DEPT. COMM. NO. 440

DAVID Y. IGE
GOVERNOR

CATHY BETTS
DIRECTOR

JOSEPH CAMPOS II
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

March 31, 2021

The Honorable Ronald D. Kouchi,
President and Members of the Senate
Thirty-First State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813
Honolulu, Hawaii 96813

The Honorable Scott K. Saiki, Speaker
and Members of the House of
Representatives
Thirty-First State Legislature
State Capitol, Room 431

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

Enclosed is the following report submitted in accordance with section 103F-107, Hawaii Revised Statutes, Regarding Medicaid Contracts.

In accordance with section 93-16, HRS, the report is available to review electronically at the Department's website, at https://humanservices.hawaii.gov/reports/legislative-reports/.

Sincerely,

Cathy Betts
Director

Enclosure
c:
Governor's Office
Lieutenant Governor's Office
Department of Budget & Finance
Legislative Auditor
Legislative Reference Bureau Library (1 hard copy)
Hawaii State Public Library, System State Publications Distribution Center (2 hard copies, 1 electronic copy)
Hamilton Library, Serials Department, University of Hawaii (1 hard copy)

REPORT TO THE THIRTY-FIRST HAWAII STATE LEGISLATURE 2021

IN ACCORDANCE WITH THE PROVISIONS OF SECTION 103F-107,
HAWAII REVISED STATUTES, REGARDING MEDICAID CONTRACTS

DEPARTMENT OF HUMAN SERVICES

Med-QUEST Division

March 2021

This report is submitted in accordance with section 103F-107, Hawaii Revised Statutes (HRS), regarding Medicaid contracts. Section 103F-107, HRS, requires,

(a) All nonprofit or for-profit Medicaid healthcare insurance contractors, within one hundred and eighty days following the close of each fiscal year, shall submit an annual report to the department of human services, the insurance division of the department of commerce and consumer affairs, and the legislature. The report shall be attested to by a plan executive located within the State and shall be made accessible to the public. The report shall be based on contracts administered in the State and shall include:

(1) An accounting of expenditures of Med-QUEST contract payments for the contracted services, including the percentage of payments:

(A) For medical services;

(B) For administrative costs;

(C) Held in reserve; and

(D) Paid to shareholders;

(2) Employment information including:

(A) Total number of full-time employees hired for the contracted services;

(B) Total number of employees located in the State and the category of work performed; and

(C)The compensation provided to each of the five highest paid Hawaii employees and to each of the five highest paid employees nationwide, and a description of each position;

(3) 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;

(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 calculation; and

(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.

(b) The department of human services shall include in all Medicaid healthcare insurance plan contracts, the annual reporting requirements of subsection (a).

(c) Any contract under this section shall be governed by the laws of the State of Hawaii.

(d) Within ninety days of receipt of the reports required by this section, the department of human services shall provide a written analysis and comparative report to the legislature.

Please see the attached document.

2021 Medicaid Contract Report - HRS 103F-107

Attachment 1 - Financial Expenditures

Health Plan Include as of date (i.e., SFYxx or CYxx)	Aloha Care SFY 2020	HMSA SFY 2020	Kaiser CY 2019	Ohana SFY 2020	United Healthcare SFY 2020
1) An accounting of expenditures of Med-QUEST contract payments for the contracted services, including the percentage of payments:					
Dollars Received- in dollars Note: this information is not a required field in the legislation	382,102,776	757,387,560	108,366,892	378,977,909	542,754,439
(A) For medical services- in dollars	385,296,268 91.54%	716,932,108 92.10%	161,740,534 95.96%	323,153,073 85.27%	464,291,336 89.85%
(B) For administrative costs- in dollars	27,316,333 6.49%	61,461,798 7.90%	6,801,447 4.04%	48,311,300 12.75%	31,205,027 6.04%
Insurance Premium Tax- in dollars	0.00%	0.00%	0.00%	18,186,547 [no entry]	21,239,701 4.11%
(C) Held in reserve- in dollars	8,282,833 1.97%	0.00%	0.00%	reserve amount within limit	0.00%
(D) Paid to shareholder- in dollars	0 0.00%	0.00%	0 0.00%	0 0.00%	0.00%
Total of expenditures	420,895,434 100.00%	778,393,906 100.00%	168,541,981 100.00%	389,650,920 102.82%	516,736,065 100.00%
Total Gain/Loss Note: this information is not a required field in the legislation	(38,792,658)	(21,006,346)	(60,175,089)	(10,673,010)	26,018,374

Health Plan Notes

Ohana

Note: Gain/(Loss) Including $14.3M IBNP Expense (24,990,728) Gain/(Loss) Net of IBNP

Note for #1 above: Financial Expenditures listed are not intended to match audited financials or statutory filings. These numbers have been solely produced for the purpose of complying with the requirements of this report.

Note for "Dollars Received- in dollars": Dollars received are revenue amounts received from the state to administer services for SFY 2020. The amount represents capitation received and includes retroactivity through the November 2020 payment. The amount excludes the health insurer fee, member cost share, and spend-down. Revenue also excludes the supplemental payments made to facilities (HHSC payments & private acute hospital access fee payments). The amount includes an estimate for expected payments to and from the state for risk share/corridor arrangements for ABD, Non-ABD/Non-Expansion, and Expansion. The estimated risk sharing amounts are estimated as of November 2020 and pro-rated to apply to the applicable period: July2019-June 2020. These risk sharing estimates include Calendar Year Retroactive Settlement Corridor, High Cost Drug Corridor, and Program aggregate gain/loss shares.

