

Hawaii

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1. MANAGED CARE OPPORTUNITY ASSESSMENT (UPDATED 9-05-23)

Hawaii awarded its QUEST Integration (QI) Medicaid managed care contracts in March 2021 to AlohaCare, Centene/WellCare, Hawaii Medical Service Association (HMSA), Kaiser Foundation Health Plan, and UnitedHealthcare. Plans were awarded statewide contracts, except for Kaiser which won a contract for Oahu and Maui only. All winners are incumbents and will continue to serve 378,000 Medicaid and Children’s Health Insurance Program (CHIP) members with integrated medical, behavioral and long-term care coverage. Implementation began July 1, 2021, with contracts running to December 31, 2026, with three additional optional years. The total contract worth, including optional years, is \$17 billion.

In February 2021, the Hawaii Department of Human Services awarded a contract to manage the state’s Community Care Services (CCS) program to incumbent Centene/WellCare. The contract, which covers behavioral health services to more than 4,500 Medicaid-eligible adults with serious mental illness or serious and persistent mental illness, runs from July 1, 2021, through June 30, 2024, with two optional one-year extensions. Centene/WellCare/Ohana has held the contract since 2013.

AlohaCare and Ohana Health Plan have been offering basic dental coverage to about 364,000 adult Medicaid beneficiaries since 2018.

HMA Managed Medicaid Opportunity Assessment for Hawaii	
Positive Metrics	Strong Indicators
<ul style="list-style-type: none"> Hawaii Medicaid plans had an average MLR of 89.6% in 2022. 	<ul style="list-style-type: none"> In March 2021, Hawaii announced awards for its QUEST Integration Medicaid managed care program. Hawaii awarded its Community Care Services contract to Centene/WellCare in February 2021. Hawaii is an expansion state.
Negative Metrics	Weak Indicators
<ul style="list-style-type: none"> PMPM premiums in Hawaii were \$471 in 2022. 	<ul style="list-style-type: none"> Hawaii rescinded newly awarded QUEST Integration Medicaid Managed Care. Existing contracts with AlohaCare, Hawaii Medical Service Association (HMSA), Kaiser, United, and Centene/WellCare/Ohana were extended.
Source: HMA	

2. MANAGED MEDICAID PLAN FINANCIALS

Average medical loss ratio among Hawaii Medicaid plans was 89.6% in 2022. Per member per month premiums among the plans in Hawaii averaged \$471.28 in 2022.

Hawaii Health Plan Financials, ⁽¹⁾ 2022							
Plan	Publicly Traded	Enrollment	Member Months	PMPM	Premiums Earned (000)	Medical Costs (000)	MLR ⁽²⁾
AlohaCare	N	83,911	984,601	\$425.98	\$419,419	\$369,327	86.0%
Hawaii Medical Service Assn.	N	224,151	2,624,470	\$429.41	\$1,126,973	\$1,034,253	92.3%
Kaiser Foundation Health Plan Inc.	N	48,159	560,738	\$393.16	\$220,462	\$210,993	95.1%
Centene/WellCare	Y	45,873	540,371	\$838.22	\$452,950	\$377,423	83.3% ⁽³⁾
Total, 4 HI plans		402,094	4,710,180	\$471.28	\$2,219,805	\$1,991,995	89.6%

(1) Data for UnitedHealth not available; (2) After reinsurance recoveries; (3) Before insurance recoveries

Source: S&P Global Market Intelligence, NAIC, HMA

Hawaii Health Plan Financials, ⁽¹⁾ 2021							
Plan	Publicly Traded	Enrollment	Member Months	PMPM	Premiums Earned (000)	Medical Costs (000)	MLR ⁽²⁾
AlohaCare	N	80,931	922,735	\$438.88	\$404,973	\$353,310	88.1%
Hawaii Medical Service Assn.	N	209,453	2,420,888	\$429.45	\$1,039,661	\$934,670	88.7%
Kaiser Foundation Health Plan Inc.	N	44,083	506,851	\$354.85	\$179,854	\$203,904	112.8%
Centene/WellCare	Y	44,905	522,534	\$864.39	\$451,671	\$350,274	77.6% ⁽³⁾
Total, 4 HI plans		379,372	4,373,008	\$474.77	\$2,076,158	\$1,842,158	88.3%

