FY 2023
MEMBER VALUE

Photo credit: Hawai`i Health Systems Corporation - Kaua`i Region
Dr. Bernard Riola, Department Chair of Pediatrics checks a toddler’s heart rate
In July of 2022 when I composed my previous President’s Message, we were in the downslope of a covid Omicron variant surge and we were looking to put the pandemic in the rear-view mirror. While the worst of the pandemic appears to be behind us, the pandemic has impacted all our lives in myriad ways, and will continue to do so. Remote and hybrid working, meetings via video, and an increased sensitivity to coughs and colds, are all part of the new normal. While we still grapple with the pandemic’s longer term impacts, the surges have subsided for now, and we can turn our attention and energy to other urgent needs, such as our workforce challenges, declining margins because of inflationary pressure, our very full hospitals, and the health needs of Hawaii’s aging population.

Much of our attention was focused on the pandemic over the prior three years, but you can see the many hard-earned successes, pandemic related and otherwise, highlighted in this Member Value book:

- HAH supported members and the state through the last of the big Omicron surges.
- Our HHEM emergency services program and members staged a successful RIMPAC humanitarian assistance/disaster response exercise after four years of not participating.
- We staged our first in-person Annual Meeting, Advocacy Day, and Awards and Scholarship Gala in three years, and managed the first two as hybrid options to increase participation of neighbor island members.
- We issued our second workforce report, the 2022 edition, which was delayed a year because of the pandemic, and started new programs such as Good Jobs Hawaii, glidepaths, and earn and learn opportunities.
- Our Long-Term Care Quality Conference returned in-person.
- We advocated to make our Sustainability programs permanent, and also for increased reimbursement for healthcare professionals treating Medicaid patients.

We have yet to discover fully what the new normal is, even though the covid emergency has officially ended.

Our total hospital census remains at peak pandemic levels even though the number of covid patients has dropped materially. Our need for additional healthcare workers remains high despite all the work devoted to developing stronger pipelines of healthcare workers. Inflation exerts pressure on margins across the industry, and will do so for some time to come.

Through all these challenges, the Healthcare Association of Hawaii remains committed to serving all our members, and helping address legislative, regulatory, financial, and workforce challenges. We remain grateful for your membership with HAH, your partnership with us, and your hard work in ensuring that we create a healthier Hawaii. Thank you.

Hilton R. Raethel, MPH, MHA
President and CEO
HAH went into 2023 with cautious optimism. There were uncertainties about the state’s budget outlook, a large crop of new legislators to build relationships with, and several problematic proposals being put forth. Although we did not receive everything we asked for, HAH, its members, and our allied stakeholders were able to turn most of the headwinds into tailwinds and conclude the state legislative session with many successes.

HAH’s biggest triumphs this year were the permanent authorization of the hospital and nursing facility sustainability programs and obtaining an increase in the Medicaid fee schedule for professional services. It has been more than a decade since the creation of the sustainability programs and – in the time since – they have proven to be instrumental in helping members better serve Medicaid beneficiaries by closing the reimbursement gap between Medicaid and Medicare. The programs have drawn down hundreds of millions of dollars in benefit to our members and their being made permanent is a testament to their impact and legislator recognition of that fact. Similarly, we successfully made the case for reinvesting a combined $73 million in state and federal dollars to fund the Medicaid fee schedule for professional services at 100% of Medicare rates. This infusion of funds will greatly expand beneficiary access to care, particularly in underserved areas, and materially improve the upstream causes of negative health outcomes and disparities.

HAH was also successful in several other state-level initiatives. The state budget also included $12 million annually in combined state and federal funding to be able to pay nursing facilities “at cost” to further minimize the losses long-term care members incur from serving Medicaid beneficiaries. HAH and its members also successfully defeated onerous proposals including a bill that would have led to burdensome data-sharing arrangements, a bill that would have required healthcare facilities to let terminally ill patients use medical cannabis in their facilities, and a resolution that would have taken the state one step closer to implementing minimum staffing ratios for healthcare facilities.