Note for "(A) For medical services- in dollars": The amount listed for medical services represents costs associated with medical service claims paid for service dates in SFY 2020 and paid through 11/30/20. They include: Health Services cost of $12.3M (Service coordination, case management, care management, Rx management and disease management costs). They exclude: IBNP of $14.3M, member cost share and spend-down. To get a true picture of medical cost, the IBNP amount of $14.3M should be added to the reported amount.

Note for "(B) For administrative costs- in dollars": Administration expenses represent direct expenses related to Hawaii's Medicaid line of business plus a 5% management fee for 2016, increased to 6.1% on 1/1/2017, based on a percentage of premiums. Premium Tax was removed from admin and shown separately, Health Services expenses as defined above (Section A, see note 3) were excluded from this line and included in medical services costs.

United Healthcare

Note: This unaudited financial information was compiled from the books and records of UnitedHealthcare Insurance Company ("UHIC"). Financial information presented is subject to audit. UHIC's fiscal year is on a calendar basis, information presented herein is for July 2019 to June 2020 and is specific to UnitedHealthcare Insurance Company d/b/a UnitedHealthcare Community Plan Hawaii (the "Plan").

No funds from the Plan were held in reserve. However, UHIC, the Plan's parent company, maintains sufficient reserves to meet/exceed State of Hawaii regulatory requirements, including obligations for State Medicaid programs. Obligations for these programs include, but are not limited to, estimated claims for services outstanding (incurred but not reported "IBNR"). UHIC has, and continues to meet, reserve & solvency requirements of the DCCA/Insurance Division for all of its health plan programs in Hawaii.

SFY 2020 reported results include $6.8M of capitation adjustments (and associated premium taxes) for prior state fiscal years. This includes capitation adjustments related to retroactive member adjustments, variance between accrued and actual amounts, gain share and quality bonus payments and accruals, and retroactive rate adjustments. SFY 2020 reported results also include $7.0M of medical expense adjustments for prior state fiscal years related to claims reprocessing, settlement adjustments, IBNR adjustments and variance between accrued and actual paid amounts.

2021 Medicaid Contract Report - HRS 103F-107

Attachment 2 - Employment Information

Health Plan	Aloha Care	HMSA	Kaiser	Ohana	United Healthcare
Include as of date (i.e., SFYxx or CYxx)	SFY 2020	CY 2020	CY 2019	SFY 2020	CY 2019
(2) Employment information					
(A) Total number of full-time employees hired for the contracted services	244	420.8	Quest Integration Department 44	263	326
(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 the reporting period.	Clinical Services 128	Administration - General 57.5	aiser Foundation Health Plan, Inc. 2,479	Behavioral Health 27	*of employees per category (as of 12/31/19)*
	Operational Services 66	Administration - QUEST 10.0		Case Management 91	Member Services 35
	Executive Staff 8	Audit and Compliance 4.2		Claims Operations 7	Provider Services 47
	Financial Services 12	Claims Processing 61.4		Community Relations 1	Administration 4
	Administrative Services 7	Finance 29.1		Compliance 3	Operations 18
	Information Tech Services 23	Information Systems 51.9		Customer Service 29	Quality 16
		Legal Services 2.2		Executive 4	Clinical Management 80
		Marketing 14.9		Finance 6	Field-Based Service Coordination 126
		Medical Management 114.5		Government and Regulatory Affairs 3	
		Member Servicing 3.0		Health Services 34	
		Provider Servicing 33.3		HR 3	
		Quality Improvement 18.6		IT 3	
				Medicare Sales 3	
				Network Management 5	
				Pharmacy 2	
				Provider Relations 11	
				Quality Improvement 18	
				Utilization Management 13	
Total	244	420.6	2,479	263	326

Health Plan Notes

United Healthcare

Note: Includes all Hawaii-based UnitedHealth Group employees supporting Hawaii Medicaid programs.

In CY 2019, UnitedHealth Group and all subsidiaries employed 325,000 individuals worldwide.