(1) Data for UnitedHealth not available; (2) After reinsurance recoveries; (3) Before insurance recoveries

Source: S&P Global Market Intelligence, NAIC, HMA

3. RFP DEVELOPMENTS AND ANALYSIS^(UPDATED 9-05-23)

Hawaii awarded its QUEST Integration (QI) Medicaid managed care contracts in March 2021 to AlohaCare, Centene/WellCare, Hawaii Medical Service Association (HMSA), Kaiser Foundation Health Plan, and UnitedHealthcare. Plans were awarded statewide contracts, except for Kaiser which was awarded a contract for Oahu and Maui only. All winners are incumbents and will continue to serve 378,000 Medicaid and Children’s Health Insurance Program (CHIP) members with integrated medical, behavioral and long-term care coverage. Implementation began July 1, 2021, with contracts running to December 31, 2026, with three additional optional years. The total contract worth, including optional years, is \$17 billion. The state had previously awarded contracts to AlohaCare, Centene/WellCare, HMSA, and UnitedHealthcare on January 22, 2020; however, those contracts were rescinded because of the COVID-19 pandemic.

Hawaii Medicaid RFP Calendar		
<u>Contract</u>	<u>Key Dates</u>	<u># of Beneficiaries</u>
Community Care Services (CCS)	RFP Release: November 6, 2020 Proposals Due: January 8, 2021 Awards: February 8, 2021 Implementation: July 1, 2021	4,500
QUEST Integration RFP	RFP Release: December 8, 2020 Proposals Due: February 15, 2021 Awards: March 18, 2021 Implementation: July 1, 2021 to December 31, 2026, with three additional optional years	300,00+

Source: HI Dept. of Human Services, HMA

In February 2021, the Hawaii Department of Human Services awarded a contract to manage the state’s Community Care Services (CCS) program to incumbent Centene/WellCare. The contract, which covers behavioral health services to more than 4,500 Medicaid-eligible adults with serious mental illness or serious and persistent mental illness, runs from July 1, 2021, through June 30, 2024, with two optional one-year extensions. Centene/WellCare/Ohana has held the contract since 2013. QUEST Integration was first implemented in 2015 when the state merged its QUEST (traditional Medicaid) and QUEST Expanded Access (ABD/LTSS) programs into a single statewide, mandatory Medicaid managed care program.

4. MANAGED CARE ENROLLMENT UPDATE

Managed Medicaid enrollment in Hawaii was up 2.8% in June 2022 compared to year-end 2021, after increasing 12.5% in 2021 and 17.2% in 2020; decreasing 1.7% in 2019 and 4.0% in 2018; and increasing 1.1% in 2017 and 3.8% in 2016.

