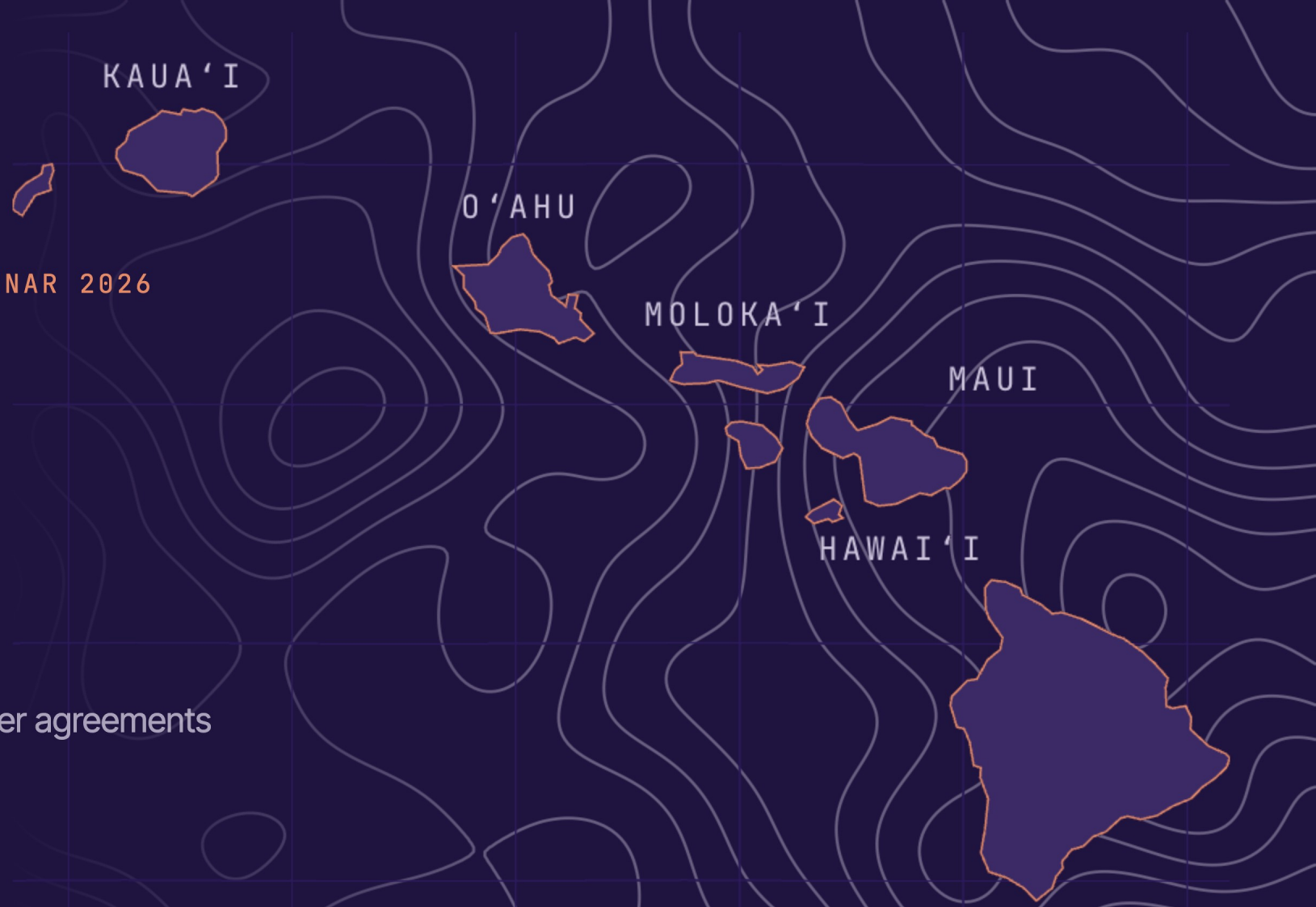
HFMA HAWAIʻI · REVENUE CYCLE SEMINAR 2026

Earned, not *paid*

From contract to cash

Recovering revenue hidden in Hawaiʻi payer agreements



Alex Yarijanian · CEO · 10 Nov 2026

carenodes



YOUR SPEAKER

Alex Yarijanian

CEO, Carenodes

"My ask to the powers that be: bring this market to *maturity*. Make it managed-care compatible and sustainable, and fund the capacity building to get there."