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

	Aloha Care	HMSA	Kaiser	Ohana	United Healthcare
	SFY 2020	CY 2020	SFY 2020	SFY 2020	CY 2019
#1					
Name and Title	**Laura Esslinger (no title provided)**	**Michael Stollar - Executive Vice President, Market and Product**	**David Underriner - Region President, Hawaii**	**Scott Joseph Sivik**	**David Haywood, Health Plan CEO**
Description of position	Responsible for the overall operations of the healthplan.			State President	Overall management responsibility for Hawaii Medicaid programs
Total Compensation	614,890	2,049,235	997,075	1,003,688	505,666
Annual Salary	454,329	879,696	517,431	297,711	250,000
Additional Compensation	160,561	1,169,537	479,645	709,607	255,666
#2					
Name and Title	**Bruce Lane, Chief Financial Officer**	**Mark Mugiishi - President and Chief Executive Officer**	**Colleen McKeown - SVP, Area Manager Large**	**Sandy L. Sullivan**	**Ronald Fujimoto DO, Medical Director**
Description of position	Responsible for the financial operations of the plan.			VP, Field Health Services	Medical Director for clinical programs including medical management and quality oversight
Total Compensation	366,205	1,862,685	958,302	675,171	342,818
Annual Salary	243,623	825,558	456,923	227,121	301,846
Additional Compensation	122,582	1,037,127	501,378	450,679	40,972
#3					
Name and Title	**Gary Okamoto, Chief Medical Officer**	**Gina Marting - Executive Vice President, Chief Financial Officer**	**Christina House - VP, MSBD, Hawaii**	**Rane A. Shoji**	**Robert Carlson, Chief Financial Officer**
Description of position	Provides strategic direction and leadership for all aspects of AlohaCare's clinical operations, including clinical quality improvement, utilization management, disease management, care coordination, behavioral health, pharmacy, patient safety, medical policy development, technology assessment, and clinical cost containment initiatives.			Dir. State Pharmacy	Management of financial reporting and analysis
Total Compensation	470,671	729,619	544,490	369,543	302,008
Annual Salary	375,090	419,150	321,769	172,513	183,291
Additional Compensation	95,581	310,469	222,721	193,370	118,718
#4					
Name and Title	**Francoise Culley-Trotman, Chief Compliance Officer**	**David Herndon - Executive Vice President, Chief Business Operations Officer**	**Sheryll Melnikoff - VP, HR, Hawaii**	**June Mellor**	**Kalani Redmayne, Vice President of Network Programs**
Description of position	Provide overall leadership of Alohacare's compliance efforts. Position includes the roles of Privacy Officer, Medicare Compliance Officer, Fraud & Abuse Coordinator, and Director of the Compliance Department. Accountable for the development, implementation and maintenance of the Corporate Compliance Program and related components, including the annual Compliance Work Plan and Internal Audit Work Plan.			Dir, Mkt Compliance Officer	Overall responsibility for Hawaii Medicaid provider network management
Total Compensation	354,962	688,515	526,651	339,362	299,162
Annual Salary	275,072	355,000	285,000	166,951	216,311
Additional Compensation	79,890	333,515	241,651	138,904	82,851
#5					
Name and Title	**Todd Morgan, Chief Information Officer**	**Janna Nakagawa - Executive Vice President, Chief Administrative and Strategy Officer**	**Linda Puu - VP, Quality, Patient Exp & Safety**	**Kenneth N. Luke**	**Anna Wong, Chief Operations Officer**
Description of position	Provides technology vision and leadership in the development and implementation of AlohaCare's management information systems and operations of AlohaCare's Information Systems Department.			BH Medical Director	Overall operations responsibility for Hawaii Medicaid programs
Total Compensation	365,238	681,515	452,580	338,760	228,923
Annual Salary	283,942	355,000	266,615	276,502	198,923
Additional Compensation	81,296	326,515	185,965	62,226	30,000

Health Plan Notes

Ohana

(1) Does not include equity investments/long term incentives

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

	Aloha Care	HMSA	Kaiser	Ohana	United Healthcare
	SFY 2020	CY 2020	SFY 2020	SFY 2020	CY 2019
#1					
Name and Title	**SAME AS ABOVE**	**SAME AS ABOVE**	**Bernard Tyson - Chairman & CEO**	**Ken Burdick**	**David G. Wichmann, Chief Executive Officer**
Description of position				EVP, Markets & Products	Chief executive for UnitedHealth Group and affiliates
Total Compensation			16,142,491	52,562,336	18,886,989
Annual Salary			1,611,563	1,400,000	1,384,615
Additional Compensation			14,530,928	51,162,337	17,502,374
#2					
Name and Title	**SAME AS ABOVE**	**SAME AS ABOVE**	**Kathryn Lancaster - EVP and CFO**	**Andrew Asher**	**Andrew P. Witty, President and Chief Executive Officer, Optum**

Description of position				EVP, Envolve Specialty	Senior executive for UnitedHealth Group and affiliates
Total Compensation			6,222,871	16,444,324	16,526,020
Annual Salary			1,130,769	772,500	1,100,000
Additional Compensation			5,092,101	15,704,228	15,426,020
#3					
Name and Title	**SAME AS ABOVE**	**SAME AS ABOVE**	**Gregory Adams - Chairman and CEO**	**Kelly Munson**	**Steven H. Nelson, Former Executive VP & CEO, UnitedHealthcare**
Description of position				EVP, Medicaid	Senior executive responsible for UnitedHealth Group's health care benefits business
Total Compensation			5,516,746	13,497,768	14,059,422
Annual Salary			1,342,308	600,000	773,077
Additional Compensation			4,174,438	13,151,614	13,286,345
#4					
Name and Title	**SAME AS ABOVE**	**SAME AS ABOVE**	**Arthur Southam - EVP, Health Plan Operations**	**Michael Polen**	**John F. Rex, Executive Vice President and Chief Financial Officer**
Description of position				SVP, Medicare CEO	Senior executive responsible for UnitedHealth Group financial matters
Total Compensation			5,348,471	11,398,608	10,627,085
Annual Salary			1,138,461	669,500	1,000,000
Additional Compensation			4,210,010	10,773,974	9,627,085
#5					
Name and Title	**SAME AS ABOVE**	**SAME AS ABOVE**	**Richard Daniels - EVP, Chief Information Officer**	**Michael Radu**	**Dirk C. McMahon, Former Executive VP and CEO, UnitedHealthcare**
Description of position				EVP, Quality and Pharmacy	Senior executive responsible for UnitedHealth Group's health care benefits business
Total Compensation			2,606,143	10,863,851	8,966,980
Annual Salary			854,616	500,000	896,154
Additional Compensation			1,751,527	10,569,620	8,070,826

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.).

