Hawaii QUEST Integration

1115 Waiver

Quarterly CMS Monitoring Report

Federal Fiscal Year (FFY) 2025 1st Quarter
Demonstration Year (DY) 31 Q1

Date Submitted: February 27, 2025	**Reporting Period:**	**October 2024 – December 2024**
	Federal Fiscal Quarter:	1st Quarter 2025
	State Fiscal Quarter:	2nd Quarter 2025
	Calendar Year Quarter:	4th Quarter 2024
	Demonstration Year:	31st Year (10/1/24 – 9/30/25) This reporting period includes the: • last month of 1st Q. DY 31; and the • 1st & 2nd months of 2nd Q. DY 31 when applying a DY of August 1st – July 31st.

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Attachments

Attachment A: Up-To-Date Budget Neutrality Summary

The Budget Neutrality Summary (worksheet) for the quarter ending 9/30/2024 is attached. The Budget Neutrality Summary for the quarter ending 12/31/2024 will be submitted by the 2/28/25 deadline.

Attachment B: Budget Neutrality Workbook

The Budget Neutrality Workbook for the quarter ending 9/30/2024 is attached. The Budget Neutrality Workbook for the quarter ending 12/31/2024 will be submitted by the 2/28/25 deadline.

Attachment C: Schedule C

Schedule C for the quarter ending 12/31/2024 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 wavier (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.

In this quarter, we continued to focus on the 1115 Waiver renewal with MQD internal staff and external consultants. Med-QUEST Division also restarted meetings with community partners and stakeholders on some of the new 1115 Waiver initiatives such as, nutrition support and Community Integration Services+ in preparation for what is hoped an imminent approval. In addition, MQD also engaged with the Department of Corrections and Rehabilitation on re-entry of Consolidated Appropriations Act adults and others. An implementation palliative care guidance memorandum was issued to all of the Health Plans on program implementation and billing. Med-QUEST Division continued to navigate the State's All-Payer Health Equity Approaches and Development (AHEAD) Model approved by CMS.

II. Operational Updates

A. Key Achievements and Challenges Related to the 1115 Waiver

1. Managed Care

Health Plan Monitoring ("360 Reviews")

Med-QUEST Division uses various reports, key performance indicators, and input from MQD staff to complete what it calls, Health Plan "360 Reviews", for each Health Plan. These will be conducted annually for each Health Plan.

Med-QUEST Division completed the 360 Review for AlohaCare and HMSA during this reporting period. Med-QUEST Division reported separately to AlohaCare and to HMSA, the areas in which the health plan performed well, and the areas in which the health plan encountered challenges that could be improved in the future. In February 2025, the next health plan to be reviewed will be Kaiser.

Dual Eligible Special Needs Plans (D-SNPs)

In October 2024, MQD's consultants, ATI Advisory and Speire Healthcare Strategies, LLC (collectively, Consultants), traveled to Hawaii for onsite meetings spread across three days with staff from MQD and with each Hawaii D-SNP Medicare Advantage Organization (MAO). This visit

proved to be invaluable and effective in aiding meaningful and frank communications with staff from each MAO and furthering the instructive bonds with the MAOs which facilitate close and productive collaboration between the state and MAOs. This close collaboration has been one of the keys to the successful development of the D-SNP program. With many recent and upcoming changes in the Hawaii D-SNP landscape, a strong partnership with the MAOs that offer and manage these plans and healthcare for Hawaii's dual eligible population, is imperative.

Some of the topics discussed during the October 2024 onsite meetings included: impacts of 2024 Medicare Advantage Final Rule provisions, including 2027 closures of Hawaii Highly Integrated Dual Eligible Special Needs Plans (HIDE SNPs); possible addition of partial benefit dual eligible individuals to Hawaii D-SNPs; operationalizing Exclusively Aligned Enrollment (EAE) under both Hawaii's Medicaid enrollment policies and CMS's new monthly Medicare Special Election Periods for aligned enrollments; potential future passive enrollment options afforded by CMS; and feasibility of implementing Medicaid re-assignment in furtherance of aligned enrollments for Hawaii's dual eligible individuals. The onsite meetings also included check-ins with the MAOs on readiness for any new offering of a Fully Integrated Dual Eligible Special Needs Plans (FIDE SNPs), data sharing exchanges and care coordination approaches, required deliverables, and any other challenges, successes, or experiences to share and learn from.

