

Hawai'i AHEAD Program Update

Statewide Payment Transformation Initiative
A Partnership of the Med-QUEST Division and the State Health Planning and
Development Agency



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AHEAD PROGRAM UPDATE: Primary Care Payment Innovation

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Dear Physician Organization Leaders and Primary Care Providers,

The State Health Planning and Development Agency (SHPDA) and the Med-QUEST Division (MQD) are sharing important context regarding recent updates to Hawai'i Medical Service Association's (HMSA) Primary Care Payment Model (PCPM) and to describe how these changes relate to Hawaii's broader efforts to strengthen and modernize primary care through the statewide Achieving Healthcare Through Accountable Design (AHEAD) Model.

Context

HMSA has announced adjustments to its PCPM for commercial and QUEST Integration (Medicaid) primary care providers beginning July 1, 2026. The timing overlaps with statewide preparation for the AHEAD Model, so we are providing information on the relationship between the two initiatives.

Clarifying HMSA's PCPM Changes

HMSA pioneered Hawai'i's first Primary Care Payment Model in 2016, and over time has refined and adjusted the model based on provider experiences and stakeholder feedback. These changes are a natural part of innovation and represent HMSA's ongoing efforts to improve and evolve their program.

Overview of the AHEAD Model

In 2023, the Hawai'i AHEAD Team (MQD and SHPDA) was awarded a 10-year, \$12 million cooperative agreement to implement the AHEAD Model statewide, joining Maryland, Vermont, Connecticut, Rhode Island, and New York. AHEAD provides a flexible, statewide framework that:

- Increases investment in primary care;
- Supports hospital financial stability through total-cost-of-care and global budget strategies;
- Enhances care coordination across primary care, hospitals, payers, and community partners; and
- Promotes alignment across insurers to reduce burden on providers.

A key feature is Primary Care AHEAD, which enables primary care providers to receive prospective, flexible payments to support more personalized, quality focused care.

Statewide Primary Care Alternative Payment Model Coming January 1, 2028

The Hawai'i AHEAD Team is developing a statewide Primary Care Alternative Payment Model (APM) scheduled to launch January 1, 2028. The model will:

- Provide predictable, flexible resources;
- Support high-quality, coordinated, patient-centered care; and
- Promote alignment with Medicaid, commercial and Medicare partners across the state.

Why HMSA's Decision to Adjust its Model Creates Opportunity

HMSA's PCPM adjustments provide an opportunity for all plans and the state to move forward together in designing a coordinated, future-focused model that reduces burden on providers and improves care for Hawaii's residents.

Next Steps and Provider Engagement

The AHEAD Team has been gathering stakeholder feedback and will expand engagement throughout 2026. Updated information and draft model details will be shared in Fall 2026. Your participation is essential to building a model rooted in sustainability, simplicity, accountability, and support for delivering high-quality primary care.

We strongly encourage your organization and member practices to participate in upcoming listening sessions, technical discussions, and review opportunities.

Mahalo for your leadership and commitment to Hawaii’s communities. We look forward to partnering with you.

Sincerely,



Meredith Nichols
Med-QUEST Division Administrator



Dr. Jack Lewin
SHPDA

COMPANION FAQ FOR PHYSICIAN ORGANIZATIONS AND PRIMARY CARE PROVIDERS

HMSA Primary Care Payment Model Adjustments and the Hawai'i AHEAD Model

1. Why is HMSA adjusting its Primary Care Payment Model (PCPM) on July 1, 2026?

HMSA has been refining its Primary Care Payment Model (PCPM) since it was first launched in 2016. Over time, HMSA has made adjustments based on provider experience and stakeholder feedback which is a normal part of maturing any innovative payment model. The changes announced for July 1, 2026 reflect that ongoing refinement process.

2. What is the AHEAD Model, and why is Hawai'i participating?

AHEAD (Achieving Health Care Efficiency through Accountable Design) is a federal model designed to improve population health, strengthen primary care, and slow the growth of health care spending. Hawai'i was awarded a 10-year, \$12 million cooperative agreement to implement AHEAD statewide. Only six states were selected: Hawai'i, Maryland, Vermont, Connecticut, Rhode Island, and New York.

3. What does AHEAD mean for primary care providers?

AHEAD supports a shift toward predictable, flexible primary care payments that enable clinicians to:

- Spend more time with patients;
- Focus on comprehensive, person-centered care;
- Strengthen care coordination; and
- Connect patients to community supports.

These goals are embedded in the forthcoming statewide Primary Care Alternative Payment Model (APM).

4. When will the AHEAD statewide Primary Care APM begin?

The statewide AHEAD APM is scheduled to launch on **January 1, 2028**. This timeline remains unchanged. This allows the time, space, and flexibility to develop a model that works for Hawai'i.

5. How will the AHEAD APM reduce administrative burden for Primary Care Providers (PCP)?

The AHEAD Team is coordinating with Medicaid, commercial insurers, and Medicare partners to further promote statewide alignment.

6. How does HMSA's PCPM adjustment fit into the broader statewide payment transformation?

HMSA's decision to adjust its PCPM provides an opportunity to strengthen alignment across plans. This timing allows the state, HMSA, and all payers to collaborate on a future model that better supports providers and the people they serve.

7. How will physician organizations be engaged in AHEAD design?

The AHEAD Team has been gathering stakeholder feedback and will expand engagement throughout 2026. Updated information and draft model details will be shared during Fall 2026.

Physician organizations will be invited to participate in structured sessions, feedback forums, and design reviews. Your input is essential to building a model that reflects real-world practice needs.

8. What principles are guiding Hawai'i's AHEAD APM development?

Providers and plans consistently emphasize the need for:

- Sustainability
- Simplicity
- Accountability
- Support for delivering high-quality, patient-centered care

These principles are shaping all aspects of model development.

9. What should physician organizations do now?

- Stay engaged with the AHEAD Team's upcoming communications and design opportunities.
- Share organization-level insights about what is working and not working in current primary care payment models.
- Encourage participating PCPs to attend listening sessions and provide feedback.

Your participation is important to ensuring a statewide model that supports long-term primary care sustainability.

10. Who is leading the AHEAD initiative in Hawai'i?

AHEAD is jointly led by the Med-QUEST Division (MQD) and the State Health Planning and Development Agency (SHPDA). Both agencies serve as co-administrators of the statewide effort.