Despite these successes, more work remains to be done to advocate on behalf of our members. HAH has engaged DCCA to identify a long-term solution to ongoing nurse licensure challenges since the necessary legislation was not successful this session. HAH will also work to ensure the smooth implementation of these bills after their enactment, participate in legislatively convened working groups during the interim, and defend against onerous federal regulations. Of specific concern is the proposal from CMS to implement minimum staffing ratios for the nation’s nursing homes, which threatens to impair patient access to long-term care, worsen discharge and waitlist issues for members, and stretch even more thinly an already shallow pool of healthcare workers.
Despite the stabilization of social and operational activities as we began to emerge from the COVID-19 pandemic, many hospitals, nursing facilities, assisted living facilities, type II adult residential care homes, home health agencies and hospices continued to experience financial hardship, much like the rest of the country, due to increased costs in supplies and workforce. While the final $1 billion in Provider Relief Funds (PRF) authorized through the CARES and American Rescue Plan Acts for healthcare providers was released over the third quarter of 2022, with no additional federal funds made available to address these sustained heightened costs. Additionally, during this time providers began having to report on their PRF spending and return any unused funds.

HAH has continued to assist its members in monitoring federal reporting and other requirements for appropriate use of the relief funds, while also advocating for better and clearer reporting and auditing requirements and standards.

Throughout FY23, HAH additionally:

- Facilitated the transition for IPPS hospitals from per diem to APR-DRG payments for Medicaid patients, including:
  - Collection & organization of APR-DRG feedback from membership.
  - Coordination of meetings and discussions with MQD, Hospitals & Qi Health Plans on billing guidance and other reimbursement related concerns.
  - Advocating for standardized and fair billing guidance across all Qi Health Plans.
- Helped to organize the Assisted Living Facility Rate Study and subsequent facilitation of discussions with MQD & Milliman on feasibility of reimbursement for HCBS services within ALFs.
- Launched the remodeled Provider Tax Program that incorporated changes such as:
  1) the Med-QUEST proposed transition to Inpatient DRG Reimbursements.
  2) the Med-QUEST proposed, and CMS required, transition from supplemental access payments to prospective, utilization-based payments.
  3) ongoing application of the Public Health Emergency (PHE) Federal Medical Assistance Percentage (FMAP) enhancements.
- Renegotiated Med-QUEST Hospital Pay-for-Performance (P4P) terms for CY22 & CY23 to minimize impact to the program in light of the increased state Medicaid population and increased cost of workforce to complete quality program requirements.
In response to our members’ growing workforce demand, the HAH Workforce Team led initiatives to expand the workforce pipeline, attract new healthcare workers, and retain valuable employees through the development of career pathways and glidepaths. The team focused on the highest workforce needs including entry-level positions such as certified nurse aide (CNA), phlebotomist, patient service representative and medical assistant, technicians/technologists, and nurses.

Here are some ways that HAH strengthened Hawaii’s healthcare workforce this year:

- HAH released the second biennial Healthcare Workforce Initiative (HWI) Report on November 15, 2022, with a local and national broadcast reach of 15.6M people. The HWI report is the state’s only industry-generated research that counts the actual number of non-physician healthcare job openings by care setting and island. It is used by educators, legislators, and workforce development organizations as a critical tool to expand education programs, secure workforce funding, and align stakeholders.

- The workforce team worked closely with the UH Community College System to secure $35M in funding for Good Jobs Hawai‘i. This unprecedented funding provides tuition for short-term training programs and job placements. As the lead for the healthcare industry, the largest of four sectors funded by the grant, HAH worked with education partners to expand healthcare training capacity and provide opportunities for members to directly hire trained candidates. HAH also worked with the Hawai‘i State Center for Nursing to fold in nurse residency and specialty programs, which will expand the transition to practice pipeline for nursing. Good Jobs Hawai‘i will continue for the next two years.

- In partnership with the Chamber of Commerce, HAH assumed the lead for the Healthcare Sector Partnership, an industry-led collaborative of healthcare employers and education partners working together to develop a kindergarten through career healthcare pathway. This year, the collaborative focused on career awareness, training and transition to employment, and curriculum support workstreams. Industry leaders also worked to support the healthcare services pathways at Farrington, Kapolei, Pearl City, and Waianae high schools.

