

QUEST

**Request for Information (RFI)
No. RFI-MQD-2011-002**

**Department of Human Services
Med-QUEST Division
1/21/2011**

INTRODUCTION

Reason for the RFI

The State of Hawaii, through its Medicaid agency, the Department of Human Services (DHS), Med-QUEST Division (MQD), is issuing this Request for Information (RFI) to seek information to prepare a possible Request for Proposal (RFP) for health plan coverage for its QUEST programs. The QUEST program are capitated managed care programs that includes the QUEST, QUEST-Net and QUEST-ACE programs. In addition, certain individuals ineligible for Medicaid due to citizenship status receive state-only funded identical benefits.

- The QUEST program provides Medicaid State Plan benefits through comprehensive managed care plans to the following children and adults:
 - Families with dependent children covered by the State Plan up to 300% of the federal poverty level (FPL) for children and 100% for adults;
 - Pregnant women with a family income not exceeding 185% of FPL;
 - Adults who are Temporary Assistance for Needy Families (TANF) cash recipients but are otherwise not eligible for Medicaid;
 - Low-income adults covered under Section 1931 of the Social Security Act; individuals qualifying for transitional medical assistance under Section 1925 of the Social Security Act;
 - Participants in the State General Assistance Program; and
 - Childless adults with income up to 100% of the FPL, subject to an enrollment cap.
- QUEST-Net provides more limited coverage to adults previously enrolled in QUEST, QUEST Expanded Access (QExA) or Medicaid Fee-For-Service who have income in excess of the Medicaid limits up to 200% of the FPL.
- The QUEST-ACE program provides the same benefits as QUEST-Net for adults with income in excess of the Medicaid limits up to 200% of the FPL and childless adults under 100% of the FPL who are unable to enroll in the QUEST program due to the enrollment cap.
- The Basic Health Hawaii (BHH) program is a state-only funded program that provides benefits similar to those in the QUEST-Net and QUEST-ACE programs for certain individuals who are not eligible for the Medicaid program due to citizenship status.

The information received through this RFI will assist the DHS in preparing a possible RFP for QUEST programs. The DHS will be seeking vendors with the proven ability to provide quality health care services through a managed care system to low-income, Hawaii residents eligible for one of the programs listed above.

Background

The State of Hawaii implemented QUEST on August 1, 1994. QUEST is a statewide section 1115 demonstration project that provides medical and behavioral health services through managed care delivery systems. The program was designed to increase access to health care and control the rate of annual increases in health care expenditures. The State combined its Medicaid program with its then General Medical Assistance Program and its State Children's Health Insurance Program and offered benefits to citizens below 300 percent of the FPL. Low-income women and children and adults who had been covered by the two state-only programs were enrolled into fully capitated managed care plans throughout the State. This program contributed to substantially closing the coverage gap in the State for low-income individuals. The second phase of the 1115 demonstration waiver enrolled the aged, blind and disabled (ABD) populations into managed care.

A class action lawsuit under the Americans with Disabilities Act (ADA) was filed against the State in 1995 alleging that disabled individuals with incomes above 100% FPL were kept out of the program based solely on their disability status. To address this issue, the State reduced its coverage of the uninsured under QUEST to those uninsured adults with incomes at or below 100% FPL. A new program, QUEST-Net, was developed in 1995 for individuals who are no longer eligible for QUEST due to an increase in income or assets.

Since its implementation, the State has made several changes to the QUEST program.

1. The first amendment, approved July 11, 1995, allowed the State to deem parental income for tax dependents up to 21 years of age, prohibit QUEST eligibility for individuals qualifying for employer-sponsored coverage, require some premium sharing for expansion populations, impose a premium for self-employed individuals, and change the fee-for-service window from the date of coverage to the date of enrollment.
2. The second amendment, approved on September 14, 1995 allowed the State to cap QUEST enrollment at 125,000 expansion eligibles.
3. The third amendment, approved on May 10, 1996, allowed the State to reinstate the asset test, establish the QUEST-Net program, and require participants to pay a premium.
4. The fourth amendment, approved on March 14, 1997, lowered the income thresholds to the mandatory coverage groups and allowed the State to implement its medically needy option for the AFDC-related coverage groups for individuals who become ineligible for QUEST and QUEST-Net.
5. The fifth amendment, approved on July 29, 2001, allowed the State to expand the QUEST-Net program to children who were previously enrolled in SCHIP when

their family income exceeds the Title XXI income eligibility limit of 200 percent FPL.

