



MISC. COMM. NO. 3

December 31, 2019

The Honorable Ronald D. Kouchi
Senate President
State of Hawaii
State Capitol, Room 409
Honolulu, HI 96813

Re: HMSA QUEST Integration
2019 Medicaid Contracting Report

Dear President Kouchi:

Pursuant to Act 12 of the 2009 First Special Session, enclosed is the HMSA QUEST Integration 2019 Medicaid Contracting Report.

If you have any questions or need additional information, please feel free to contact me at 808-952-7941 or patricia_bazin@hmsa.com.

Sincerely,

Patricia M. Bazin
Vice President
Medicaid Programs

Enclosures

Health Plan <i>Financial Expenditures for SFY19</i>	
1) An accounting of expenditures of Med-QUEST contract payments for the contracted services, including the percentage of payments:	
Dollars Received - in dollars	\$711,228,901
Note: this information is not a required field in the legislation	
(A) For medical services - in dollars	\$699,244,806 92.57%
(B) For administrative costs - in dollars	\$56,127,635 7.43%
Insurance Premium Tax - in dollars	0.00%
(C) Held in reserve - in dollars	0.00%
(D) Paid to shareholder - in dollars	0.00%
Total of expenditures	\$755,372,441 100%
Total Gain/Loss Note: this information is not a required field in the legislation	(\$44,143,540)

Medicaid Contract Reporting- HRS 103F-107
Attachment 2- Employment Information

Health Plan	
Employment Information for CY19	
2) Employment information	
(A) Total number of full-time employees hired for the contracted services	394.8
(B) Total number of employees located in the State and the category of work performed. List categories and identify the number of employees per category during CY19	
Category of Work Performed	Number of employees per category
Administration - General	44.5
Administration - QUEST	11.0
Audit and Compliance	4.5
Claims Processing	83.3
Finance	26.9
Information Systems	43.2
Legal Services	2.2
Marketing	14.7
Medical Management	114.6
Member Servicing	3.0
Provider Servicing	33.4
Quality Improvement	13.5

Medicaid Contract Reporting- HRS 103F-107
Attachment 2- Employment Information

(C) Compensation provided to each of the five highest paid Hawaii employees during 2019

#1	
Name and Title	Stollar, Michael / President, Chief Executive Officer
Description of position	
Compensation	1,694,054
Annual Salary	824,699
Additional Compensation	869,355
#2	
Name and Title	Mugiishi, Mark / Interim President, Chief Executive Officer and Chief Health Officer
Description of position	
Compensation	983,038
Annual Salary	446,500
Additional Compensation	536,538
#3	
Name and Title	Herndon, David / Executive Vice President and Chief Business Operations Officer
Description of position	
Compensation	724,592
Annual Salary	342,200
Additional Compensation	382,392
#4	
Name and Title	Marting, Gina / Senior Vice President, Chief Financial Officer
Description of position	
Compensation	703,517
Annual Salary	389,993
Additional Compensation	313,525
#5	
Name and Title	Miyasato, Gwen / Retired, Executive Vice President and Asst. Secretary
Description of position	
Compensation	694,314
Annual Salary	125,069
Additional Compensation	569,245

(D) Compensation provided to each of the five highest paid nationwide employees during Cyxx or SFYxx.

#1	
Name and Title	Stollar, Michael / President, Chief Executive Officer
Description of position	
Compensation	1,694,054
Annual Salary	824,699
Additional Compensation	869,355
#2	
Name and Title	Mugiishi, Mark / Interim President, Chief Executive Officer and Chief Health Officer
Description of position	
Compensation	983,038
Annual Salary	446,500
Additional Compensation	536,538
#3	
Name and Title	Herndon, David / Executive Vice President and Chief Business Operations Officer
Description of position	
Compensation	724,592
Annual Salary	342,200
Additional Compensation	382,392
#4	
Name and Title	Marting, Gina / Senior Vice President, Chief Financial Officer
Description of position	
Compensation	703,517
Annual Salary	389,993
Additional Compensation	313,525
#5	
Name and Title	Miyasato, Gwen / Retired, Executive Vice President and Asst. Secretary
Description of position	
Compensation	694,314
Annual Salary	125,069
Additional Compensation	569,245

Additional Compensation includes bonus, stock awards, option/SAR awards, and any other additional compensation to include additional benefits beyond that provided to all FT employees (i.e., additional health benefits, automobiles, etc.).