In November and December 2024, MQD and Consultants summarized the feedback, and then planned and prioritized next steps and tasks. With aligned enrollments and integration in mind, MQD will focus on updating guidance on EAE operationalization, and mitigating effects on unaligned duals in anticipation of the 2027 HIDE SNP closures. Also, during this quarter and the next, MQD and Consultants will focus on the required integrated Summary of Benefits template for 2026, the 2026 SMAC, and the 2026 transition to a single H contract pathway. Challenges in these areas are managed with partnership and assistance from the Centers for Medicare and Medicaid Services (CMS) staff and from Consultants.

Community Palliative Care

Med-QUEST Division worked with community-based organization, Hui Pohala, to help prepare and train a palliative care workforce in the community as well as provide outreach and education to the community regarding palliative care. Med-QUEST Division meets with Hui Pohala on a quarterly basis, including the October 2024 - December 2024 quarter to review progress on its various projects aimed at preparing the provider workforce and community for palliative care benefit implementation. The projects range from a nurse apprenticeship program, online training materials and courses, a centralized palliative care resource hub, an advance care planning video, and a primer training for Emergency Medical Technicians (EMTs), Community Health Workers, and other Allied Healthcare Workers.

Med-QUEST Division issued a community palliative care benefit implementation memorandum to the QUEST Integration Health Plans and providers. In this memorandum, MQD provided definitions, compared the differences between palliative care and hospice care, and enumerated benefits and services, provider requirements, care coordination, and billing codes and reimbursements.

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

Rate Studies: Background and update

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. As noted in prior quarterly reports, the 2024 Legislature allocated funds to increase various HCBS rates, and the funds were released last quarter. The increased rates will be implemented for the relevant HCBS services 1/1/2025. In this quarter, MQD collaborated with its actuary Milliman, to draft guidance memo describing these HCBS rates.

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. 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), MQD received funding to strengthen and support HCBS services. One project has been to increase residential provider technological capacity. To further this effort, MQD has distributed sixty- two (62) surface devices to residential providers state-wide as of December 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 2024 to December 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).

In this quarter, MQD completed one (1) non-residential site visit on the island of Oahu.

Med-QUEST Division also validated provider compliance through phone interviews and desk reviews of 53 residential settings statewide. Most of the providers were found to be in compliance during the site visits.

In this quarter, seven (7) settings were deemed to meet the criteria for heightened scrutiny (HS). Med-QUEST Division's HS Packet/Summary of Findings report to CMS was submitted on 06/28/2024. Med-QUEST Division received CMS' determination letter on 12/23/2024 which described that CMS agrees with the state's conclusion that the settings have overcome the institutional presumption and meet all of the HCBS settings criteria.

CMS initiated bi-monthly monitoring calls with MQD in this quarter. The first meeting occurred on 11/18/2024 where the different milestones and timeframes under the state's corrective action plan (CAP) approved by CMS on 10/30/2023 was discussed.

Med-QUEST Division 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.

Expanding HCBS Services and Making Permanent Disaster Flexibilities

In this quarter, efforts have also focused on seeking CMS authority to renew existing HCBS services, expand the assisted living facility benefit to "at risk" beneficiaries and to continue certain Attachment K flexibilities enacted as a result of the COVID-19 PHE to allow for: virtual/remote level of care evaluations, functional assessments, and person-centered service planning; electronic method of signing off person-centered service plans; electronic service delivery for select services; and payment for family caregivers or legally responsible individuals to render services.

3. 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 quarter 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, 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 in September 2024. MQD's participation in the collaborative completed at the end of the year. Efforts are currently underway to continue to deepen the partnerships that have resulted from MQD's participation in the collaborative to advance homeless services in the state.

