

# Hawaii

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## 1. MANAGED CARE OPPORTUNITY ASSESSMENT (UPDATED 11-22-24)

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	
Weak Indicators	Strong Indicators
<ul style="list-style-type: none"><li>• Hawaii previously rescinded awarded QUEST Integration Medicaid Managed Care contracts.</li></ul>	<ul style="list-style-type: none"><li>• Hawaii will provide continuous Medicaid eligibility for children up to six years old.</li></ul>
Source: HMA	

### Hot Topics:

Hawaii received federal approval for section 1115 demonstration amendments to provide multi-year continuous eligibility for children beyond the minimum 12 months required by law. The amendments will allow continuous eligibility for children up to six years of age.

Hawaii has applied for a five-year extension of its Section 1115 Hawaii QUEST Integration waiver through July 31, 2029. The proposal includes pre-release services for justice-involved individuals, nutrition supports, contingency management, rental assistance expansion, and medical respite to the state’s Community Integration Services program.

## Hawaii Medicaid Managed Care Programs

Program	Population	Carved In (Y/N)				
		Behavioral	LTSS	SUD	Dental	Pharmacy
Hawaii QUEST Integration	Medicaid and Children's Health Insurance Program (CHIP)	Y	Y	Y	Y	Y

## 2. MANAGED MEDICAID PLAN FINANCIALS

Average medical loss ratio among Hawaii Medicaid plans was 89.9% in 2023. Per member per month premiums among the plans in Hawaii averaged \$448.12 in 2023.

Hawaii Health Plan Financials, 2023								
Plan	Publicly Traded	Enrollment	Member Months	PMPM	Premiums Earned (000)	Medical Costs (000)	Cost After Reinsurance	MLR <sup>(1)</sup>
AlohaCare	N	83,906	1,004,712	\$404.45	\$406,352	\$365,244	\$361,360	88.9%
Hawaii Medical Service Assn.	N	234,849	2,744,541	\$413.79	\$1,135,657	\$1,047,390	\$1,047,466	92.2%
Kaiser Foundation Health Plan Inc.	N	51,713	599,872	\$410.88	\$246,474	\$222,698	\$222,698	90.4%
Centene/WellCare	Y	45,161	536,070	\$747.46	\$400,692	\$336,576	N/A	84.0% <sup>(2)</sup>
<b>Total, 4 HI plans</b>		<b>415,629</b>	<b>4,885,195</b>	<b>\$448.12</b>	<b>\$2,189,175</b>	<b>\$1,971,908</b>	<b>\$1,631,524</b>	<b>89.9%</b>

(1) After reinsurance recoveries. (2) MLR not calculated using medical expenses after reinsurance. Source: S&P Global Market Intelligence, NAIC, HMA

(3) Reinsurance data not available for Centene

Hawaii Health Plan Financials, <sup>(1)</sup> 2022								
Plan	Publicly Traded	Enrollment	Member Months	PMPM	Premiums Earned (000)	Medical Costs (000)	MLR <sup>(2)</sup>	
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% <sup>(3)</sup>	
<b>Total, 4 HI plans</b>		<b>402,094</b>	<b>4,710,180</b>	<b>\$471.28</b>	<b>\$2,219,805</b>	<b>\$1,991,995</b>	<b>89.6%</b>	

(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 11-22-24)