- Since 2021, HAH has led an LPN innovation team with participation from the UH Maui College, UH Community College System, the Hawai‘i State Center for Nursing, BSH and the HARIETT Training Trust, Kaiser Permanente, Ohana Pacific Health, and Hale Makua Health Services. In January, the collaborative launched the first glidepath (earn and learn) program, through UH Maui College, for working certified nurse aides (CNAs) and other healthcare workers to become licensed practical nurses (LPNs). The pilot has proven to be an effective tool in attracting and retaining CNAs. The team is working to expand capacity and open the program to more employers in 2024.

- In September of 2022, the workforce team launched a high school certificate pilot program with funding from Kamehameha Schools and Health Resources and Services Administration (HRSA). Over 100 students participated in certified nurse aide, phlebotomy, patient service representative, and medical assistant programs, including job placement support at high schools on O‘ahu, Kaua‘i, and Hawai‘i Island. The program will commence in August and key successes and learnings will be applied to the expansion of high school programs in the next school year.

HAH continued to build and strengthen partnerships with community organizations, education partners, and state entities. We are extremely grateful to our healthcare workforce partners across the state for making the initiatives above a success.
Med-QUEST Pay for Performance (P4P)
Each year, HAH is instrumental in assisting the hospitals in negotiating certain terms of the Med-QUEST Pay-for-Performance (P4P) program, as well as assisting Med-QUEST with the administration of the program and calculation of the quality scoring for the program. This past year, HAH was again instrumental in re-negotiating the Med-QUEST Hospital P4P terms to minimize the impact of the COVID-19 Public Health Emergency (PHE), increased Medicaid population, and increased cost of supplies and labor to support quality improvement initiatives.

HAH also helped the skilled nursing facilities (SNFs) continue to engage with the Med-QUEST P4P program, which began January 1, 2021. HAH continued to consult and work with AHCA to engage the membership to further refine scope and gather ideas on how to shape the program going forward once the inaugural 3-year program comes to a close at the end of CY2023. As is done with the Hospital P4P program, HAH continues to assist Med-QUEST with the administration of the SNF P4P program, as well as the calculation of the quality scoring for the SNFs.

Social Determinants of Health (SDOH) & Perinatal Quality Collaboratives
As part of the Hospital P4P efforts, HAH continues to help organize and facilitate two quality collaboratives – one with all hospitals, and the other with all birthing facilities in the state.

The Social Determinants of Health Collaborative consists of representatives from all member hospitals across the state of Hawaii. Through the collaborative efforts, led by the HAH team, all facilities continued to screen all Medicaid patients, age 15+, on three standardized housing and food insecurity screening questions. Three additional SDOH domains were subsequently identified to add to the effort for CY2023: 1) Transportation Needs, 2) Utility Difficulties, and 3) Interpersonal Safety. Through the collaborative process, the same process used for housing & food insecurity screening implementation, hospitals have agreed to work on a standard model to incorporate the screenings into their practice workflows, along with a standardized coding workflow to ensure that there is consistency across facilities in the identification of these social risk factors within the state’s population. HAH has further worked with Laulima Data Alliance to ensure the current and future Z-code data related to this initiative is able to be captured and utilized in the Laulima Social Determinants of Health Dashboard, released in April 2023.

The HAH Perinatal Quality Collaborative also serves as the state’s official Alliance for Innovation on Maternal Health (AIM) collaborative and is comprised of representatives from all hospitals that provide birthing services. The previous year, worked with the birthing facilities to implement two patient safety bundles: 1) Maternal Hemorrhage, and 2) Severe Hypertension. In July 2022, hospitals kicked off implementation of a third patient safety bundle: Pregnant Persons with Substance Use Disorder (PPSUD). HAH represents the hospitals on a number of different maternal health-related workgroups in the community, as part of the HAH AIM PQC Collaborative efforts, including core membership of the Hawaii Maternal & Infant Health Collaborative (HMIHC), is a co-lead of the HMIHC Maternal Health & Perinatal Care Workgroup, and participant in the HMIHC Perinatal Substance Use Disorder Workgroup.
Hale Ho’ola Hamakua was the fifth Hawaii organization to receive the prestigious Silver Award in the past five years. The award is the second of three levels of distinction possible (Bronze, Silver, and Gold) through the American Health Care Association and National Center for Assisted Living (AHCA/NCAL) National Quality Award Program. The program recognizes organizations that meet progressively rigorous standards of performance to improve the lives of residents and staff in long-term care. Hale Ho’ola Hamakua was previously awarded the Bronze level award in 2020.