Other accomplishments

Med-QUEST Division also continued its collaboration with Health Plans, Continuum of Care (CoC) organizations, homelessness service agencies and other stakeholders in the state to implement the CIS program; however, the need for regular stakeholder meetings/engagements has decreased as improvements in the program have been realized. The Health Plans are leading efforts to expand the homeless services provider network by broadening the catchment area of

some of their homeless service provider contracts beyond Oahu to include other islands. These efforts have resulted in improvements in the number of individuals receiving pre-tenancy and tenancy services across all islands (see evaluation for data). The CIS program has continued to apply rapid-cycle assessments (RCA) as a powerful evaluation tool to identify implementation gaps and apply corrective measures when required. Results of the RCAs suggest continued improvements in data quality, resulting in increased program capacity to capture the number of members receiving services and achieving housing outcomes. (Please see Evaluation section for specifics.)

B. Issues or Complaints Identified by Beneficiaries

No new issues or complaints were identified during this quarter.

C. Audits, Investigations, Lawsuits, and Legal Actions

Audits and Investigations

Unified Program Integrity Contractor (UPIC)

Current UPIC audits underway are for the following.

- Definitive and Presumptive Drug Screen Audits: UPIC continues its audit processes of several providers billing for definitive and presumptive drug screens. These audits are at various stages ranging from collecting claims from the provider to settlements.
- Hospice: UPIC's preliminary findings for patients in hospice are under review.

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 was held on December 2-4, 2024, and continued to January 21-22, 2025.

2. **W.K. 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, an administrative hearing was held, and the decision is pending.

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 a decision was issued in the Department's favor based on the merits of the case.

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 a decision was issued in the Claimant's favor based on an alleged notice issue. The Department appealed this decision to the Circuit Court.

5. **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 a decision was issued in the Department's favor.

6. **In the Matter of Petitioner J.M.** – On appeal by Claimant challenging dismissal of his request for hearing for untimeliness, the Circuit Court found in favor of the Claimant at the hearing held on August 23, 2024. On October 9, 2024, the Circuit Court issued its order remanded this matter to the Administrative Appeals Office to schedule a hearing in accordance with DHS's appeal process. A hearing was held on December 2, 2024 and continued to January 2025.

Hawaii Courts

1. **[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 on October 9, 2024, deciding that the Hearing Officer had the discretion to extend the time and accept the late filing because there were reasons that established good cause and excusable neglect for the late filing, and remanded the matter to the Administrative Appeals Office to schedule a hearing consistent with the DHS hearing procedures. Final Judgment was filed on November 18, 2024.

2. **[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.

3. **Department of Human Services v. J.M.** – The Department filed an appeal of an administrative hearing decision finding that there was a notice issue and ordering the Department, through its contracted health plan, to provide 24/7 Delegated Personal Assistance Services. The certified record on appeal was ordered to be submitted.

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 (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 held on November 21, 2024. 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 (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 held on November 21, 2024. 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. On November 26, 2024, the Ninth Circuit issued its Opinion affirming in part and reversing in part the District Court's ruling decision. The Ninth Circuit held that HDRC was required to exhaust administrative procedures under the IDEA, but that HDRC's non-IDEA claims did not require exhaustion under the IDEA. The case was remanded to the District Court for further proceedings and a trial has been scheduled for April 6, 2026.

Foreclosure Actions

There are approximately 11 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

No unusual or unanticipated trends were noted this quarter.

E. Legislative Updates

No Legislative update as the legislature is not in session.

F. Descriptions of any Public Forums Held

Hawaii held two Public Forums during this time period from October 2024 through December 2024. Med-QUEST Health Advisory Committee (MHAC) comments and questions were received from both meetings and are summarized below.

MHAC meeting, October 16, 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 and returning to the normal eligibility process, 2) Community Outreach Events conducted by our Health Care Outreach Branch in Maui for family support services and disaster case management, at the Filipino Resource Fair, and the Kahi Mohala Rapid Response to help address resources for the employees who were being laid off, 3) MQD's partnering with other public and private partners such as Project Vision, 4) the AHEAD Model and 5) State Plan Amendments (SPA) 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. Ohana Health Plan was the third 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, Community Outreach Events and MQD's partnering with other public and private partners. Questions/comments were asked by the public and MHAC on the AHEAD Model, SPA's and the presentation by Ohana and are summarized below.