6. In January 2006 (with a retroactive start date of July 1, 2005), the federal government approved an extension of the Section 1115 waiver for Hawaii, QUEST programs which incorporated the existing QUEST program with some significant changes including:
 - o Extension of coverage to all Medicaid-eligible children in the child welfare system;
 - o Extension of coverage to adults up to 100% of the FPL who meet Medicaid asset limits;
 - o Elimination of premium contributions for children with income at or below 250% of FPL;
 - o Elimination of the requirement that children have prior QUEST coverage as a condition to qualifying for QUEST-Net; and
 - o Increased SCHIP eligibility from 200% of FPL to 300% of FPL.

7. In February, 2008, an additional amendment was approved. This waiver amendment increases the eligibility level from 100 to 200% of the FPL for QUEST-ACE and includes terms and conditions related to the newly implemented QUEST Expanded Access (QExA) program. The waiver period runs through June 20, 2013.

During the course of the waiver negotiations with CMS, the agency was clear that Hawaii, with a relatively mature managed care system must begin to focus on holding its health plans accountable to emphasize demonstrable quality outcomes for accurate reporting of data, and on health outcomes through vigorous disease management and care coordination programs.

In July 2010, provision of services to adults with serious mental illness (SMI) became an added benefit in the QUEST program. The Department of Health, Adult Mental Health Division (DOH/AMHD) transitioned these behavioral health benefits to the QUEST health plans. Currently, children that are seriously emotionally and behaviorally disturbed (SEBD) continue to receive mental health and substance abuse services through the Child and Adolescent Mental Health Division (CAMHD) in DOH.

In addition, at the federal level and in many states there is increased focus on pay-for-performance programs and establishing payment structures that reward and incentivize the provision of appropriate, high-quality care. The State of Hawaii implemented a pay-for-performance (P4P) incentive program in the QUEST program effective January 1, 2010 based upon health plans' Healthcare Effectiveness Data and Information Set (HEDIS) and Consumer Assessment of Healthcare Providers and Systems (CAHPS) survey results. Health plan incentives are funded by a per member per month (PMPM) withhold amount taken from the administrative allowance of the health plan's capitation

rates. The five areas that health plans are currently able to receive performance-based financial incentives are:

- Childhood Immunizations
- Emergency Department Visits per 1000 members
- Low-Density Lipoprotein (LDL) Control in Diabetes
- Chlamydia Screening
- Getting Needed Care

As with all Medicaid managed care contracts, CMS approval is required prior to its implementation. The contracts must follow all federal statutory and regulatory guidelines pursuant to laws established under the Balanced Budget Act of 1997. As such, the State is seeking to assure that health plans participating in the QUEST program are able to demonstrate:

- Proven ability to provide high quality care at a competitive price for Medicaid and low-income populations;
- Proven ability to achieve better health outcomes for their enrollees;
- Proven ability to offer effective disease management programs relevant to the health needs of Hawaii's low-income populations;
- Proven ability to document encounters, pay timely claims, and work in partnership with the State to meet measurable performance goals;
- Proven ability to respond timely to member and provider grievances and appeals; and
- Proven ability to attract and retain membership in its plan.

RFI Response

Assuming that DHS pursues a Request for Proposal (RFP) to provide health care through a managed care delivery system for QUEST programs, encompassing the QUEST, QUEST-Net, QUEST-ACE programs and BHH, the State is seeking responses to the following questions.