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Attachment 3 - State and Federal Sanctions

(3) Descriptions of any on-going State or Federal sanction proceedings, prohibitions, restrictions, on-going 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.

Instructions: Include a write-up to include this information. Include as of date (i.e., SFYxx or CYxx)

Aloha Care

As of SFY 2020

NONE

HMSA

As of CY 2020

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

None.

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

In the 2018 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.

Kaiser

As of CY 2019

N/A

Ohana

SFY 2020

PENDING MATTERS – 'OHANA HEALTH PLAN

- Wooden v. Comprehensive Health Management, Inc. Two former employees allege a pattern of discrimination at 'Ohana Health Plan and CHMI. Allegations being investigated. Filed 2020.
- Mack v. WellCare Health Insurance of Arizona, Inc., d/b/a 'Ohana Health Plan, Inc. Former Associate Quality Practice Advisor in Hawaii alleges racial discrimination and harassment by the company for not hiring him into the higher level Quality Practice Advisor position. Allegations being investigated. Filed 2020.
- Wilfred v. WellCare Health Insurance of Arizona, Inc., d/b/a 'Ohana Health Plan, Inc. Former customer service representative filed a pro se suit alleging wrongful termination and violations of RICO against the company and individual defendants and seeking cumulative damages of $395 billion. Allegations being investigated. Filed 2020.
- Reis v. Comprehensive Health Management, Inc. Plaintiff is a former Quality Director for the 'Ohana Health Plan in Hawaii. She claims she was humiliated by racial remarks by a supervisor, unfairly compensated and fired due to racial discrimination. Allegations being investigated. Filed 2020.
- Maka, Mary B. v. 'Ohana Health Plan. The complaint alleges that WellCare breached the covenant of good faith and fair dealing owed to Plaintiff by failing to arrange, coordinate, and provide care that Plaintiff's treating physician ordered, which was not excluded under the Plaintiff's plan with 'Ohana. The Complaint states that amputation of Plaintiff's leg is a result of the above allegations. No specific demand amount was outlined in the Complaint. Allegations being investigated. Filed 2019.
- Feinberg, Soleil v. State of Hawaii DHS Directors. Former 'Ohana member has filed suit against the State of Hawaii for failure to administer mental health services, programs, and activities in the most integrated setting appropriate under the Americans with Disabilities Act and the Rehabilitation Act. State of Hawaii has tendered defense to WellCare, pursuant to indemnification agreement in the State's contract with WellCare. Allegations being investigated. Filed 2019.

CLOSED MATTERS – 'OHANA HEALTH PLAN

- Josserme, George v. 'Ohana Health Plan (Hawaii State Court) Small claims suit brought by a member alleging improper discharge and refusal to provide continuous treatment by doctor. Plaintiff suffered from chest pains and uncontrollable diarrhea, and is claiming that improper treatment resulted in destruction of Plaintiff's personal property. Case Closed. Filed 2019.
- Okawaki v. First Hawaiian Bank, et. al. (Supreme Court of the United States) Mentally disturbed member filed litigation against 'Ohana Health Plan and many other parties, which was promptly dismissed by the federal court. Her appeals have been unsuccessful. She currently has a petition for writ of certiorari pending at the U.S. Supreme Court. Case Closed. Filed 2017.
- *Okawaki v. Ohana Health Plan* Plaintiff filed suit alleging incorrectly paid claims. Matter settled. Filed during 2016.

United Healthcare

As of SFY 2020

UHC Hawaii State or Federal Sanctions SFY2020

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Attachment 4 - Contributions to the Community

(d) 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 the reporting period. For each activity provide a description with total dollars and a percentage of revenue.

Instructions: 1. Please include the four pieces of information for each community event provided. 2. Please do not include any community event for less than $1,000. The health plan can combine all of the community events for less than $1,000 into one event. 3. Please indicate if the community events listed are for only the QUEST Integration program or for all health plan related lines of business. Include as of date (i.e., SFYxx or CYxx)

