



DEPT. COMM. NO. 326

The Honorable Nadine K. Nakamura
Speaker of the House of Representatives
Hawaii State Capitol
415 South Beretania St, Room 431
Honolulu, HI 96813

December 31, 2024

Re: HMSA QUEST Integration
2024 Medicaid Contracting Report

Dear Speaker Nakamura:

Pursuant to Act 12 of the 2009 First Special Section, enclosed is the HMSA QUEST Integration 2024 Medicaid Contracting Report.

If you have any questions or need additional information, please feel free to contact me at 808-948-5141 or jen_awkuni@hmsa.com.

Sincerely,

Jennifer Awakuni
Assistant Vice President
Medicaid Programs

Enclosures



The Honorable Ronald D. Kouchi
Senate President
Hawaii State Capitol
415 South Beretania St, Room 409
Honolulu, HI 96813

December 31, 2024

Re: HMSA QUEST Integration
2024 Medicaid Contracting Report

Dear President Kouchi:

Pursuant to Act 12 of the 2009 First Special Section, enclosed is the HMSA QUEST Integration 2024 Medicaid Contracting Report.

If you have any questions or need additional information, please feel free to contact me at 808-948-5141 or jen_awaakuni@hmsa.com.

Sincerely,

Jennifer Awakuni
Assistant Vice President
Medicaid Programs

Enclosures

Financial Expenditures	
Health Plan	
The Health Plan shall enter the reporting period in cell B3 as the State Fiscal Year (SFYxx).	SFY24
1) Provide an accounting (in dollars) of expenditures of Med-QUEST contract payments for the contracted services, including the percentage of payments:	
A) Total payments received for contracted services (Total Award)	1,175,601,769
Below, provide expenditures and other use of Total Award	
B) For Medical Services	1,090,648,696.82
C) % Medical Services of Total Award	92.77%
D) For Administrative Costs	105,963,285.40
E) % Administrative Costs of Total Award	9.01%
F) For Insurance Premium Tax	0.00
G) % Insurance Premium Tax of Total Award	0.00%
H) Held In Reserve	0.00
I) % Held In Reserve of Total Award	0.00%
J) Paid to Shareholders	0.00
K) % Paid to Shareholders of Total Award	0.00%
L) Contributions to Hawaii's Community Development Projects and Health Enhancements (Do not include contributions for communities outside Hawaii. Do not include contracted services.)	0.00
M) % Hawaii Community Contributions of Total Award	0.00%
N) For Other Expenses	0.00
O) % Other Expenses of Total Award	0.00%
P) Total of Expenditures	1,196,611,982.22
Q) % Total of Expenditures of Total Award	101.79%
R) Total Gain/Loss	(21,010,212.85)

Health Plan Notes

Employment Information

Health Plan		
The Health Plan shall enter the reporting period in cell B3 as the State Fiscal Year (SFYxx).	SFY24	
2) Provide employment information including:		Total
A) Total number of full-time equivalents hired for the contracted services (include both in-State and out-of-State employees, full-time and part-time). Health plan to determine full-time equivalency hours based on its business policy.		237.5
	Category/Title	Number of Employees (head count) located in Hawaii as of SFY end
B) Total number of employees (head count) located in Hawaii and the category of work performed at SFY end (include only in-State employees, both full-time and part-time)		
	Administrator/CEO/Executive Director	1
	Behavioral Health Coordinator	1
	Business Continuity Planning, Disaster Preparedness, and Recovery Manager/Coordinator	1
	CIS Coordinator	2
	Claims Administrator/Manager	1
	Claims Processing Staff	13
	Compliance Officer	1
	Data Analytics Officer	0.5
	EPSDT Coordinator	1
	Financial Officer/CFO	0.5
	Health Coordination Director	1
	Health Coordination Managers	7
	Health Coordination Team	66
	IT Director or Chief Information Officer	0.5
	IT Hawaii Manager	0
	IT Staff	42
	LTSS Coordinator	1
	Medical Director	1
	Member Grievance Coordinator	0.5
	Member Services Director	1
	Member Services Staff (include Call Center Staff)	44
	Pharmacy Coordinator/Director/Manager	1
	PA/Utilization Management/Medical Management Director	1

	PA/Utilization Management/Medical Management/Concurrent Review Staff	27
	Provider Grievance Coordinator	0.5
	Provider Services/Contract and Credentialing Manager	1
	Provider Services/Contract and Credentialing Staff	20
	Quality Management Coordinator	1
Total		237.5

Health Plan Notes

C) Compensation provided to each of the five highest paid Hawaii employees during the reporting period