1. The following are approximate numbers of QUEST, QUEST-Net, QUEST-ACE and BHH eligible clients on each island:

Oahu:	134,475	Kauai:	12,885
Hawaii:	46,581	Maui:	23,237
Molokai:	2,508	Lanai:	541

- Based on these numbers, and assuming that only plans currently licensed in Hawaii with an established provider network were able to bid, would you recommend any limitations on the number of plans per island? If so, how many plans on each island and why.
2. The DHS is considering permitting all health plans that pass the technical scoring threshold to participate in the program. In addition, DHS would have actuarially

- sound capitation rates determined that would be the same for all health plans. In other words, health plans that pass the technical proposal would essentially be paid the same amount for the same services. Would this encourage or discourage your plan from bidding? Why?
3. The DHS is considering implementing the use of co-payments that are closely regulated by CMS and may have a monthly limit based on an individual's monthly income. Co-payments for what services would be most likely to decrease inappropriate utilization while being less likely to negatively impact health outcomes?
 4. Should the DHS pursue the use of quality measures in the auto-assignment process, how much weight do you think the DHS should give to quality versus price? Why?
 5. The DHS is concerned about continuity of care for members transitioning from QUEST to QExA health plans. What would you suggest the DHS does to assure that members are not precluded from continuing to receive treatment from their established physician? How should the DHS assure that health plans are not actively precluding physicians from continuing to care for their patients who are moving to another program, as in the event of becoming disabled?
 6. What role should the health plan have in assisting members with maintaining eligibility?
 7. DHS is starting to plan for the implementation of the Affordable Care Act (ACA). What models of care delivery should DHS consider having its health plans pilot and/or support to improve quality and efficiency of care? What should DHS require of its health plans regarding ability to incentivize meaningful use of electronic health records, to receive, analyze, and make payment based on clinical data transmitted through EHR/HIE, and to provide a patient health record?
 8. All health plans in the current QUEST program must be accredited by one of several different organizations. The National Committee for Quality Assurance (NCQA) has committed significant resources to not only accrediting health plans, but also setting standards for managed care nationwide. DHS utilizes the guidelines established by NCQA for its quality program. Would DHS requiring that all health plans in the QUEST program achieve NCQA accreditation encourage or discourage your health plan from bidding on this contract? Why?

RESPONSE SUBMISSION

RFI submission must include name, organization (if applicable), and contact information of person/organization submitting the response.

Responses to this RFI are due by February 11, 2011, 2:00 p.m., Hawaii Standard Time (HST). Please submit your response using Times New Roman, 12 point font with no less than one inch margins on all sides of the page, single line spacing, and limit your responses to no more than 16 pages. Please indicate on the cover “QUEST Response RFI-MQD-2011-002” and mail or deliver one (1) original and an electronic version stored on CD-Rom in Microsoft Word 2003 or lower to:

Ms. Patricia M. Bazin
Health Care Services Branch Administrator
Med-QUEST Division
Department of Human Services
601 Kamokila Boulevard, Room 506A
Kapolei, HI 96707-2005

OR

E-mail response to rfiresponse@medicaid.dhs.state.hi.us.

Electronic responses are required for submission in RFI process. Only Medicaid clients may provide hard copy responses without electronic submission.

CONFIDENTIAL INFORMATION

If respondents believe that portions of their RFI response should remain confidential, respondents shall clearly identify that portion of their response they wish to maintain as confidential and include a statement detailing the reasons that the information should not be disclosed. Such reasons shall include specific harm or prejudice that may arise. The DHS Director, the Med-QUEST Administrator and the Health Care Services Branch Administrator shall determine whether the identified information should remain confidential. A prior notice shall be provided to the respondent if it is determined that any information which was requested to be confidential becomes part of public distribution/information; the respondent requesting confidentiality can choose whether or not to withdraw their submission.

COST OF RESPONSE

DHS will not reimburse any respondent for the cost of preparing and submitting a response to this RFI.

The Department reserves the right to incorporate in a solicitation, if issued, for such a contract, any recommendations presented in responses to this RFI. Please note that participation in this RFI process is optional and is not required in order to respond to any subsequent procurement by the Department. Neither the Department nor the responding party has any obligation under this RFI.

If there are any questions or clarifications to this RFI, please contact Ms. Patti Bazin at (808) 692-8083 or at pbazin@medicaid.dhs.state.hi.us.