AHEAD Model

MQD presented information on the AHEAD Model grant from CMS. MQD's primary goals are for healthy families and healthy communities. This can be accomplished by investing in primary care/preventive care and investing in care for people with complex care needs. The State will explore all-payer health equity approaches and development using the AHEAD Model. This will include working with primary care and proposing a hospital global budget. MQD is working with the State Plan Health Development Agency for this project. This is a ten-year project and MQD is in the very early stages as Hawaii is one of four states that were awarded by CMS to pursue this model. There were no comments from the Public on this issue. One MHAC member thanked MQD for its presentation and thinks the AHEAD Model is great. She asked about the 10-year time frame for this project. MQD explained that Hawaii has certain milestones to reach during this time frame and the first step is to have hospital participation. MQD will share additional information with MHA as they move forward with this project.

State Plan Amendments (SPA)

MQD presented on the SPAs that were recently approved and pending with CMS. The approved SPAs were SPA 24-0004 Hearing Services Health Service Initiative and SPA 24-0010 Advanced Practice Registered Nurse Provider Services. SPAs that are pending with CMS are SPA 24-0012 Personal Needs Allowance increase, SPA 24-0012 Income Standard of Optional State Supplemental Program increase, SPA 23-0007 Medicaid Application and SPA 24-0002 Diabetes Prevention Program.

MQD also commented on one new SPA regarding a vaccine administration rate increase for all vaccine administration services for both pediatrics and adults up to 100% of the Medicare Fee Schedule in effect for the prior calendar year for codes listed. MQD is also planning on submitting a SPA for a modifier update to the Child & Adolescent Mental Health Division.

A member from the public submitted written testimony regarding the vaccine administration rate increase. She is a part time law student and commented that this SPA will help with health care equity and access for patients. An MHAC member asked MQD when the hearing screenings will begin within the public schools. MQD explained that the hearing screenings have already started and the methodology being used allows MQD to pay for the screenings in the schools. If the child screens positive, then MQD will see which health plan the child is with and will charge that health plan. This same MHAC member commented that the Department of Health (DOH) is supposed to be in charge of doing hearing tests for auditory disorders and whether providers are doing this work in the schools as it is her understanding that this is not occurring. MQD explained that this issue has to be addressed with the DOH. This same MHAC member also asked for clarification regarding payments to APRNs. She wants to know how Certified Nurse Midwives are paid as they should be equal to APRNs. MQD explained that they would review this issue.

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

Ohana Health Plan presented their background on how they became a health plan for Medicaid, the services they offer both for QUEST Integration and Community Care Services (CCS) which is a statewide carve-out program for QUEST members with serious mental illness/serious and persistent mental illness, the membership numbers for both programs, and their membership communication strategies for both programs. The public had no comments. MHAC had several comments and questions for Ohana Health Plan. One MHAC member thanked Ohana for their presentation and their investment in outreach and wrap around services to help the members. She especially liked the additional outreach to the members who are hard to reach and the Ohana Integrated Care Hub Hilo which is a new residential program that will offer transitional housing and structured support for the most vulnerable and houseless Ohana Health Plan members. She asked Ohana Health Plan how they will handle sheltering those who are partnered and are not willing to be housed separate from their partners. Per Ohana Health Plan, this issue has not come up yet as the individuals they house do not have anyone else. Ohana Health Plan said they will take this back to the team to discuss how to address this situation. Another MHAC member also thanked Ohana Health Plan for their presentation and thought the use of a QR code is a great source of information. He asked additional questions about the Ohana Integrated Care Hub Hilo and how long an individual can live in the home. Ohana Health Plan responded that the person

could stay up to one year. The MHAC member also asked if it would house both men and women. Ohana Health Plan responded that it is a three-bedroom home with 2 beds per room and is open to both men and women. The program is highly individualized, the members go through a vetting process and the existing members are prepared when a new member joins the congregate space.

MHAC meeting, December 11, 2024

Med-QUEST Division 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 Budget and Legislative Process, 4) National/State Elections, 5) Member Engagement, and 6) State Plan Amendments and updates.

There were no questions from the MHAC or the public on the Stay Well Stay Covered campaign, the Section 1115 Demonstration Renewal for 2024, the Budget and Legislative Process, and the National/State Elections. No questions/comments were asked by the public on the Member Engagement and the State Plan Amendments and updates. Questions/comments were asked by members of MHAC on Member Engagement and the State Plan Amendments and updates and are summarized below.

