be offered in 2024. This template was designed to facilitate comparisons across plans and was intended to be a resource for SHIP volunteers as they assist the public in sorting through and understanding the many options available. This benefits template that was provided to Hawaii’s SHIP, followed the training sessions that MQD and Consultants hosted for Hawaii’s SHIP last quarter on the upcoming integration options available in 2024.

In October 2023, MQD began its review of D-SNP member materials submitted by the Medicare Advantage Organizations (MAOs) offering FIDE SNPs in 2024, such as the new integrated single ID card, the integrated provider and pharmacy directory, and the integrated formulary. In November 2023, MQD held an orientation with the MAOs to review in detail, a new and improved process for the submission of D-SNP deliverables to MQD under its State Medicaid Agency Contract (SMAC). During this orientation a new Tracking Log and re-designed D-SNP SharePoint site was introduced, as well as new submission file nomenclature and a timeline of deliverables. Also, issues regarding submission timing and governing documents were ironed out.

Additionally, during this reporting period, MQD’s D-SNP and Systems teams worked together in preparation for upcoming data sharing between the MAOs and other state agencies, and an upcoming default enrollment process to identify eligible individuals coming from the Low Income Adult (LIA) category. The work in these areas included revisiting functionality of the D-SNP folders created by MQD’s Systems Office on the MQD Secure File Transfer Protocol (SFTP), and testing SFTP retrieval and upload access with approved MAO staff.

Finally, in December 2023 MQD and Consultants discussed and planned for Hawaii’s D-SNP policy path forward in 2025 and beyond. Also, in December 2023 MQD and its contractor, Public Consulting Group (PCG), released its revised reporting package for the D-SNP Default Enrollment report to the MAOs for review and feedback. In the first quarter of calendar year 2024, MQD and PCG plan to review and address any MAO comments and suggestions, and then finalize the reporting package for a move into production slated during the summer.

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

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

Med-QUEST Division assesses the perceptions and experiences of members enrolled in the QUEST Integration (QI) health plans as part of its process for evaluating the quality of health care services provided to eligible adult members. The MQD contracted with Health Services Advisory Group, Inc. (HSAG) to administer and report the results of the Consumer Assessment of Healthcare Providers and Systems Home and Community-Based Services (HCBS CAHPS®) survey for members that received a qualifying HCBS service.

In this quarter, MQD began planning implementation of the next HCBS CAHPS® survey to be implemented in 2024.

Investment in Tools and Technology for Residential Alternative Providers

MQD received funding from the American Rescue Plan Act of 2021 (ARPA) to support HCBS residential provider capacity for technology. Activities to continue distribution of surface devices to residential providers state-wide continued during this quarter. The distribution of surface devices to date, has increased provider capacity to interact electronically with health plans and medical providers and supports members' receipt of virtual services (where applicable).

HCBS Settings Rule

MQD's 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) is ongoing.

As of the end of this quarter, MQD has continued to focus its efforts on completing site visits to the remaining providers on the island of Oahu (2 remaining of 154), and the neighbor islands (4 remaining out of 27¹).

MQD continues to deliver technical assistance to ensure that all providers will attain compliance through capacity building activities.

The four (4) neighbor island sites that have not been visited are located on the island of Maui, which was devastated by wildfires with wide-reaching impacts across the State of Hawaii. Due to the effects of the wildfires and the resulting recovery efforts, MQD requested an extension to its deadline to achieve compliance with the settings rule to July 1, 2024. The extension request was granted by CMS.

3. Other

Member Outreach

Annually during October through December, Health Care Outreach Branch (HCOB) prepared for and conducted our Annual Kokua Trainings, which recertifies all navigators (Kokua) to continue their access to Med-QUEST's KOLEA navigator portal in the KOLEA eligibility system. Training

¹ The total number of 27 in this report reflects a correction from previous quarter reports which indicated the total number to be 26. An updated list of active providers shows the number of active providers to be 27.

includes: how to properly complete a Medicaid application; assistance with applications for the Federally Facilitated Marketplace (FFM), State Funded Premium Assistance Program, and Cultural Competency; and in general, preparedness for the open enrollment on the Federal Marketplace. HCOB continued to review all electronic files during this period from FFM health plans to determine member eligibility for the State Premium Assistance Program. HCOB continues to have a robust Kokua Services program with approximately 170 strong.