To the right, enter the reporting period as the State Fiscal Year (SFYxx).	SFY24
#1	
Name	Mugiishi, Mark
Title	President and Chief Executive Officer
Description of position	<p>Reports to the Board of Directors</p> <p>Provides the strategic leadership in development and implementation of concepts, plans, operating policies, and management direction to assure financial stability, achieve growth, and obtain the organization's public service objectives.</p> <p>Charts new fields of enterprise to generate additional growth and financial resources.</p> <p>Operates the organization subject to regulatory control and must effectively deal with state legislature and other regulators and assure that communication channels between appropriate parties are open.</p> <p>Responsible for enhancing the organization's image to all its publics</p>
Total Compensation	3,515,705
Annual Salary	1,182,154
Additional Compensation	2,333,551
#2	

Name	Nakagawa, Janna	
Title	Executive Vice President, Chief Administrative and Strategy Officer	
Description of position	<p>Reports to President & CEO</p> <p>Responsible for all aspects Corporate Services including Human Resources and Corporate Strategy. This role also has responsibility for Board affairs and administration, and relationships with the Blue Cross Blue Shield Association, succession, and executive development at all levels.</p> <p>Also has oversight over the Governance areas, including Legal, Compliance & Ethics, Information Privacy & Protection, Corporate Analytics, and Internal Audit (administrative oversight only), as well as I Communications (administrative) , Government policy and advocacy, Market and Product Development, Commercial Program Office and FEP/BlueCard. In January 2024, the Medicare and Medicaid Program Offices also moved under this area.</p>	
Total Compensation	1,346,556	
	Annual Salary	540,804
	Additional Compensation	805,752
#3		
Name	Marting, Gina	
Title	Executive Vice President, Chief Financial Officer	
Description of position	<p>Reports to President & CEO.</p> <p>Responsible for the financial functions of the company including accounting, treasury, actuarial services and underwriting, and related areas. Advises CEO and senior executives on financial matters and assists in the development of long-range plans. Directs appropriate efforts to ensure that the organization's financial position is maximized and manages investments of the organization.</p> <p>Also has overall oversight over Government Reporting and Analysis and Facilities Management.</p>	
Total Compensation	1,203,215	
	Annual Salary	553,069
	Additional Compensation	650,146
#4		
Name	Walker, Jennifer	
Title	Senior Vice President, Data & Analytics, General Counsel	

Description of position	<p>Reports to EVP, Chief Administrative and Strategy Officer.</p> <p>Responsible for managing the Legal department and coordinating with outside counsel as needed. Responsible for providing legal assistance, counsel, and advice to the CEO, the Board of Directors, and other executives on various business and insurance problems. Also has oversight over Governance areas, including C&E, Information Protection and Privacy, and Business Continuity, as well as oversight over corporate data and analytics.</p>	
Total Compensation	1,114,046	
	Annual Salary	447,478
	Additional Compensation	666,568
#5		
Name	Hopfer Jr, Rick	
Title	Senior Vice President, Chief Information Officer	
Description of position	<p>Reports to President & CEO.</p> <p>Responsible for directing the information and data integrity of the enterprise and its groups (including QUEST Integration) and for all Information Technology (IT) functions of HMSA. This includes all data centers, technical service centers, production scheduling functions, help desks, communication networks (voice and data), computer program development, and computer systems operations.</p>	
Total Compensation	843,089	
	Annual Salary	438,451
	Additional Compensation	404,638

D) Compensation provided to each of the five highest paid nationwide employees during the reporting period

To the right, enter the reporting period as the State Fiscal Year (SFYxx).	SFY24
#1	
Name	Mugiishi, Mark
Title	President and Chief Executive Officer

Description of position	<p>Reports to the Board of Directors</p> <p>Provides the strategic leadership in development and implementation of concepts, plans, operating policies, and management direction to assure financial stability, achieve growth, and obtain the organization's public service objectives.</p> <p>Charts new fields of enterprise to generate additional growth and financial resources.</p> <p>Operates the organization subject to regulatory control and must effectively deal with state legislature and other regulators and assure that communication channels between appropriate parties are open.</p> <p>Responsible for enhancing the organization's image to all its publics</p>
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Annual Salary	1,182,154
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Description of position	<p>Reports to President & CEO</p> <p>Responsible for all aspects Corporate Services including Human Resources and Corporate Strategy. This role also has responsibility for Board affairs and administration, and relationships with the Blue Cross Blue Shield Association, succession, and executive development at all levels.</p> <p>Also has oversight over the Governance areas, including Legal, Compliance & Ethics, Information Privacy & Protection, Corporate Analytics, and Internal Audit (administrative oversight only), as well as I Communications (administrative) , Government policy and advocacy, Market and Product Development, Commercial Program Office and FEP/BlueCard. In January 2024, the Medicare and Medicaid Program Offices also moved under this area.</p>
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Total Compensation	843,089
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Health Plan Notes

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State and Federal Sanctions

3) Provide descriptions of any ongoing state or federal sanction proceedings, prohibitions, restrictions, ongoing civil or criminal investigations, and descriptions of past sanctions or resolved civil or criminal cases, within the past five years and related to the provision of medicare or medicaid services by the contracting entity, to the extent allowed by law.