Aloha Care SFY 2020		HMSA CY 2020		Kaiser CY 2019		Kaiser SFY 2020*		Ohana SFY 2020	United Healthcare SFY 2020
Community Event	Amount	Community Event	Amount	Community Event	Amount	Community Event	Amount	Community Event and Amount	Community Event and Amount
Community Partnerships	1,237,000	**Advertising**	226,711	**Charity Care**	6,294,140	**Charity Care**	3,866,101		
As part of AlohaCare's commitment to the community, we partner with other community organizations to help with donations, sponsorships, funding etc. Some organizations that we partnered with include, Child & Family Services, March of Dimes, Council for Native Hawaiian Advancement, The Food Basket, Domestic Violence Action Center, Sustainable Molokai, Kaua'i Food Bank, Maui Food Bank, Hawaii Foodbank, The Institute of Human Services, One Shared Future, and YWCA of Honolulu. In addition, 38,000 KN-95 masks were bought donated to CHCs in response to COVID.	0.28%	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%	Medical financial assistance and charitable coverage to persons who are unable to afford care or coverage.	0.40%	Medical financial assistance and charitable coverage to persons who are unable to afford care or coverage.	0.50%		
Charitable Contributions	5,000	**Community Events**	98,970	**Government Sponsored Program**	33,724,750	**Government Sponsored Progra**	39,016,534		
AlohaCare continues our commitment to the community by providing charitable contributions to other organizations who share our mission. Some organizations that have received our contributions include: Aloha United Way	0.00%	Community events in support of various community health issues and nonprofit community organizations.	0.01%	Un-reimbursed expenses for persons with Medicaid coverage - Med-Quest, non-member Medicaid, and SCHIP	2.00%	Un-reimbursed expenses for persons with Medicaid coverage - Med-Quest, non-member Medicaid, and SCHIP	2.20%		
Access and Availability Grants					14,997		22,391		
	27,011	**Corporate Giving**	422,770	**CHI Programs and Services**		**CHI Programs and Services**			
As part of AlohaCare's commitment to ensure that the people of Hawaii continue to have access to high quality healthcare, we provide funding to key providers in medically underserved areas to enhance their capabilities to recruit physicians in urgently needed specialties within those rural communities.	0.01%	Financial support for nonprofit organizations focused on improving the health of our community.	0.11%	Kaiser Permanente Hawaii promotes healthy eating active living (HEAL) for the community in part by sponsoring fresh day farmers markets at four clinic locations. Market days also provide an opportunity for community outreach for programs like tobacco cessation. Health and wellness classes are available to the community through our education and lifestyles program.	0.00%	Kaiser Permanente Hawaii promotes healthy eating active living (HEAL) for the community in part by sponsoring fresh day farmers markets at four clinic locations. Market days also provide an opportunity for community outreach for programs like tobacco cessation. Health and wellness classes are available to the community through our education and lifestyles program.	0.00%		
		CHI Initiatives	460,000	**Medical Research**		**Medical Research**			
		Support community health initiatives	0.12%	Research done by Kaiser Permanente physicians and staff and funded by Kaiser Permanente Hawaii that include patient-centered, population and practice based research on disease, prevention, and improved methods of health care delivery.	0.00%	Research done by Kaiser Permanente physicians and staff and funded by Kaiser Permanente Hawaii that include patient-centered, population and practice based research on disease, prevention, and improved methods of health care delivery.	0.00%		
		HMSA Foundation	1,162,161	**ETP (Educational Theater Program**	77,423	**ETP (Educational Theater Progr**	110,000		
		HMSA Foundation grants extends HMSA's commitment to provide access to cost-effective health care services, health promotion, education, and research, and the promotion of social welfare.	0.13%	Lessons on healthy lifestyles provided to public elementary schools as plays presented at the schools with follow-up lesson plans to reinforce the learnings.	0.00%	Lessons on healthy lifestyles provided to public elementary schools as plays presented at the schools with follow-up lesson plans to reinforce the learnings.	0.00%		
		Government Reimbursement Shortfall Covered by Commercial Plans (all health plan related lines of business)	243,000,000 - 328,000,000	**Medical Education and Training**	304,943	**Medical Education and Training**	520,496		
		The estimated costs that providers did not recover through reimbursement by the Medicare and Medicaid plans administered by HMSA was between $243 million and $328 million. These costs were recovered through HMSA's commercial plan reimbursements.	4.98% to 6.49%	Educating interns, residents and fellows and providing continuing medical education and training for health professionals throughout the community.	0.06%	Educating interns, residents and fellows and providing continuing medical education and training for health professionals throughout the community.	0.00%		
				Total Grants and Donations	970,171	**Total Grants and Donations**	1,220,000		
				Grants and donations given to organizations for work that improves the health and well-being of people throughout the state.	0.10%	Grants and donations given to organizations for work that improves the health and well-being of people throughout the state.	0.10%		

DONATIONS:

Adult Foster Home Association	1,025	.0002%
Alcoholic Rehabilitation Services Of	1,000	.0004%
American Heart Association of Hawaii	3,000	.0008%
Arc of Maui	500	.0001%
Boys & Girls Club of Hawaii	5,000	.0012%
FCH Enterprises Inc	2,000	.0006%
Kahu Ohiki	5,000	.0012%
Koolauoka Community Health & Wellness	1,000	.0003%
National Alliance on Mental Illness Hawaii	2,000	.0006%
Mental Health America of Hawaii	7,500	.0019%
Miscellaneous Donations	1,900	.0005%
Sodexo America LLC	5,000	.0012%
State of Hawaii	15,000	.0039%
Wailoki Health	57,719	.0148%
Waipahu Community Association	3,000	.0008%
West Hawaii Community Health Center	1,000	.0003%

SPONSORSHIPS:

Hawaii Medical Association	5,000	.0013%
Healthcare Association of Hawaii	8,500	.0017%
Hospice Hawaii Inc	2,500	.0006%
Malaea the Culinary Garden of Waimea	10,000	.0026%
Salvation Army A CA Corp	17,000	.0044%
St. Theresa Church	3,750	.0010%

2020 State of Reform (Event Sponsorship)	5,750	.0015%
March of Dimes (Event Sponsorship)	13,250	.0035%
American Heart Association (Event Sponsorship)	8,500	.0021%
Waikiki Health (Fundraising/Contribution)	1,000	.0249%
American Diabetes (Fundraising/Contribution)	1,000	.0004%
Kalua Mao (Fundraising/Contribution)	5,000	.0021%