During this quarter, the MQD KOLEA team implemented improvements to the KOLEA Navigator Portal which allows all of our Kokua to now search for all existing clients within the KOLEA system, and be able to help members upload documents and submit changes to member accounts online. Kokua are also helping members to complete redetermination forms and upload them into member case files, where the MQD eligibility section can then review them and determine if members will continue coverage, move to another category of coverage or terminate coverage if no longer eligible. This improvement has helped more residents access help for their Medicaid needs from community partners.

Data Quality Strategy

In late 2023 MQD kicked off our 2023-4 Encounter Data Validation (EDV) project which conducts a comparative analysis between the encounter data health plans submit to our MMIS system, HPMMIS, and the encounter data health plans report to our actuaries for various 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. Based on the findings of the EDV project, MQD will be opening Corrective Action Plans with each health plan to resolve uncovered discrepancies that impact the usability of HPMMIS encounter data for actuarial activities.

B. Issues or Complaints Identified by Beneficiaries

No new issues or complaints were identified during this quarter.

C. Audits, Investigations, Lawsuits, or Legal Actions

Audits and Investigations

1. During this time period, 2 audits were completed and MQD is working on overpayment recovery. One was for podiatry, and the other for CPAP machines and supplies.
2. There are a few audits in process with Unified Program Integrity Contractors for dialysis infusion, drug screens (confirmatory and presumptive), and 1 hospice agency.
3. There are some additional investigations underway including possible counseling services provided by unlicensed providers, insulin infusion, and prescribing of Adderall for off-label use.

Lawsuits and Legal Actions

Administrative Hearings:

1. **In the Matter of Petitioner Jeremy Murbach** - Petitioner failed to timely file a request for administrative hearing regarding 3 Resolution of Appeal letters denying coverage. Petitioner's Request for Hearing was denied as untimely, i.e. past 210 days. Petitioner filed "Emergency Motion for Director's Time Extension Approving Action After Specified Period, Or, In the Alternative, Reconsideration" (Emergency Motion). Motion hearing on the Emergency Motion is scheduled for January 12, 2024.
2. **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. The two-day hearing was held on December 4 and 5, 2023. Parties have submitted closing arguments, and proposed Findings of Fact, Conclusions of Law, and Order. The DHS Administrative Appeals Office has not issued a decision yet.

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. DHS filed its opening brief and is awaiting the answering brief.
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 cross motions for summary judgment were denied on May 6, 2022. The Case was set for bench trial on January 17, 2024. Parties were actively negotiating settlement of the case. The settlement conference was continued to December 6, 2023. The parties have reached a settlement and the trial date and all related deadlines and due dates have been vacated. The parties are in the process of signing the written settlement agreement.
3. **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.

Oral argument was held on November 29, 2023. The court issued a decision affirming the Hearing Officer's dismissal order on December 21, 2023.

4. **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.
5. **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.

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 15 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, the work to address the Maui wildfires shifted from Emergency response to Recovery, as various DHS teams continued to sign people up for public assistance, including Medicaid. Also, DHS teams continued efforts to identify on-going non-congregate housing. Additionally, MQD implemented a number of eligibility system changes to help with the unwinding transition during the redetermination pause. Due to such pause in the unwinding activities, there was continued enrollment growth in the QUEST program.

E. Legislative Updates

Legislature is out of session. Several informational briefings were held, including one on the Section 1115 Demonstration Renewal draft. More on the Section 1115 Demonstration Renewal draft can be found below in section II.F (*Descriptions of any Public Forums Held*) of this report.

DHS provided budget and program presentations for staff from the Finance, Ways and Means, and executive branch's Budget and Finance, offices. The primary budgetary asks are related to increasing some home and community based reimbursement rates based on the results of rate studies completed using the HCBS American Recovery and Reinvestment Act (ARRA) funds.