HI Medicaid Managed Care Enrollment by Plan, 2016-22 ¹							
QUEST Plans	2016	2017	2018	2019	2020 ²	2021	Jun-22
AlohaCare	71,100	70,983	65,255	64,110	72,886	82,431	83,929
Non-ABD	66,753	65,545	59,340	57,312	NA	NA	NA
ABD	4,347	5,438	5,915	6,798	NA	NA	NA
<i>+/- between reporting periods</i>	1,621	(117)	(5,728)	(1,145)	8,776	9,545	1,498
<i>% chg. between reporting periods</i>	2.3%	-0.2%	-8.1%	-1.8%	13.7%	13.1%	1.8%
<i>% of total</i>	19.9%	19.7%	18.9%	18.9%	18.3%	18.4%	18.2%
HMSA	162,821	167,572	161,503	157,057	186,804	212,718	221,995
Non-ABD	156,248	159,338	152,129	146,649	NA	NA	NA
ABD	6,573	8,234	9,374	10,408	NA	NA	NA
<i>+/- between reporting periods</i>	5,945	4,751	(6,069)	(4,446)	29,747	25,914	9,277
<i>% chg. between reporting periods</i>	3.8%	2.9%	-3.6%	-2.8%	18.9%	13.9%	4.4%
<i>% of total</i>	45.7%	46.5%	46.7%	46.2%	46.9%	47.4%	48.2%
Kaiser	31,404	30,486	29,253	29,989	41,624	49,094	51,219
Non-ABD	29,966	28,889	27,404	27,938	NA	NA	NA
ABD	1,438	1,597	1,849	2,051	NA	NA	NA
<i>+/- between reporting periods</i>	1,266	(918)	(1,233)	736	11,635	7,470	2,125
<i>% chg. between reporting periods</i>	4.2%	-2.9%	-4.0%	2.5%	38.8%	17.9%	4.3%
<i>% of total</i>	8.8%	8.5%	8.5%	8.8%	10.4%	11.0%	11.1%
Centene/Ohana/WellCare³	45,583	42,558	40,131	37,094	39,276	41,885	41,259
Non-ABD	24,680	23,795	23,153	21,571	NA	NA	NA
ABD	20,903	18,763	16,978	15,523	NA	NA	NA
<i>+/- between reporting periods</i>	1,407	(3,025)	(2,427)	(3,037)	2,182	2,609	(626)
<i>% chg. between reporting periods</i>	3.2%	-6.6%	-5.7%	-7.6%	5.9%	6.6%	-1.5%
<i>% of total</i>	12.8%	11.8%	11.6%	10.9%	9.9%	9.3%	9.0%
UnitedHealthcare	45,537	48,688	49,837	51,721	57,860	62,198	62,340
Non-ABD	24,498	27,787	29,178	31,092	NA	NA	NA
ABD	21,039	20,901	20,659	20,629	NA	NA	NA
<i>+/- between reporting periods</i>	2,921	3,151	1,149	1,884	6,139	4,338	142
<i>% chg. between reporting periods</i>	6.9%	6.9%	2.4%	3.8%	11.9%	7.5%	0.2%
<i>% of total</i>	12.8%	13.5%	14.4%	15.2%	14.5%	13.9%	13.5%
FFS Window	0	0	0	0	0	0	0
<i>+/- between reporting periods</i>	0	0	0	0	0	0	0
<i>% chg. between reporting periods</i>							
<i>% of total</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Hawaii	356,445	360,287	345,979	339,971	398,450	448,326	460,742
Non-ABD	302,145	305,354	291,204	284,562	NA	NA	NA
ABD	54,300	54,933	54,775	55,409	NA	NA	NA
<i>+/- between reporting periods</i>	13,160	3,842	(14,308)	(6,008)	58,479	49,876	12,416
<i>% chg. between reporting periods</i>	3.8%	1.1%	-4.0%	-1.7%	17.2%	12.5%	2.8%

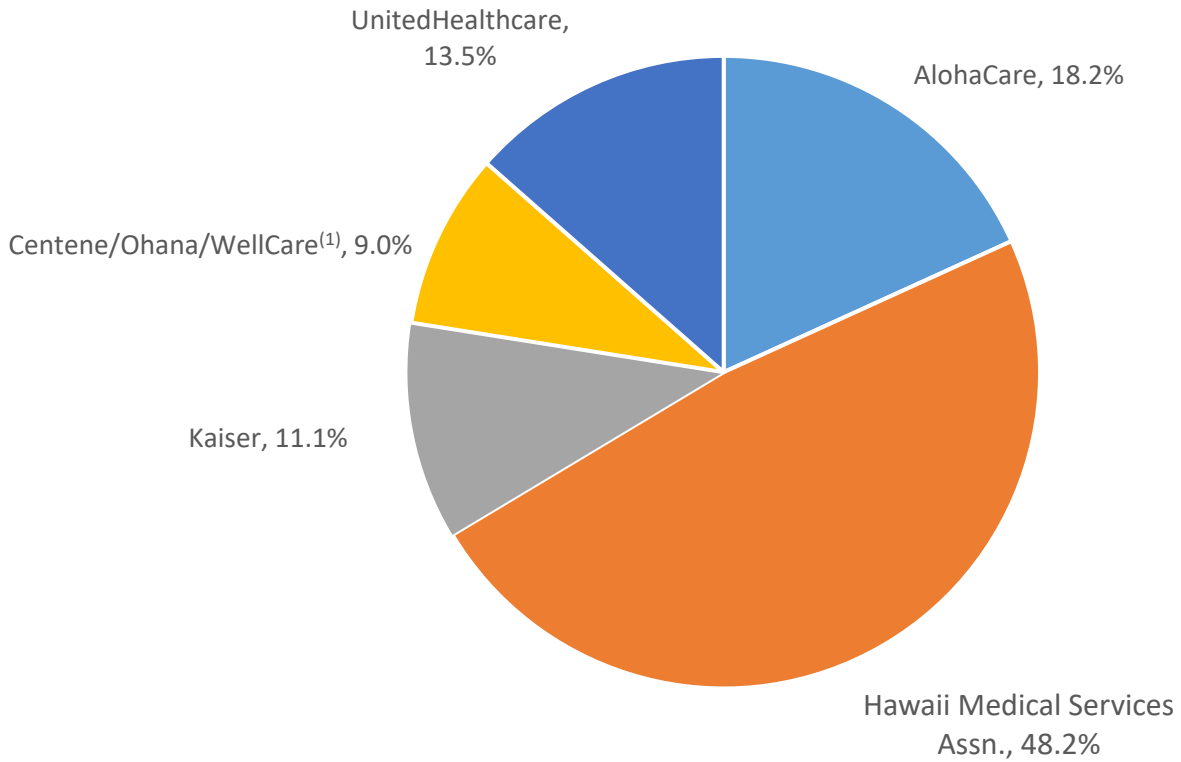
(1) Totals prior to 2015 include Quest and QEXA enrollment. The QEXA program ended December 31, 2014.