FROM THE PAYER SIDE OF THE TABLE

Former head negotiator for network management, Humana West Territories

Now on the provider side, recovering revenue hidden in payer agreements.

01 · THE POWER DYNAMICS

Who holds the power in Hawai‘i’s market

SET THE RULES
~50% of residents

- **CMS & Congress** — Medicare fees, MA benchmarks, star ratings
- **Legislature & Med-QUEST** — QUEST capitation, Medicaid fees

↓ set rates for

SET THE PRICE
Plans

- **HMSA** — Commercial benchmark · 206K QUEST · MA
- **AlohaCare · UHC** — QUEST and D-SNP
- **Kaiser** — Closed system
- **‘Ohana** — Exits 31 Dec

↓ negotiate with

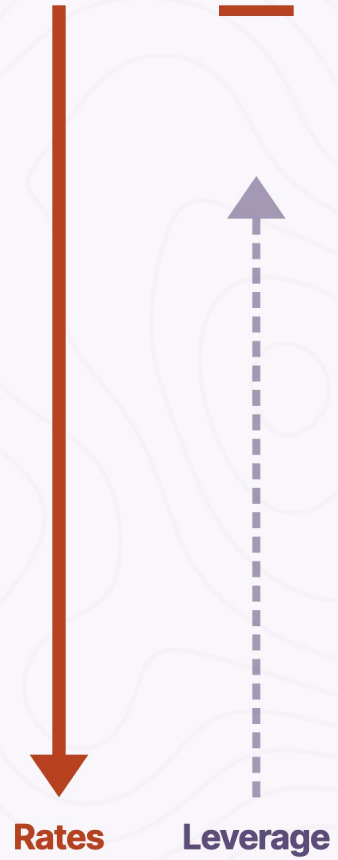
HOLD LEVERAGE
Large systems

- **Hawai‘i Pacific Health** — Joining HMSA under One Health
- **Queen’s** — Outside One Health
- **HHSC** — State system

↓ set the market for

TAKE THE PRICE

- **Independent practices** — Rates flow down. Leverage doesn’t flow up.