Several legislative reports were completed by the December 31 deadline: Provider coverage for Lactation Consultants; Applied Behavioral Analysis rate study; Options to expand of Medicaid-like eligibility for children and pregnant women/mothers who do not meet Medicaid's citizenship requirements.

F. Descriptions of any Public Forums Held

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.

III. Enrollment and Disenrollment

A. Member Choice of Health Plan

October 2023 – December 2023	# of Members
Individuals who chose a health plan when they became eligible	4508
Individuals who were auto-assigned when they became eligible	4258
Individuals who changed health plan after being auto-assigned	1163
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 12/25/23: 473,902

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

No data to report as of this quarter. Ongoing work to improve data quality will result in data in future quarters.

B. Results of Beneficiary Satisfaction Surveys (if conducted)

During this quarter, the results from the annual CAHPS survey were presented (results and presentation can be found on the website). The target population this year are the children. Additionally, a survey was done on Home and Community Based Services, which is reviewed later. The Child survey results, while overall, the comparative results are down from prior year surveys, the results compared nationally are mixed.

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

Type	Total	Timely Resolved* # (%)	Resolved in Favor of Beneficiaries** # (%)
Grievances	526	422 (97.7%)	223 (51.6%)
Appeals	288	169 (95.5%)	28 (28.0%)*

*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.

***Only includes data from three health plans

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 12/31/2023 will be submitted by the 2/29/2024 deadline. The Budget Neutrality Workbook for the quarter ending 9/30/2023 is attached (Attachment B).

C. Quarterly and Annual Expenditures

Expenditures for the quarter ending 12/31/2023 were reported on the CMS-64 and certified on 1/31/2024. A summary of expenditures is shown on the attached Schedule C for the quarter ending 12/31/2023.

D. Administrative Costs

There have been no significant increases in Hawaii's administrative costs for the quarter ending 12/31/2023. 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. Additionally, MQD is working on improving data collecting on members receiving health coordination services and currently is planning to expand SHCN reporting. However, MQD and the University of Hawaii (UH) Evaluation team are still providing targeted technical assistance and engaging with the Health Plans to improve data quality across all reports.
- UH completed the interim evaluation report which will be submitted to CMS along with the next 1115 waiver. This is currently going under internal review.

- The UH Evaluation Team held a Rapid Cycle Assessment presentation for Health Plans, providers, and MQD on Q2 2023 on December 1, 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)

Subject	Successes in Implementation	Barriers in implementation
CIS	<ul style="list-style-type: none"> • 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. • MQD restructured CIS payments to bundled payments to make billing easier; and to pay for outreach services regardless of if member ends up consenting to compensate providers for time 	Challenges to enrolling members is largely due to provider capacity, limited affordable housing, and lack of coordination between HPs and providers.
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	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.	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

<i>SDOH</i>	<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"> 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. <p>Support strategies and interventions implemented (or to be implemented) include:</p> <ul style="list-style-type: none"> 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>Shortage of Health Plans staff and community health workers to address SDOH and social needs</p>
<i>Primary Care</i>	<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:</p> <ul style="list-style-type: none"> 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 	<p>Health Plans had challenges with reporting on primary care</p>

	<p>Utilizing vendors to assist in contacting and returning members back into the PCP s practice</p> <p>Regular member communication to keep PC services and benefits top of mind</p> <p>Directly addressing and assisting PCPs on the gaps in care</p> <p>Actively recruiting and hiring PCPs</p>	
VBP	<p>Several VBC and APM initiatives were implemented at MCO and provider level respectively</p> <p>VBC arrangements were mostly aimed at primary care providers, FQHCs and CHCs.</p> <p>Independently, plans report positive results from implementation of VBC arrangements</p>	<p>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.</p>

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

Contract with University of Hawaii Evaluation team has been extended into CY2024.

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	<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>HCBS/LTSS</i>	Data is available in the interim evaluation report.
<i>SHCN</i>	Data is available in the interim evaluation report
<i>SDOH</i>	<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>
<i>PC</i>	So far, Health Plans have some changes in primary care spending over time. report documents small changes in spending over time
<i>VBP</i>	<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

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