(2) Hawaii no longer breaks down enrollment by ABD/Non-ABD.

(3) Centene acquired WellCare in January 2020.

Source: HI Dept. of Human Services, HMA

Hawaii Medicaid Managed Care Enrollment by Plan, June 2022



(1) Centene acquired WellCare in January 2020

Source: HI Dept. of Human Services, HMA

5. MEDICAID FEE FOR SERVICE VS. MANAGED CARE PENETRATION

Total Medicaid enrollment in Hawaii was 459,261 in 2022. Total Medicaid expenditures were \$2.9 billion in 2022, with about 93.8% through managed care and the rest through fee-for-service. Note: Medicaid managed care penetration may be greater than 100% due to differences in timeframes from multiple sources or other factors.

Hawaii Expenditures and Enrollment for Total Medicaid vs. Medicaid Managed Care, 2014-22						
Year	Total Medicaid Expenditures	Medicaid Managed Care Expenditures ⁽¹⁾	Medicaid Managed Care Expenditures as % of Total	Total Medicaid/CHIP Enrollment	Medicaid MCO Enrollment	Medicaid MCO Enrollment as % of Total ⁽²⁾
2022 ⁽³⁾	\$2,990,024,469	\$2,806,014,734	93.8%	459,261	460,742	100.3%
2021	\$2,787,226,892	\$2,630,910,384	94.4%	425,000	448,326	105.5%
2020	\$2,330,861,339	\$2,218,712,352	95.2%	385,887	398,450	103.3%
2019 ⁽³⁾	\$2,178,370,796	\$2,062,666,447	94.7%	326,149	335,124	102.8%
2018	\$2,213,115,909	\$2,094,915,303	94.7%	330,845	348,607	105.4%
2017	\$2,338,436,723	\$2,213,576,267	94.7%	346,587	360,354	104.0%
2016	\$2,156,012,061	\$1,938,658,711	89.9%	343,278	356,445	103.8%
2015	\$1,957,983,075	\$1,731,189,210	88.4%	333,629	343,285	102.9%
2014	\$1,949,895,249	\$1,682,914,557	86.3%	314,503	328,373	104.4%

(1) Includes evaluation and management, vaccine codes, Community First Choice, and preventive services Grade A or B, ACIP vaccines and their administration, Prepaid Ambulatory Health Plans, and Prepaid Inpatient Health Plans.

(2) Medicaid MCO Enrollment as % of total may be skewed due to differences in enrollment sources.

(3) MCO Enrollment as of June 2022.

Sources: CMS64 for expenditures. CMS for total Medicaid/CHIP enrollment. States, NAIC for Medicaid managed care enrollment.

7. SNPs AND DUAL ELIGIBLES

Hawaii had 29,520 Special Needs Plans lives as of March 2023.

Hawaii SNP Enrollment by Plan, March 2023					
Plan	Total SNPs	DSNPs	CSNPs	ISNPs	Share
UnitedHealthcare	23,729	23,729	0	0	70.7%
Centene	4,072	4,072	0	0	12.1%
AlohaCare	2,341	2,341	0	0	7.0%
Hawaii Medical Service Assoc.	2,034	2,034	0	0	6.1%
Kaiser	1,365	1,365	0	0	4.1%
Total	33,541	33,541	0	0	100%

Source: CMS, HMA