Health Plan Notes

Aloha Care

Percentage: % of revenue related to amount reported on revenue supplements page (pg 6.0)

Kaiser

*Actual YTD as of September 31, 2020 and forecast for Q4 of 2020

Percent of revenue related to amount reported on financial expenditure sheet (cell B38)

Ohana

Percent of revenue related to amount reported on financial expenditure sheet (cell B38)

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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 be limited to, pharmacy benefit management, transportation, case management, behavioral health, auditing, mailing of benefit packets, after-hour call numbers, hearing and vision. Include as of date (i.e., SFHx or CHx)

Aloha Care SFY 2020		HMSA SFY 2020		Kaiser CY 2019		Ohana SFY 2020		United Healthcare SFY 2020	
Contract	Cost	Contract	Cost	Contract	Cost	Contract	Cost	Contract	Cost
Accuity LLP	144,031	**American Well**	1,285,383	N/A		**Claims Administration**	Covered under Corporate allocation	**Ceridian**	98,313
401K audit; Financial audit; 990		Platform for administrative contract						(In Hawaii) Administration of payroll processing for caregivers (personal assistance and CHORE services	
Administaff/Legacy	32,638	**Beacon Health Options, Inc.**	5,121,648			**Enrollment & Member Administration**	Function performed at	**Medline**	132,146
Operates clearing house		Behavioral health, service coordination, and utilization management						(Mainland based with Hawaii operations) Incontinence management supply benefit administration (estimated administration costs)	
Advent Advisory Group, LLC	79,273	**Carenet Health (Carenet)**	658,549			**Audiology Distribution, Inc. d/b/a Hear USA**	138,539	**Logisticare**	1,315,859
HEDIS / Data Validation		24-hour nurse call line						(Mainland based with Hawaii operations) Non-emergent ground and air transportation benefit administration (estimated administration costs)	
AGK Consulting LLC	141,025	**CVS Caremark**	450,656			**Marketing & Materials Fulfillment**	Function performed at		
Provider Contracting consulting services		HMSA contracts with CVS Caremark to process pharmacy claims electronically at point of service.				i.e. sending members' ID cards or handbooks			
Allmed Healthcare Management, Inc.	15,302	**eviCore Healthcare (eviCore)**	380,595			**Carenet**	30,712		
Physician review services for quality & utilization mgmt		Utilization Management services (prior authorizations) for Physical Therapy, Occupational Therapy, and Chiropractic				Outreach services to include supporting EPSDT or Nurse Lines			
Altruista Health, Inc.	352,519	**NIA Magellan Health, Inc. (NIA)**	400,548			**Ceridian**	110,322		
Consulting support/Software Subscription		Management fee paid for HMSA QUEST members assigned to this Health Center.				Payroll processing for self-direction			
AON Consulting	26,597					**WHI & CVS**	347,209		
Consulting for pharmacy benefit management						Pharmacy benefits manager			
Carenet Healthcare Services	57,588					**Intelliride**	6,744,757		
Nurse Advice Line						Transportation			
Change Healthcare	329,975					**Premier Eye Care**	2,611,931		
Encounter reporting and analytics									
Edward Enterprises, Inc.	221,115					**Interpretek, Translation Station**	100,668		
Printing services for marketing material						Translations			
Express Scripts	1,063,024								
Pharmacy benefit and management									
Health Catalyst	1,123,969								
Consulting Services for improvement of care data warehouse									
Health Logix	300,901								
Mailings to disease management program participants									
Inovalon	342,209								
HEDIS review services									
Language Services Associates	16,737								
Interpretations									
Market Trends Pacific	31,770								
Timely access surveys and CM survey									
Milliman	201,927								
Actuarial services									
Optum 360	33,254								
Encoder pro									
Payspan	98,023								
Provider payments system									
Physicians Exchange of Honolulu	12,531								
After hours and weekend telephone and assistance coverage									
Pricewaterhouse Coopers	3,764								
Consulting actuary									
Sellers, Dorsey & Associates	632,057								
Consulting services for RFP									
The Mihalik Group LLC	24,893								
Quality improvement consulting services and preventive health program									
Total Management Care Services, Inc.	61,850								
Quality improvement consulting services									
Transperfect	6,104								
Translation services									
William F Orr	45,685								
Quality improvement and Medical Director consulting services									
Zelis Healthcare	1,989,185								
Cost containment/claims editing/bill review and audit									

Ohana

Note: The amounts for Vision, Hearing, Nurse Line, Non-Emergent Transportation and Translations reflect total payments as the admin portion is not tracked separately.

United Healthcare

Note: For State Fiscal Year 2020 UnitedHealthcare Insurance Company dba UnitedHealthcare Community Plan - Hawaii did not have third-party management and administrative service contracts for the following categories of service:

Behavioral Health Management

Claims Administration

Enrollment and Member Administration

Hearing Services

Outreach Services to include EPSDT or NurseLines

Pharmacy Benefits Management

Third party auditing of health plan functions

Vision Services

State or Federal Sanctions

(3) Descriptions of any on-going State or Federal sanction proceedings, prohibitions, restrictions, on-going 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.