Member Engagement

MQD asked the MHAC members for their ideas on how MQD can engage and hear from the community on various issues related to Medicaid and how to improve engagement with the people we serve. MQD believes it is important to incorporate the voices of the individuals we serve and to obtain feedback from them in our decision making. In addition, State Medicaid agencies will be required to create a Beneficiary Advisory Committee comprised of Medicaid beneficiaries and their caregivers. One MHAC member provided comments that she recently conducted a series of statewide focus groups and used community organizations to help recruit participants. She also created incentives such as free meals and gift cards to encourage participation. She recommended that MQD make a list of our community partners and reach out to them for their assistance. Another MHAC member asked for clarification on the type of group we are trying to form. MQD explained that there is a federal requirement to assemble a Beneficiary Advisory Council and we need Medicaid beneficiaries to serve as members on the council. The MHAC member thinks that the beneficiaries are open to sharing their thoughts and provide feedback. She recommended that we issue a brief survey to our members to allow them to provide feedback based on what their interests are as it related to Medicaid. MQD commented that they are required to conduct surveys with our beneficiaries and the participation and response is very low. She also recommended that MQD attend community/neighborhood meetings and share information at those meetings to encourage involvement with MQD. MQD appreciated the discussion and may reach out to the MHAC members in the future for more help.

State Plan Updates

MQD presented on the SPAs that were recently approved and pending with CMS. The approved SPAs were SPA 24-0007 Vaccine Administration increase, SPA 24-0012 Personal Needs Allowance increase, and SPA 24-0013 Income Standard of Optional State Supplemental Program increase. SPAs that are pending with CMS are SPA 23-0007 Medicaid Application and SPA 24-0002 Diabetes Prevention Program.

MQD also commented on four new SPAs regarding 1) SPA 24-0011 Child & Adolescent Mental Health Division (CAMHD) Modifier updates that updates rates for 2025, 2) SPA 24-0014 Annual Reporting on the Child and Adult Core Set Reviewable Unit, 3) SPA 25-0002 Pharmacy Intern and Pharmacy Technician Services, and 4) SPA 25-0003 Payment for Covered Outpatient Drugs. In addition, MQD introduced two new SPAs that will be worked on for 1) SPA 25-0001 Optional State Supplemental Income and 2) SPA 25-0004 Mandatory Coverage for Eligible Juveniles who are inmates of a Public Institution Post Adjudication of Charges.

One MHAC member provided a comment that she greatly appreciates MQD working on rate studies for CAMHD behavioral health as the providers of behavioral health are grossly underpaid. There were no other questions or comments.

III. Enrollment and Disenrollment

A. Member Choice of Health Plan

October 2024 – December 2024	**Members Number (%)**
Individuals who chose a health plan when they became eligible	3953 (48%)
Individuals who were auto-assigned when they became eligible	4302 (52%)
Total	**8,255**
Individuals who changed health plan after being auto-assigned	1156 (27%)
Individuals in the ABD program that changed health plan within days 61 to 90 after confirmation notice was issued	15

IV. Performance Metrics

A. Impact of the Demonstration

1. Providing Insurance Coverage to Beneficiaries and the Uninsured Population

Total enrollment as of 12/30/24: 409,498

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

Monitoring efforts for data quality and Key Performance Indicator (KPI) performance continued, resulting in significant improvements across all MCOs. During the reporting period, one KPI was successfully moved into production. By operationalizing these reports and KPIs, MQD is better equipped to address non-compliance through targeted remediation measures.

During this reporting period, MQD issued 17 Non-Performance Notices to Health Plans for data quality issues and 7 Non-Performance Notices for KPI performance. These actions have driven improvements in data quality and supported MCOs in long-term planning to meet KPI benchmarks. Additionally, MQD has regularly updated report templates to ensure the collection of accurate and essential data elements. These updates are provided to MCOs on a quarterly basis.