Providers begin the quality improvement process at the Bronze level, where they assess their organization’s mission, vision, and key factors that lead to success. Islands Skilled Nursing & Rehabilitation was recognized as one of 277 skilled nursing care centers across the country awarded in June 2023 with the inaugural Bronze designation, bringing the total count of Bronze level post-acute care facilities in Hawaii to twenty-two.

The awards are conferred every year through the National Quality Award Program run by an HAH national affiliate, AHCA/NCAL, the nation’s leading association for long-term and assisted living organizations. The program honors providers across the nation that have demonstrated commitment to improving quality of care for seniors and persons with disabilities. Providers receive a bonus payment under the pay-for-performance program if they receive a quality award.
The Hawai‘i Healthcare Emergency Management Coalition (HHEM), formerly known as HAH Emergency Services Coalition, was commissioned by the Healthcare Association of Hawai‘i (HAH) in 2003 through a 501(c)3 non-profit called the Hawai‘i Hospital Education and Research Foundation (HHERF).

Currently, HHEM provides emergency preparedness and management services to 196 coalition members. HHEM’s core missions are coordinate healthcare response operations, provide logistical and communications support, mobilize portable healthcare systems, deploy emergency response teams, support preparedness planning and training, and other benefits.

Other HHEM tasks include:

- Rim of the Pacific (RIMPAC) humanitarian assistance and disaster response exercise
- Supported Blue Angels air show at Kaneohe Marine Base
- Donated six pallets of personal protective equipment (PPE) to the Marshall Islands during COVID outbreak
- Sent over 30 coalition members to Anniston, Alabama for training at Center for Domestic Preparedness
- Traveled to Kalaupapa on Moloka‘i to reassess HHEM equipment at the settlement
- Conducted Med Sled training at Maluhia
- Makani Pahili hurricane preparation and response exercise
On July 14, 2022, Hawaii Healthcare Emergency Management (HHEM) held its statewide, full-scale Rim of the Pacific’s (RIMPAC) Humanitarian Assistance and Disaster Response (HA/DR) exercise on Ford Island.

The purpose of the exercise is to help train local healthcare personnel and international military responders in working together to aid local residents if a disaster occurs.

The exercise is one where the military and local civilian population work collaboratively on disaster response. Hundreds of volunteers participated in this statewide, full-scale exercise to prepare Hawaii’s healthcare system to respond to a catastrophic typhoon, or hurricane. Volunteer casualty-actors, moulaged with fake blood and traumatic injuries were triaged in an emergency mobile field hospital set up in tents to “treat” the injured.

Military and U.S. Coast Guard helicopters were used to fly volunteer patients from hospitals around Hawaii to and from Ford Island. The military also set up an entire tactical operations center for this exercise.
As we begin to turn a corner on the pandemic, HAH and its post-acute members have changed their focus from response to recovery. Although much work remains to be done in protecting the financial sustainability of our members and keeping on top of ever-changing rules and guidance, HAH is keeping its eye on the horizon for opportunities to reinvest in post-acute care and defend against burdensome and problematic regulations.

Recognizing the financial impact that the pandemic had, HAH worked to ensure that SNF members received the funds that were appropriated for enhanced Medicaid payments by the Hawaii State Legislature through SB 3236. Similarly, in partnership with our national affiliates, we successfully worked to push back against CMS proposals to make devastating, one-time cuts of $1.7 billion and $1.3 billion respectively to Medicare payments for our SNF and Home Health members.

HAH has also been instrumental in looking toward the future with its post-acute care members. HAH played a significant role in formulating recommendations that came out of the legislatively convened CSG West Working Group on Long-Term Care, which resulted in increased awareness of, and attention to, issues and solutions during the 2023 legislative session that materially benefitted post-acute care. Similarly, HAH also engaged our ALF/ARCH Leadership group in discussions with Med-QUEST about ways that the ALF benefit can be restructured to encourage greater provider participation and resolve longstanding challenges with patient access to this aspect of their coverage. Similarly, as CMS readies its minimum staffing proposal for SNFs, HAH is ready to vigorously engage with our delegation, CMS, and other stakeholders about this policy’s negative impact on patient access and member viability.