Response

To the best of our knowledge and belief, the contracting entity, UnitedHealthcare Insurance Company ("UHIC"), is not a party to any ongoing state or federal sanction proceedings, prohibitions, restrictions, or ongoing criminal investigations related to the provision of Medicare or Medicaid services. In addition, as a health insurance company operating in 49 states, 5 territories and the District of Columbia, UHIC is subject to various market conduct and financial audits in the normal course of business, which may or may not result in the implementation of corrective action plans. We do not consider these to be civil or criminal investigations within the scope of the request.

UHIC is subject to various civil actions in the form of litigation or agency proceedings, mostly involving benefit disputes with members and/or providers. UHIC is currently involved in several matters in Hawaii and other jurisdictions, as described in Table 1 below (Table 1, UHIC Pending Civil Litigation related to the Provision of Medicare or Medicaid Services in Hawaii). UHIC is involved in litigation outside of Hawaii, none of which involve residents of Hawaii or impact QUEST Integration or other state Medicaid Programs.

Finally, UHIC has not had any penalties imposed related to the provision of Medicare or Medicaid services involving residents of Hawaii or the Hawaii QUEST Integration Program during the reporting period.

Table 1, UHIC Pending Civil Litigation related to the Provision of Medicare or Medicaid Services in Hawaii

Case Name	File Number	Court	Description	Status
H. H. v. Evercare	HER-11-156920; Civil No. 11-1-2903-11; ICA CAAP-12-0000645; Civil No. 19-1-1415-09 JHA.	First Circuit Court (1CC), State of Hawaii	Member dispute regarding benefit determination and attorneys' fees.	Benefit dispute was dismissed by Commissioner on the merits and appealed to the 1st Circuit Court (1CC), which was dismissed for lack of jurisdiction. Member's appeal of the dismissal for lack of jurisdiction was granted by the Intermediate Court of Appeals (ICA), which reversed the circuit court. UHIC's petition for certiorari to Hawaii Supreme Court was then granted and the case was argued on 1-21-16. The Hawaii Supreme Ct. affirmed the ICA and remanded the case to the 1CC for consideration of the appeal on

Case Name	File Number	Court	Description	Status
				the merits. The appeal regarding the dismissal of the benefit request was dismissed by stipulation of the parties on 4-26-17 because the member is no longer enrolled in Hawaii Medicaid. Separate appeals to 1CC re Ins. Div denials of motion for attorneys' fees and hearing relief based on lack of jurisdiction due to repeal of the external review statute were stayed pending related appeals regarding circuit court jurisdiction. Upon the stay being lifted, that appeal was briefed and argued before the 1CC, which reversed and remanded to the Commissioner to consider the motion for award of attorneys' fees. The Commissioner issued an award on 12-3-2018. A motion for award of prejudgment interest on the attorneys' fee awards was denied by the Commissioner on 8-8-2019. That order was appealed to the 1CC, and the appeal is currently being briefed.
A. D. S. v. Evercare	HER-10-154685; Civil No. 11-1-2542-10; ICA CAAP-12-0000647	Intermediate Court of Appeals (ICA), State of Hawaii	Initial dispute regarding benefit determination resolved, pending issue of attorney fees.	Appeal of attorneys' fees order dismissed by the 1CC for lack of jurisdiction. Member's appeal of the dismissal was granted by the ICA, which reversed the circuit court. UHIC's petition for certiorari to Hawaii Supreme Court was then granted and the case was argued on 1-21-16. The Hawaii Supreme Court affirmed the ICA and remanded the case to the 1CC for consideration of the appeal on the merits. Member passed away on 10-13-16, and Member's father was appointed as representative and substituted as Appellant. On 4-4-17, the appeal was argued before the 1CC, which upheld the Commissioner's order. The circuit court's order was appealed to the ICA

Case Name	File Number	Court	Description	Status
				on 6-19-17. The appeal is fully briefed and awaiting a schedule for oral argument.
J.D.R., et al. v. Evercare (see note 1 below)	HER-11-156251; Civil No. 11-1-2533-10; ICA CAAP-12-0000646.	Intermediate Court of Appeals (ICA), State of Hawaii	Initial disputes regarding benefit determinations resolved, pending issue of attorney fees.	Benefit disputes dismissed by Commissioner on merits. Appeal of attorneys' fee order dismissed by the 1CC for lack of jurisdiction. Members' appeal of the dismissal was granted by the ICA, which reversed the circuit court. UHIC's petition for certiorari to Hawaii Supreme Court was then granted and the case was argued on 1-21-16. The Hawaii Supreme Court affirmed the ICA and remanded the case to the 1CC for consideration of the appeal on the merits. 1CC reversed and remanded the consolidated attorneys' fee order to the Commissioner in April 2017 with directions to issue separate orders for each member. The Commissioner issued separate orders on remand, which the members appealed to the 1CC. The 1CC affirmed the orders on 9-13-2018 and the members took a further appeal to the ICA. That appeal has been fully briefed and is awaiting a schedule for oral argument.