The Health Plan shall enter the reporting period in cell C3 as the State Fiscal Year (SFYxx).

SFY24
and past 4 SFYs

#	Case Name	File Number	Is this a state or a federal case/sanction? Or both?	Court	Description of the Case	Adverse Action	Status
1	Park, Sook Ja et al. v. Hawaii Medical Service Association	Civil No. 1:21-cv-00039 JMS-WRP	Federal case	United States District Court for the District of Hawaii	The lawsuit was brought against HMSA by certain elderly Korean-speaking QUEST members relating to the alleged denial of coverage for long-term services and supports.	None	The dispute has been resolved.
2	Stanford Health Care v. Hawaii Medical Service Association	Hawaii - Civil No. 1:22-cv-00467-RT	Federal case	United States District Court District Cout of Hawaii	Out-of-state provider brought claims of breach of implied-in-fact contract and quantum meruit against HMSA.	None	The dispute has been resolved.
3	Keck Medical Center of USC v. Hawaii Medical Service Association	Superior Court - 24STCV02006	State case	Superior Court of California for the County of Los Angeles	Out-of-state provider brought claims of breach of contract, breach of implied-in-fact contract, quantum meruit and unjust enrichment against HMSA.	None	The dispute has been resolved.
4	Frederick A. Nitta M.D. Inc, et al. v. Hawaii Medical Service Association	Civil No. 3CCV-22-0000033	State case	Circuit Court of the Third Circuit State of Hawaii	Plaintiffs brought claims against HMSA relating to alleged denials of coverage for certain medical treatment or services.		The dispute is still pending. HMSA's appeal of an order denying its motion to compel arbitration and for summary judgment is pending before the Hawaii Supreme Court.

Health Plan Notes

Contributions to the Community

4) Provide the information below on contributions to the community. Include contribution recipient and amount devoted to **Hawaii** community development projects and health enhancements. Do not include contracted services. The Health Plan shall combine all contributions of less than \$1,000 into one entry.

The Health Plan shall enter the reporting period in cell B3 as the State Fiscal Year (SFYxx).	SFY24
Recipient	Amount
Combined contributions of individual contributions totaling less than \$1000	\$ 4,550.00
Advertising	\$ 97,000.00
Community Events	\$ 58,250.00
Corporate Giving	\$ 712,575.00
Community Health Initiatives	\$ 450,000.00
HMSA Foundation	\$ 2,172,000.00
Government Reimbursement Shortfall Covered by Commercial Plans (all health plan related lines of business)	\$404,000,000 - \$535,000,000
Total	\$407,494,375 - \$538,494,375

Health Plan Notes

Management and Administrative Contracts

5) Provide the information below on 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 each contract. Contracts should be limited to those necessary to manage and administer health plan services. Include subcontractors. Do not include network healthcare providers. Health plan shall assign each contract to only one category based on health plan's determination of primary service performed by that contractor.

The Health Plan shall enter the reporting period in cell B3 as the State Fiscal Year (SFYxx).	SFY24		
Contractor Name	Description of Contract Purpose (briefly describe the services provided)	Cost (SFY24)	Select a primary category for this contract
American Well	Platform for HMSA Online Care	3,021,336.00	Covered Benefits and Services
Carelon Behavioral Health / Beacon Health Options, Inc	Behavioral Health, Service Coordination and Utilization Mangement	7,693,378.17	Covered Benefits and Services
Carenet Health (Carenet)	24-hour nurse call line	1,044,565.90	Covered Benefits and Services
CVS Caremark	Pharmacy Benefits Manager (PBM), Specialty Drug Services, Rare Disease Management	470,142.67	Covered Benefits and Services
eviCore Healthcare (eviCore)	Physical and Occupational therapy utilization management	2,821.50	Covered Benefits and Services
EyeMed	Claim processing, member servicing and provider inquiries for al routine vision services	576,539.55	Covered Benefits and Services
NIA Magellan Health, Inc. (NIA)	Radiology services, pain management, utilization management	886,414.08	Covered Benefits and Services
Firstsource	Claims operations, membership and enrollment functions, and some provider network, customer service and product design functions	7,793,605.44	Administration, Finance, Program Integrity
Ceridian	Payments to providers of home and community based services	6,495,537.38	Covered Benefits and Services
	Total	27,984,340.69	

Health Plan Notes