Medicaid Contracting Report- HRS 103F-107
Attachment 3- State and Federal Sanctions

On-going state or federal sanction proceedings, prohibitions, restrictions, on-going civil or criminal investigations; past sanctions or resolved criminal cases within the past five years related to the provision of Medicare or Medicaid services

HMSA has filed an arbitration award in the First Circuit Court of Hawaii for confirmation to be entered as judgment, related to an action to recover overpayments to a physician related to urine drug tests.

Resolved civil cases within the past five years related to the provision of Medicare or Medicaid services

In last year's report, HMSA indicated that we had a dialogue with the Medicaid Fraud Control Unit (MFCU) within the Department of the Attorney General regarding the coding of the supportive care benefit. The matter has since been resolved with MFCU.

Medicaid Contract Reporting- HRS 103F-107
Attachment 4- Contributions to the Community

(4) Descriptions of contributions to the community, including the percentage of revenue devoted to Hawaii community development projects and health enhancements (provided that contracted services shall not be included in the percentage calculations). List community activities provided during SFY19. For each activity provide a description with total dollars and a percentage of revenue.

Health Plan	
Contributions to the Community as of CY19	
Advertising	\$297,375
Support via TV, radio, print, and digital advertising for community health issues such as healthy eating, well-being, and disease prevention. Also supports nonprofit community organizations such as Aloha United Way, Hawaii Food Bank, American Heart Association, and various others.	0.04%
Community Events	\$180,246
Community events in support of various community health issues and nonprofit community organizations	0.03%
Corporate Giving	\$672,940
Financial support for nonprofit organizations focused on improving the health of our community	0.09%
CHI Initiatives	\$1,231,064 *
Support for flu shots for students in school; for University Clinical Education & Research Associates for the Family Medicine Primary Care Consotrium; for Hawaii Residency Programs Inc for grants to support educational endeavors related to research, scholarly presentation, and simulation training; and for Biki Hawaii support	0.17%
HMSA Foundation	\$1,561,399
The HMSA Foundation aims to foster greater empowerment for communities by making strategic grants to Hawaii-based organizations. The Foundation committed \$1,561,399 between July 1, 2018 to June 30, 2019 to support endeavors that strive to ensure everyone has the opportunity to live a healthy life; initiatives that seek to strengthen our culture, policies, and practices for a healthier Hawaii; and projects that contribute to building ecosystems of health within our communities.	0.22%
Government Reimbursement Shortfall Covered by Commercial Plans (all health plan related lines of business)	223,000,000 - 306,000,000
The estimated costs that providers did not recover through reimbursement by the Medicare and Medicaid plans administered by HMSA was between \$223 million and \$306 million. These costs were recovered through HMSA's commercial plan reimbursements.	6.28% to 7.64%

Medicaid Contract Reporting- HRS 103F-107
Attachment 5- Management and Administrative Contracts

(5) A list of any management and administrative service contracts for Med-QUEST services made in Hawaii and outside of the state, including a description of the purpose and cost of those contracts.

Instructions:

Include any management or administrative contract to include but not limited to pharmacy benefit management, transportation, case management, behavioral health, auditing, mailing of benefit packets, after-hour call numbers, hearing or vision.

Health Plan <i>Management and Administrative Contracts as of SFY19</i>	
Management or Administrative Contract	Dollar value associated with contract for SFY19
American Well Platform for HMSA Online Care	\$484,305
Beacon Health Options, Inc Behavioral Health, Service Coordination, and Utilization Management	\$5,071,521
eviCore Healthcare (eviCore) Occupational Therapy, and Chiropractic	\$426,403
Carenet Health (Carenet) 24-hour nurse call line	\$677,655
CVS Caremark Pharmacy Benefits Management (PBM)	\$231,486
NIA Magellan Health, Inc. (NIA) Utilization Management services (prior authorizations) for Pain Management,	\$321,735
Navvis Coreo platform development and administration	\$2,780,102