B. Results of Beneficiary Satisfaction Surveys (if conducted)

Results for the Consumer Assessment of Healthcare Providers and Systems (CAHPS) surveys were shared by MQD's External Quality Review Organization (EQRO) in October 2024. The survey sample consisted of a general child population and a supplemental population of children who had a greater probability of having a chronic condition with 3,985 children selected in all. The survey response rate of 13.82 percent was about 1.6 percentage points above the Medicaid national response rate of 12.2 percent. Global ratings among the General Child Statewide sample population compared to the National Committee for Quality Assurance's (NCQA) 2023 Quality Compass Benchmark and Compare Quality Data were high for the health plans overall, with "Rating of All Health Care", "Rating of Personal Doctor", and "Rating of Specialist Seen Most Often" ranking above the 75th percentile for satisfaction. Health plans ranked below the 49th percentile for satisfaction for measures of "Customer Service", "Coordination of Care", "Getting Care Quickly", and "Getting Needed Care". A series of questions included in the survey were used to identify children with chronic conditions (CCC). This series contains five sets of survey questions that focus on specific health care needs and conditions. Global parent/caretaker responses to the CCC survey compared to the NCQA's 2023 Quality Compass Benchmark and Compare Quality Data were generally poor overall. Measures of "Rating of Health Plan", "Rating of All Health Care", "Rating of Personal Doctor", and "Rating of Specialist Seen Most Often" were all below the 49th percentile for CCC questions. These results have been shared with Health Plans and internal to MQD, including the internal quality committee and collaborative quality workgroups, to identify the key drivers for these decreases and improve member satisfaction in these domains.

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

Type	Total	Timely Resolved* # (%)	Resolved in Favor of Beneficiaries # (%)
Grievances	378	346 (99.1%)	198 (57%)
Appeals	405	299 (99.7%)	141 (43%)

*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).

V. Budget Neutrality and Financial Reporting Requirements

A. Financial Performance of the Demonstration

As shown in the most recent Budget Neutrality workbook from the quarter ending September 30, 2024, the Demonstration continues to accrue budget neutrality savings for this past quarter. 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 12/31/2024 will be submitted by the 2/28/25 deadline. The Budget Neutrality Workbook for the quarter ending 9/30/2024 is attached (Attachment B).

C. Quarterly and Annual Expenditures

Expenditures for the quarter ending 12/31/2024 were reported on the CMS-64 and certified on 1/31/2025. A summary of expenditures is shown on the attached Schedule C for the quarter ending 12/31/2024.

D. Administrative Costs

There have been no significant increases in Hawaii's administrative costs for the quarter ending 12/31/2024. 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

- MQD, Public Consulting Group (PCG), and the University of Hawaii (UH) Evaluation team have provided targeted technical assistance for engaging with the Health Plans in order to improve data quality across all reports.
- Health Plans submitted an additional cycle of reports with improvements in data quality and KPI performance. These reports focus on finance, program integrity, covered benefits and services, provider network services, and healthcare utilization. Standardization of reporting N/A and missing values during analysis and enforcing remediation measures has continued to facilitate data improvements.
- As part of participating in the Housing and Services Partnership Accelerator (HSPA), UH and MQD gave a national presentation about implementation strategies to other states interested in CIS-type services in October of 2024.
- The latest round of Community Integration Services (CIS) Rapid Cycle Assessments (RCA) was presented on November 26, 2024. The University of Hawai'i at Mānoa presented an overview of CIS trends from January 1, 2020 through September 30, 2024 followed by findings from the third quarter of 2024. MedQUEST staff, Health Plans, and Homeless Service Providers, and university partners attended the presentation.

2. Challenges Encountered and How They Were Addressed

While gains in improving data quality have been made, evaluating data quality remains a consistent challenge. MQD's Health Analytics Organization (HAO) and PCG continue to meet with the Health Plans monthly to review reports and address concerns. Going forward, MQD will work with UH as the main actor for evaluating CIS member health outcomes and program outcomes related to healthcare utilization and cost. Future reporting by HAO and PCG will help to better monitor data quality by maintaining improving report templates, providing technical assistance, and reporting training. PCG is planning a site visit in February 2025 to provide additional technical assistance.

