



December 28, 2018

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

Re: HMSA QUEST Integration
2018 Medicaid Contracting Report

Dear President Kouchi:

Pursuant to Act 12 of the 2009 First Special Session, enclosed is the HMSA QUEST Integration 2018 Medicaid Contracting Report.

If you have any questions or need additional information, please feel free to contact me at 948-5250.

Sincerely,

Kari Shintaku
Executive Director
Medicaid Programs

Medicaid Contract Reporting- HRS 103F-107
Attachment 1- Financial Expenditures

Health Plan	
<i>Financial Expenditures for SFY18</i>	
1) An accounting of expenditures of Med-QUEST contract payments for the contracted services, including the percentage of payments:	
Dollars Received - in dollars	\$721,973,577
Note: this information is not a required field in the legislation	
(A) For medical services - in dollars	\$676,751,886
	91.65%
(B) For administrative costs - in dollars	\$61,652,468
	8.35%
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	\$738,404,354
	100%
Total Gain/Loss	(\$16,430,777)
Note: this information is not a required field in the legislation	

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

Health Plan	
Employment Information for CY18	
2) Employment information	
(A) Total number of full-time employees hired for the contracted services	349.1
(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 CY18	
Category of Work Performed	Number of employees per category
Administration - General	41.7
Administration - QUEST	14.0
Audit and Compliance	5.0
Claims Processing	58.6
Finance	24.6
Information Systems	45.1
Legal Services	2.0
Marketing	13.5
Medical Management	107.6
Member Servicing	3.0
Provider Servicing	21.5
Quality Improvement	12.5

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

(C) Compensation provided to each of the five highest paid Hawaii employees during 2018

#1	
Name and Title	Michael A. Gold / Retired FKA Chief Executive Officer
Description of position	
Compensation	1,603,589
Annual Salary	-
Additional Compensation	1,603,589.00
#2	
Name and Title	Michael B. Stollar / President, Chief Executive Officer, and Asst. Treasurer
Description of position	
Compensation	1,114,584
Annual Salary	700,000
Additional Compensation	414,583
#3	
Name and Title	Gwen S. Miyasato / Executive Vice President and Asst. Secretary
Description of position	
Compensation	850,905
Annual Salary	458,000
Additional Compensation	392,905
#4	
Name and Title	Mark M. Mugiishi / Executive Vice President and Chief Health Officer
Description of position	
Compensation	731,345
Annual Salary	428,000
Additional Compensation	303,345
#5	
Name and Title	Gina L. Marting / Senior Vice President, Chief Financial Officer, and Treasurer
Description of position	
Compensation	611,953
Annual Salary	370,000
Additional Compensation	241,952

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

#1	
Name and Title	Michael A. Gold / Retired FKA Chief Executive Officer
Description of position	
Compensation	1,603,589
Annual Salary	-
Additional Compensation	1,603,589.00
#2	
Name and Title	Michael B. Stollar / President, Chief Executive Officer, and Asst. Treasurer
Description of position	
Compensation	1,114,584
Annual Salary	700,000
Additional Compensation	414,583
#3	
Name and Title	Gwen S. Miyasato / Executive Vice President and Asst. Secretary
Description of position	
Compensation	850,905
Annual Salary	458,000
Additional Compensation	392,905
#4	
Name and Title	Mark M. Mugiishi / Executive Vice President and Chief Health Officer
Description of position	
Compensation	731,345
Annual Salary	428,000
Additional Compensation	303,345
#5	
Name and Title	Gina L. Marting / Senior Vice President, Chief Financial Officer, and Treasurer
Description of position	
Compensation	611,953
Annual Salary	370,000
Additional Compensation	241,952

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

The Medicaid Fraud Control Unit (MFCU) within the Department of the Attorney General made inquiries and opened a dialogue with HMSA earlier this year concerning coding for the Supportive Care benefit and the potential for possible issues under the State's False Claim Act (FCA). HMSA and MFCU are engaged in discussions to resolve this matter amicably, and HMSA hopes to resolve all issues related to this matter by the end of the year.

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

None.

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 SFY18. For each activity provide a description with total dollars and a percentage of revenue.	
Health Plan	
Contributions to the Community as of CY18	
Advertising	\$369,057 0.05%
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.	
Community Events	\$117,769 0.02%
Community events in support of various community health issues and nonprofit community organizations	
Corporate Giving	\$275,400 0.04%
Financial support for nonprofit organizations focused on improving the health of our community	
CHI Initiatives	\$300,022 0.04%
Support for University Clinical Education & Research Associates for the Family Medicine Primary Care Consortium; for Reach out Hawaii for Soccer for Success; and for Hawaii Residency Programs Inc for grants to support educational endeavors related to research, scholarly presentation, and simulation training.	
HMSA Foundation	\$1,166,137 0.16%
The HMSA Foundation aims to foster greater empowerment for communities by making strategic grants to Hawaii-based organizations. The Foundation committed \$1,166,137 between July 1, 2017 to June 30, 2018 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.	
Government Reimbursement Shortfall Covered by Commercial Plans (all health plan related lines of business)	195,000,000 - 271,000,000
The estimated costs that providers did not recover through reimbursement by the Medicare and Medicaid plans administered by HMSA was between \$195 million and \$271 million. These costs were recovered through HMSA's commercial plan reimbursements.	5.70% to 7.92%

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 SFY18</i>	
Management or Administrative Contract	Dollar value associated with contract for SFY18
CVS Caremark HMSA contracts with CVS Caremark to process pharmacy claims electronically at point of service.	\$101,486,113
Sharecare HMSA contracts with Sharecare to provide health and wellness programs.	\$6,226,324
Beacon HMSA contracts with Beacon to provide Population Health Management services.	\$4,859,208
National Imaging Associates, Inc. HMSA contracts with National Imaging Associates to provide precertification services for outpatient diagnostic advanced imaging.	\$5,723,024
NAVVIS & Company LLC HMSA partners with NAAVIS to better support the relationship between providers and their patients.	\$4,163,477
Landmark Healthcare, Inc. HMSA contracts with Landmark Healthcare to perform utilization management review for physical and occupational therapy services.	\$368,087
East Hawaii IPA Management fee paid for HMSA QUEST members assigned to this Health Center.	\$271,590