Case Name	File Number	Court	Description	Status
H.M. v. Evercare	HER-09-152033; Civil No. 10-1-2328-10 KKS; Civil No. 11-1-2695-11 RAN; Civil No. 19-1-1415-09 JHA	1st Circuit Court, State of Hawai`i (1CC)	Initial dispute regarding benefit determination resolved, pending issue of attorney fees.	Commissioner held in favor of Evercare on benefit dispute; 1CC affirmed and dismissed member's appeal. Motions for attorneys' fees and for hearing relief were denied by Ins. Div. based on lack of jurisdiction due to repeal of the external review statute and appealed to the 1CC. Those appeals were stayed pending related appeal regarding circuit court jurisdiction. Upon the stay being lifted, that appeal was briefed and argued before the 1CC, which reversed and remanded to the Commissioner to consider two motions for award of attorneys' fees. The Commissioner issued awards on 10-24-2018; no ICA appeal was timely filed. A motion for award of prejudgment interest on the attorneys' fee award was denied by the Commissioner on 8-8-2019. That order was appealed to the 1CC and is currently being briefed. The member also filed a "petition for order to show cause" alleging untimely payment of the 10-24-2018 awards, which were paid slightly beyond 30 days due to delays in receiving information from the member. The Commissioner has not yet set a briefing schedule on that petition.

Case Name	File Number	Court	Description	Status
JRQ v. UnitedHealthcare Insurance Company	1:14-cv-00497-LEK-RLP	Ninth Circuit Court of Appeals	Member sued alleging various federal and state law claims relating to benefit dispute re wheelchair.	The Order granting UHIC's motion for summary judgment and denying the plaintiff's motion for partial summary judgment was entered on 3-29-17 and corrected on 4-18-17. Plaintiff's motion for reconsideration was denied on 6-28-17 and judgment in favor of UHIC was entered that same day. Plaintiff filed his notice of appeal to the 9th Circuit Court on 7-27-17. The appeal was decided in favor of UHIC without oral argument and Judgment was entered on 10-30-2019.
RDC v. UnitedHealthcare Insurance Company	1:15-cv-00021-DKW-RLP	USDC, District of HI	Member sued alleging various federal and state law claims relating to benefit dispute re; personal assistance services.	Most of member's federal law claims were dismissed on summary judgment; section 1983 claim was initially dismissed without prejudice but was dismissed with prejudice on further motion. Settlement reached with member and agreement executed on 4-14-16.
Hawaii Coalition for Health v. UnitedHealthcare Insurance Company et. al.	INS-DR-2015-002	Hawaii Dept. of Commerce and Consumer Affairs, Ins. Div.	Petitions seeks declaration that UHIC and other PBMs are in violation of HRS ch. 431R regarding specialty pharmacy networks and dispensing.	UHIC opposed the Petition as part of a joint defense group. The Hearings Officer granted most of the relief requested by the joint defense group, including that the Petition be dismissed, but without prejudice. The joint defense group took exception to the dismissal being without prejudice, and that exception was argued before the Commissioner on 11-22-16. We are still awaiting the final order from the Commissioner.

Case Name	File Number	Court	Description	Status
MetroPacific Group, Corp. v. UnitedHealthcare, et al.	Civil No. 15-1-0399; 3rd Circuit Court	3rd Circuit Court; Dispute Prevention & Resolution (DPR)	Provider dispute alleging underpayment for LTC services provided to QExA members on the Big Island by UHIC and Ohana Health Plan	UHIC and Ohana jointly asserted the mandatory arbitration clauses in their provider agreements. Stipulation to stay the litigation pending arbitration was filed on 5-19-16. Provider settled with Ohana Health Plan and dismissed them from the litigation 5-23-2018. UHIC demanded arbitration on 10-3-2018, and on 12-5-2018 filed a motion seeking dismissal of the provider's claims as time-barred under the UHIC contract. That motion was denied, leading to active discovery which convinced the provider to settle for a fraction of its initial claim. The litigation was dismissed on 10-22-2019.
EAL Leasing, Inc. dba Emergency Airlift v. United Healthcare Services, Inc.	1:18-cv-02008	USDC, D. Or.	Air ambulance provider filed a lawsuit in Oregon state court alleging non-payment of air ambulance transportation provided to a member from Hawaii to San Diego.	This is one of two substantially identical lawsuits arising from air transport services provided to the first of two twin babies. Following the initial filing of this lawsuit in Oregon state court, United removed to federal court and filed its answer on November 27, 2018. The parties agreed to a settlement, which was completed on 1/6/2020.
EAL Leasing, Inc. dba Emergency Airlift v. United Healthcare Services, Inc.	1:18-cv-02011	USDC, D. Or.	Air ambulance provider filed a lawsuit in Oregon state court alleging non-payment of air ambulance transportation provided to a member from Hawaii to San Diego.	This is one of two substantially identical lawsuits arising from air transport services provided to the second of two twin babies. Following the initial filing of this lawsuit in Oregon state court, United removed to federal court and filed its answer on November 27, 2018. The parties agreed to a settlement, which was completed on 1/6/2020.

1. *J.D.R. v. Evercare* was one of five benefit disputes which were all resolved at the same time, in the same way, and then consolidated for the initial attorneys' fee order. The cases remained consolidated throughout the appeals process until the remand in April 2017. The other cases are: *F.B. v. Evercare* (HER-11-156241), *F.H. v. Evercare* (HER-11-156361), *J.V. v. Evercare* (HER-11-156251), and *T.A. v. Evercare* (HER-11-155842). Separate appeals were taken of the orders issued

by the Commissioner on remand by J.D.R., F.B., J.V. and T.A. Only F.B., J.V., and T.A. have appeals pending at the ICA.