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 Awards: February 8, 2021 Implementation: July 1, 2021	4,500
QUEST Integration RFP	RFP Release: December 8, 2020 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 <sup>1</sup>							
QUEST Plans	2016	2017	2018	2019	2020 <sup>2</sup>	2021	Jun-22
<b>AlohaCare</b>	<b>71,100</b>	<b>70,983</b>	<b>65,255</b>	<b>64,110</b>	<b>72,886</b>	<b>82,431</b>	<b>83,929</b>
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
+/- between reporting periods	1,621	(117)	(5,728)	(1,145)	8,776	9,545	1,498
% chg. between reporting periods	2.3%	-0.2%	-8.1%	-1.8%	13.7%	13.1%	1.8%
% of total	19.9%	19.7%	18.9%	18.9%	18.3%	18.4%	18.2%
<b>HMSA</b>	<b>162,821</b>	<b>167,572</b>	<b>161,503</b>	<b>157,057</b>	<b>186,804</b>	<b>212,718</b>	<b>221,995</b>
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
+/- between reporting periods	5,945	4,751	(6,069)	(4,446)	29,747	25,914	9,277
% chg. between reporting periods	3.8%	2.9%	-3.6%	-2.8%	18.9%	13.9%	4.4%
% of total	45.7%	46.5%	46.7%	46.2%	46.9%	47.4%	48.2%
<b>Kaiser</b>	<b>31,404</b>	<b>30,486</b>	<b>29,253</b>	<b>29,989</b>	<b>41,624</b>	<b>49,094</b>	<b>51,219</b>
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
+/- between reporting periods	1,266	(918)	(1,233)	736	11,635	7,470	2,125
% chg. between reporting periods	4.2%	-2.9%	-4.0%	2.5%	38.8%	17.9%	4.3%
% of total	8.8%	8.5%	8.5%	8.8%	10.4%	11.0%	11.1%
<b>Centene/Ohana/WellCare<sup>3</sup></b>	<b>45,583</b>	<b>42,558</b>	<b>40,131</b>	<b>37,094</b>	<b>39,276</b>	<b>41,885</b>	<b>41,259</b>
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
+/- between reporting periods	1,407	(3,025)	(2,427)	(3,037)	2,182	2,609	(626)
% chg. between reporting periods	3.2%	-6.6%	-5.7%	-7.6%	5.9%	6.6%	-1.5%
% of total	12.8%	11.8%	11.6%	10.9%	9.9%	9.3%	9.0%
<b>UnitedHealthcare</b>	<b>45,537</b>	<b>48,688</b>	<b>49,837</b>	<b>51,721</b>	<b>57,860</b>	<b>62,198</b>	<b>62,340</b>
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
+/- between reporting periods	2,921	3,151	1,149	1,884	6,139	4,338	142
% chg. between reporting periods	6.9%	6.9%	2.4%	3.8%	11.9%	7.5%	0.2%
% of total	12.8%	13.5%	14.4%	15.2%	14.5%	13.9%	13.5%
<b>FFS Window</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
+/- between reporting periods	0	0	0	0	0	0	0
% chg. between reporting periods							
% of total	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total Hawaii</b>	<b>356,445</b>	<b>360,287</b>	<b>345,979</b>	<b>339,971</b>	<b>398,450</b>	<b>448,326</b>	<b>460,742</b>
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
+/- between reporting periods	13,160	3,842	(14,308)	(6,008)	58,479	49,876	12,416
% chg. between reporting periods	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

## 5. MEDICAID FEE FOR SERVICE VS. MANAGED CARE PENETRATION

Total Medicaid expenditures were nearly \$3 billion in 2023, with about 83.2% 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, 2014-23						
Year	Total Medicaid Expenditures	Medicaid Managed Care Expenditures <sup>(1)</sup>	Medicaid Managed Care Expenditures as % of Total	Total Medicaid/CHIP Enrollment	Medicaid MCO Enrollment	Medicaid MCO Enrollment as % of Total <sup>(2)</sup>
2023 <sup>(4)</sup>	\$2,998,266,333	\$2,494,248,292	83.2%	469,301	460,742	98.2%
2022 <sup>(3)</sup>	\$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	\$2,178,370,796	\$2,062,666,447	94.7%	326,149	339,971	104.2%
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.

(4) MCO Enrollment as of June 2022.

## 7. SNPs AND DUAL ELIGIBLES

Hawaii had 36,029 Special Needs Plans lives as of March 2024.

Hawaii currently offers Highly Integrated Dual Eligible Special Needs Plans (HIDE-SNPs) and Fully Integrated Dual Eligible Special Needs Plans (FIDE-SNPs). On January 1, 2024, the state launched Hawai'i's first FIDE-SNP.

Hawaii SNP Enrollment by Plan, March 2024					
Plan	Total SNPs	DSNPs	CSNPs	ISNPs	Share
UnitedHealthcare	26,181	26,181	0	0	72.7%
Centene	3,609	3,609	0	0	10.0%
Hawaii Medical Service Assoc.	2,372	2,372	0	0	6.6%
AlohaCare	2,286	2,286	0	0	6.3%
Kaiser	1,581	1,581	0	0	4.4%
<b>Total</b>	<b>36,029</b>	<b>36,029</b>	<b>0</b>	<b>0</b>	<b>100%</b>

Source: CMS, HMA