HAH also supported its post-acute care members through a variety of other initiatives.

- Worked with its SNF and Home Health members to review and offer feedback on OHCA’s proposed updates to the state rules for these provider groups.
- Continued sending weekly updates on county-level COVID transmission rates to SNF members to ensure that they comply with CMS requirements for testing of new admissions and use of source control.
- In conjunction with our Quality and Education teams and in response to Hawaii losing its spot as the best performing state in measures of inappropriate antipsychotic use in long-term care, HAH convened a working group of skilled nursing providers to better understand the causes of this slip, address identified challenges, and develop tailored education opportunities for members.
- Successfully advocated for a return to the TB Control Branch’s previous practices for obtaining TB clearances for healthcare workers with a history of positive tests, averting unnecessary burden for our membership.
- Kept each segment of the post-acute care membership updated on the effects that the end of the federal PHE would have on flexibilities that they might have been using.
During FY 2023, Laulima Data Alliance (Laulima) continued to support hospital leadership, state and county officials and community leaders by producing COVID-19 reports and charts:

- A daily hospital census report tracking total bed capacity, staffed intensive care unit (ICU) bed capacity and ventilator usage statewide and by county.

The COVID-19 pandemic put a pause in Laulima’s plans to expand its data repository beyond hospital members. In 2022, Laulima announced that it was ready to build a long-term care (LTC) data repository for the Healthcare Association of Hawaii’s (HAH) Skilled Nursing Facility (SNF) and Assisted Living Facility (ALF) members. The new repository for post-acute facilities is a first for any State Association and in July 2022, Laulima was pleased to receive commitments from 21 Hawaii SNFs and ALFs. In April 2023, Laulima’s LTC Data Submission Program went live enabling facilities to submit their data, and Laulima’s LTC Data Reporting Program will go-live after all SNFs and ALFs complete their data submission.

During FY 2023, Laulima partnered with the Hawaii Department of Health (DOH) to apply for a Centers for Disease Control and Prevention (CDC) pilot to implement a near real-time statewide Hospital Capacity System that shows the number of available staffed inpatient and emergency department beds. The Hospital Capacity System will support the DOH with its required national data feed requirements, it will provide the Hawaii Emergency Management Agency (HI-EMA) with a vital tool in the event of a statewide emergency and/or natural disaster, and it will provide the HAH with the ability to support its member hospital’s data feed requirements. The notice of award was received in March 2023, and the Hospital Capacity System is anticipated to be implemented in late 2023.

In addition, Laulima added enhancements to its Dimensions Reporting Program introducing Tableau dashboards on Social Risk Factors, and adding a Service Line Tool that enables users to view what outpatient procedures are high volume, high cost, high value, and of high interest.

In February 2017, the Healthcare Association of Hawaii established Laulima Data Alliance, a nonprofit wholly owned 501(c)(3) subsidiary. Laulima’s participating members have access to a web-based Data Reporting Program and receive reports to support their decision-making and efforts to continuously improve the quality and cost-efficiency of healthcare services provided to the people of Hawaii.
The Healthcare Association of Hawaii (HAH) brings value to its members by providing supplemental educational opportunities, many of which offer continuing education credit*. Educational topics are determined in response to healthcare-related regulatory trends and updates, quality initiatives, and member input.

In fiscal year 2022-2023, HAH collaborated with local and national partners including the Hawaii State Department of Health (HDOH), the University of Hawai‘i John A. Burns School of Medicine (UH JABSOM) Department of Geriatric Medicine, Mountain Pacific Quality Health, Pu‘ulu Lapa‘au, Hawai‘i Pacific Health, the American Health Care Association (AHCA) and the National Center for Assisted Living (NCAL) to provide education and resources for the benefit of its members.

