

# Managed Care in Hawaii

This profile reflects state managed care program information as of August 2014, and only includes information on active federal operating authorities, and as such, the program start date may not reflect the earliest date that a program enrolled beneficiaries and provided services. Some states report populations and services available to program participants under the federal authority (e.g. Section 1115 waiver), so these features cannot be easily distinguished for each program.

## Overview of Current Managed Care Programs

In August 2014, nearly all Medicaid beneficiaries were enrolled in some form of managed care. Hawaii has been operating managed care since 1994 when it implemented **QUEST**, which covers acute, primary, and behavioral health care services for low-income children, families, pregnant women, and childless adults. In 2009, the state expanded QUEST services to aged, blind and disabled children and adults, and dual eligibles through **QUEST Expanded Access (QExA)**, which also includes institutional and home and community-based long-term services and supports. Individuals with intellectual or developmental disabilities (IDD) in QExA receive home and community-based waiver services and case management services through a state agency instead of the managed care plan. QUEST and QExA are statewide programs with mandatory enrollment for all population groups. In September 2013, the state renewed the QUEST demonstration. Under this renewal, the state consolidated the programs within the demonstration into a single "**QUEST Integration**" program. The renewal also made changes to align QUEST with the requirements of the Affordable Care Act, including adding the state plan childless adults group and implementing the modified adjusted gross income methodology.

The state Department of Health (DOH) covers behavioral health services for individuals with a serious mental illness (SMI) or severe and persistent mental illness (SPMI) diagnosis on a fee-for-service basis, while QUEST and QExA plans cover standard behavioral health services for individuals without SMI/SPMI. In March 2013, Hawaii began transitioning all adults with SMI/SPMI into the Community Care Services (CCS) program for their behavioral health services, thus phasing out most of the fee-for-service benefits that the DOH had previously provided. CCS, which had been operating as a third party administrator contract since 1994, was also converted to a risk-based, limited benefit plan (Ohana Health Care) at this time.

## Participating Plans, Plan Selection, and Rate Setting

Hawaii contracts with five plans, three that serve QUEST and two that serve QExA. Participating plans include a mix of (1) **national, for-profit plans** (Kaiser Permanente Hawaii, Evercare (United), and Ohana Health Plan (WellCare)), and (2) **locally-based, non-profit plans** (AlohaCare and Hawaii Medical Services Association). Hawaii selects plans through a competitive bidding process and sets blended capitation rates using a combination of negotiation and competitive bidding within rate ranges. Hawaii selected the same five plans to participate in the QUEST Integration program. Enrollment in QUEST Integration will occur in January 2015.

## Quality and Performance Incentives

Hawaii requires health plans to report data on HEDIS, CAHPS, and other state-specific quality and process measures. The state publishes the information in quality reports and a quality report card, which are available to the public. In 2010, Hawaii implemented a Pay for Performance (P4P) program for QUEST plans in which \$1.00 was withheld from the per member per month (PMPM) capitation payment; the withhold was increased to \$2.00 PMPM in 2012. Each year, plans can earn back \$2.00 PMPM for each performance measure met if either (1) HEDIS and CAHPS scores fall in the 75th percentile of scores reported for the national Medicaid population, or (2) if scores have improved by at least 50% over the past year. Starting in 2015 under the QUEST Integration contract, plans can earn back \$2.00 PMPM if HEDIS and CAHPS scores meets or exceeds the 50<sup>th</sup> percentile in year one and Medicaid 75<sup>th</sup> percentile in year two. QExA has not implemented P4P but plan to in the future. Beginning in 2014, QUEST also revised the way in which beneficiaries are auto-assigned to plans so that a greater number of beneficiaries are assigned to plans that report the strongest HEDIS and CAHPS results.

**Table: Managed Care Program Features, as of January 2015**

<b>Program Name</b>	<b>HI QUEST Integration</b>
<b>Program Type</b>	MCO
<b>Program Start Date</b>	September 2013
<b>Statutory Authorities</b>	1115(a)
<b>Geographic Reach of Program</b>	Statewide
<b>Populations Enrolled</b> ( <i>Exceptions may apply for certain individuals in each group</i> )	
<i>Aged</i>	X
<i>Disabled Children &amp; Adults</i>	X
<i>Children</i>	X
<i>Low-Income Adults</i>	X
<i>Medicare-Medicaid Eligibles ("duals")</i>	X
<i>Foster Care Children</i>	X
<i>American Indians/ Alaska Natives</i>	X
<b>Mandatory or Voluntary enrollment?</b>	Mandatory
<b>Medicaid Services Covered in Capitation</b> ( <i>Specialized services other than those listed may be covered. Services not marked with an X are excluded or "carved out" of the benefit package.</i> )	
<i>Inpatient hospital</i>	X
<i>Primary Care and Outpatient Services</i>	X
<i>Pharmacy</i>	X
<i>Institutional LTC</i>	X
<i>Personal Care/HCBS</i>	
<i>Inpatient Behavioral Health Services</i>	X
<i>Outpatient Behavioral Health Services</i>	X

Program Name	HI QUEST Integration
<i>Dental</i>	
<i>Transportation</i>	X
<b>Participating Plans or Organizations</b>	<ol style="list-style-type: none"> <li>1. AlohaCare</li> <li>2. Hawaii Medical Service Association</li> <li>3. Kaiser Permanente Hawaii</li> <li>4. Ohana Health Plan</li> <li>5. United Healthcare Community Health Plan</li> </ol>
<b>Uses HEDIS Measures or Similar</b>	X
<b>Uses CAHPS Measures or Similar</b>	X
<b>State requires MCOs to submit HEDIS or CAHPS data to NCQA</b>	X
<b>State Requires MCO Accreditation</b>	X
<b>External Quality Review Organization</b>	Health Services Advisory Group
<b>State Publicly Releases Quality Reports</b>	Yes

Sources: Centers for Medicare and Medicaid Services (CMS), National Summary of State Medicaid Managed Care Programs as of July 1, 2011.

Kaiser Commission on Medicaid and the Uninsured. Profile of Medicaid Managed Care Programs in 2010. September 2011.

National Committee on Quality Assurance. NCQA Medicaid Managed Care Toolkit 2012 Health Plan Accreditation Standards. State Use of Accreditation as of February 2012.

Notes: Managed Care Organization (MCO); Prepaid Inpatient Health Plans (PIHP); Prepaid Ambulatory Health Plan (PAHP); Mental Health/Substance Use Disorder (MH/SUD); Healthcare Effectiveness Data and Information Set (HEDIS); Consumer Assessment of Healthcare Providers and Systems (CAHPS).

Primary Care and Outpatient Services include physician services, hospice, laboratory, imaging, FQHC, and other specialty services delivered in outpatient offices and clinics. Institutional Long Term Care (LTC) includes Skilled Nursing Facilities (SNF) and/or Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IDD).

External Quality Review Organization activities are only required for MCOs, PIHPs, PAHPs, and other applicable entities with comprehensive risk contracts.

\* The June 2011 National Summary of State Medicaid Managed Care Programs reports all benefits packages made available through the QUEST Expanded Medicaid Section 1115 demonstration waiver (i.e., QUEST, QUEST-Net, QUEST-ACE, QExA, and Hospital Uncompensated Cost of Care), as part of the single QUEST Expanded program. According to the waiver, the state provides two benefit package configurations: (1) QUEST Expanded, which delivers all Medicaid State Plan services through mandatory managed care, and (2) QExA, which covers all Medicaid State Plan services except ICF/MR as well as home and community based services. See <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/hi/hi-quest-expanded-fs.pdf>.