3. Interim Findings (when available)

Subject	Successes in Implementation	Barriers in implementation
CIS	Steady increase in number of members receiving both pre-tenancy and tenancy services; Health Plans have made some progress in addressing the backlog of members eligible but not yet receiving services, particularly on Oahu.	Due to reporting inconsistencies, the evaluation team was unable to determine with certainty how many members received tenancy and pre-tenancy services. Reported data suggest that many eligible members have yet to receive services due to backlog and lack of Homeless Service Provider (HSP) capacity. Rural areas, particularly on Kauai, are seeing lower enrollment from eligible members and these areas also have fewer providers; a large number of members exit CIS to unknown housing locations, the majority of which were exited because they lost eligibility, suggesting that the resuming of eligibility redetermination requirements may be creating barriers for CIS members; gaps in housing services (particularly permanent housing) persist due to system-level factors (e.g., lack of deeply affordable housing).
LTSS	Members in home settings displayed stable level of care (LOC) scores over the demonstration period, while members in nursing homes or Community Care Foster Family Homes (CCFFH) experienced deteriorations in their LOC scores. These findings reiterate the health benefits of home-based care relative to foster home or nursing home-based care for individuals who meet criteria for Long Term Services and Supports (LTSS), and reinforced the non-financial strengths of some home- and community-based services (HCBS) settings over nursing home care.	Members with lower functional status, and those with dementia or mental illness, were less likely to receive care at home than other LTSS members. This reveals the need for continued rebalancing efforts and investment in HCBS provision to support in-home care when possible.
SHCN	SHCN/EHCN populations who were engaged with healthcare coordination services (HCS) have higher expenditure	Engagement in HCS services among SHCN/EHCN members appeared low

	and utilization on home health services and primary care supports compared to SHCN/EHCN populations who remained unengaged with HCS. SHCN/EHCN members engaged in HCS experienced lower expenditure on ED services, as well as lower utilization of ED and inpatient services.	
SDOH	The UH evaluation team identified several promising strategies and interventions at multiple levels (i.e., at the levels of members, providers, community, and the healthcare system) that focus on addressing various social risk factors, such as housing insecurity, food insecurity, and other social needs. Foci include strategies and interventions that address the root causes of SDOH and improve SDOH data collection and outcome measurement.	The quality, depth, and breadth of such strategies varied significantly across health plans.

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

No data to report as of this quarter.

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

The latest round of Community Integration Services (CIS) Rapid Cycle Assessment (RCA) was presented on November 26, 2024. During this presentation, the University of Hawai'i at Mānoa presented an overview of CIS trends spanning from January 1, 2020 through September 30, 2024 followed by findings from the third quarter of 2024. MedQUEST staff, Health Plans, and Homeless Service Providers, and university partners attended the presentation.

Results from the presentation show a steady increase in the number of CIS members receiving both tenancy and pre-tenancy services since 2020. Sharp increases in services began around October 2023, particularly for Maui and O'ahu Counties. Kaua'i County has not seen the same increases as other

counties. Additionally, when compared to the state homeless population, CIS data suggests that eligible members on Kaua'i may not be receiving services. Kaua'i County reports 8% of the statewide population; whereas, only 2% of CIS pre-tenancy members were on Kaua'i in September 2024.

Additional findings included:

- 1,222 members were enrolled in CIS during the quarter (were receiving pre-tenancy, receiving tenancy, or had consented to services). Of these members, 755 were receiving pre-tenancy; 353 were receiving tenancy; 51 transitioned from pre-tenancy to tenancy; 63 had consented only.
- Health Plans and Homeless Service Providers appear to be making a dent in the backlog of members potentially eligible for CIS but not yet receiving services. The percentage of all members identified for CIS who were enrolled in services increased from 14% in 2024-Q2 to 25% in 2024-Q3.
- CIS made modest achievements in housing outcomes in 2024-Q3. The number of members receiving tenancy and those who transitioned to tenancy from pre-tenancy increased by over 250%, respectively, from the previous quarter.
- However, the largest percentage of exits by CIS members were exits to unknown destinations, meaning the university was unable to determine if housing stability was achieved. Thankfully, this percentage has decreased from 2024-Q2, suggesting improvement in data collection.
- Most members who exited to unknown locations exited because of "lost eligibility." The university suggested that Health Plans and Homeless Service Providers continue to collect housing data at exit even for members who exit due to lost eligibility so as to determine program impact prior to eligibility loss. This information will help MQD determine if eligibility requirements need to be adjusted to meet changing needs.

VII. Med-QUEST Division Contact

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