FY22 educational activities included:

- Survey Success! Avoiding Top Citations (12-Month Series)*
- Project ECHO (Extension for Community Healthcare Outcomes) Long-Term Care Learning Action Network*
- COVID Therapeutics
- The Science of Compassion (Three-Part Series)*
- Q&A with the Hawai‘i State Department of Health (Quarterly)
- A Deeper Look at Healthcare Acquired Infections (Six-Part Series)*
- Evacuating Residents: Lessons Learned
- Unpacking the RoP Interpretive Guidance: LTC Implementation Essentials (Five-Part Series)*
- Managing “Unmanageable” Patients (Three-Part Series)*
- Blueprint for OASIS Accuracy with optional COS-C Exam (Two-Day Conference with optional 3rd Day Exam)*
- Dementia Care (Two-Part Series)*
- TJC Standards for Workplace Violence*
- Joint Commission Resources Virtual Conference (Two-Day Conference)*
- Deep Dive into Federal Regulations in a Year (12-Month Series)*
- Medication Reconciliation*
- American Health Care Association/National Center for Assisted Living (AHCA/NCAL) Quality & Regulatory Workshop (Two-Day Conference)*
- Infection Prevention: Dealing with Real Issues in the Healthcare Environment (Six-Part Series)*
- Caregiver Workforce Summit
- Hurricane Preparedness for Healthcare
- MDS Updates & Areas of Impact Virtual Workshop (One-Day Workshop)*
- Cybersecurity Workshop: Preparation is Key (One-Day Workshop)
HAH invested in Hawaii’s healthcare workforce with the Hawaii Hospital Education and Research Foundation (HHERF) healthcare scholarships. Employees of HAH member organizations and their immediate family members were eligible to apply for healthcare scholarships of $500 to $2,000 to cover professional certification and healthcare-related degrees.

Six students received HHERF healthcare scholarships totaling $12,000. The students are Sydney Dolor from Kaiser Permanente, Simran Singh from Shriners Children’s Hawai’i, Lee Tsutsumi from Rehabilitation Hospital of the Pacific, Jennifer Herrington from Shriners Children’s Hawai’i, Sara Sumida from The Queen’s Medical Center, Theresa Dao-Nakamatsu from Adventist Health Castle. Their majors were Communication Sciences and Disorders, Biological Sciences, Occupational Therapy, Nursing Leadership, Physician Assistant, and Doctor of Nursing (DNP).

Farrington Health Academy Outstanding Senior Awardees: Katrina Mariano (left); Mia Daquioag (right); Danielle Ushijima, award presenter (middle)

Farrington Health Academy students who completed the Certified Nursing Assistant Program
HAH works year-around to elevate the positive image of Hawaii's healthcare systems, whether in a public health emergency or not.

The nation was still in the midst of a covid surge when the fiscal year began. And even though the official public health emergency has ended, HAH continues to support pandemic efforts with accurate information for the HAH members and the public.

HAH also draws important attention to pandemic after-effects affecting HAH members, such as hospitals remaining as full as they did during the pandemic, ongoing healthcare workforce shortages, and increasing costs. HAH keeps healthcare at the forefront of the public agenda.

HAH Update (weekly e-newsletter)
- 946 subscribers
- Open rate 42%
This was the year that HAH returned to in person events after three years of cancellations and online-only meetings.

This meant a number of "firsts" were accomplished, such as the first hybrid HAH Annual Meeting that allowed members to choose between participating virtually or in person. This meant neighbor island members could participate without having to travel to Oahu, and it gave other HAH members the opportunity to see the ohana in person for the first time in three years.

A hybrid Advocacy Day followed in August, and then more than 400 people celebrated in person at the HAH Awards and Scholarship Gala in October. The Gala had been cancelled in 2020 and 2021 as surges of covid illness diverted resources and limited in-person interactions.

HAH continued to work with its members, government officials, and the news media to provide accurate and timely information to the public, so people could make informed decisions and understand the coronavirus’ impact on the healthcare system.

In November, the 2022 Healthcare Workforce Report was issued after a year-long pandemic delay, showing how the pandemic had worsened the need for healthcare workers. The report received widespread attention from the news media and the community.

On March 30, 2023, the 2022 Hawaii Healthcare Heroes were honored by Governor Josh Green and by the Hawai‘i State Senate during a special ceremony held at the Hawai‘i State Capitol.
The leading voice of healthcare since 1939

Official State Affiliate of the Following National Organizations

American Hospital Association

AHCA

NCAL

NHPCO

Homecare & Hospice