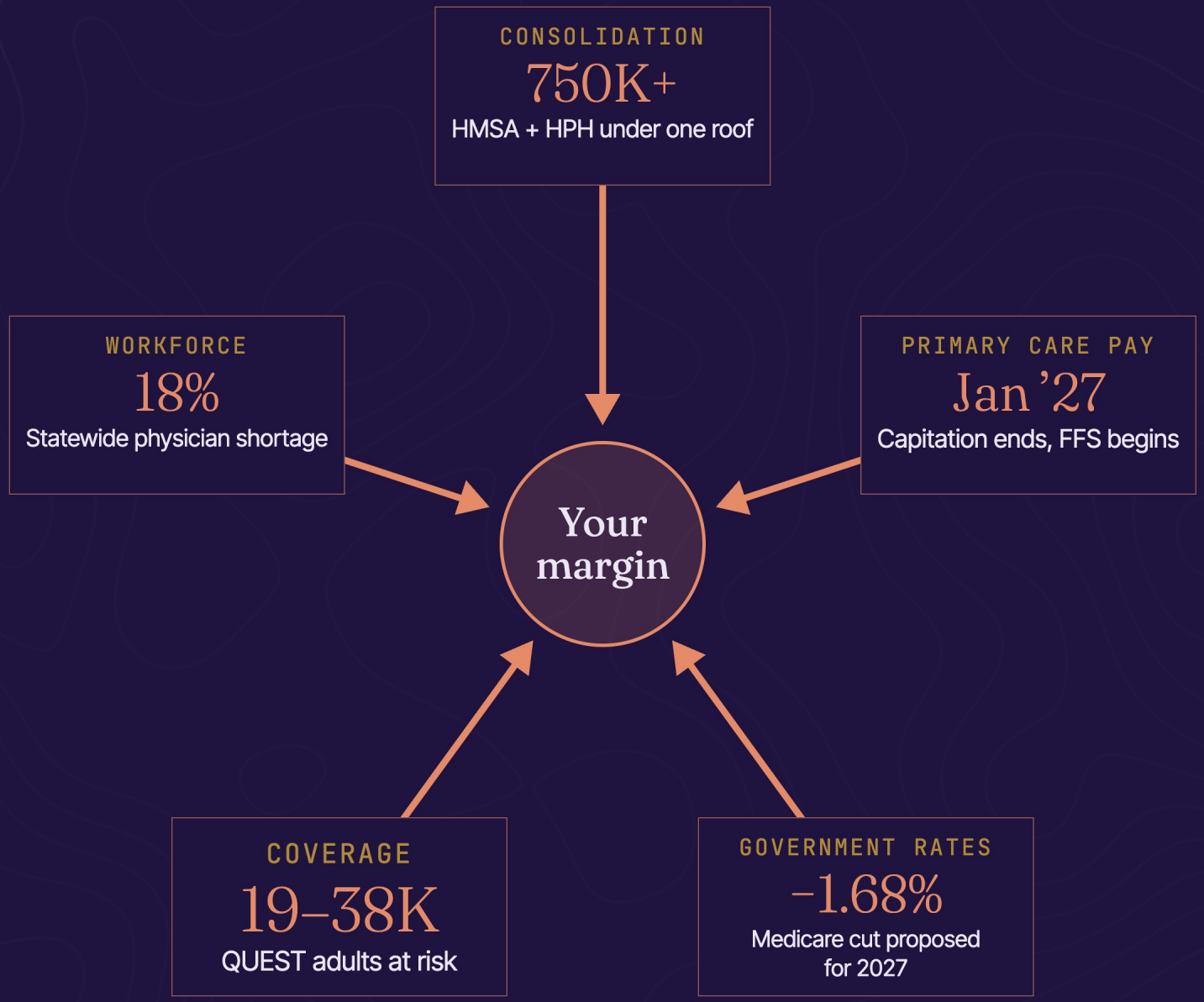


Sources: Med-QUEST enrollment and Division updates, 2024–2026; CMS; HMSA and HPH One Health announcements, 2026

02 · THE SIMULTANEOUS SQUEEZE

Five forces. *One* practice.

All landing in the same fifteen months, all pressing on the same margin.



Sources: CMS CY2027 PFS proposed rule; Med-QUEST, May 2026; UH JABSOM workforce assessment, 2026 prelim.; Hawaii Tribune-Herald, Aug 2026

HMSA PRIMARY CARE · PMPM → FEE-FOR-SERVICE

From a monthly check to a claim for *every visit*

2016
Payment transformation
Monthly payment per attributed member

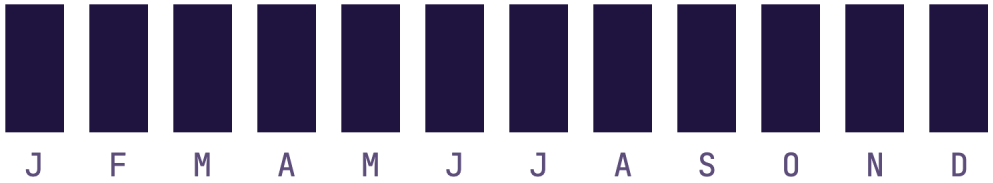
1 MAY ’26
60 days’ notice
Letter: fee-for-service by 1 July

JUN ’26
Governor steps in
Opt in 1 July, or wait until 1 Jan

1 SEP ’26
Claims-based attribution
18-month lookback sets panels

1 JAN ’27
FFS for everyone
Neighbor islands paid 15% above standard

BEFORE · PMPM



The same check every month, seen or not. Vague coding stayed hidden.

AFTER · FEE-FOR-SERVICE



Paid only when a claim clears. Dashed = stuck claims: no pay, and patients drop.

Sources: Honolulu Civil Beat, May 2026; Hawaii News Now and KHON2, Jun 2026; Hawaii Tribune-Herald, Aug 2026

03 · PAYER-TO-PAYER COMPARE

How Hawai‘i’s QUEST plans compare

★ Medicare Advantage stars · 4.0 earns the CMS quality bonus

BELOW BONUS

HMSA

206,410

QUEST members

★★★☆☆

3.0 · 2027, down from 3.5

Primary care to fee-for-service; 2 MA plans dropped

AlohaCare

71,542

QUEST members

★★★½☆

3.5 · 2026, D-SNP

Absorbing ‘Ohana members

UnitedHealthcare

55,532

QUEST members

★★★★☆

4.0 · 2026

Aligned D-SNP enrollment

Kaiser

48,168

QUEST members

★★★★½

4.5 · 2027

QUEST on O‘ahu and Maui only

‘Ohana (Centene)

34,261

QUEST members

—

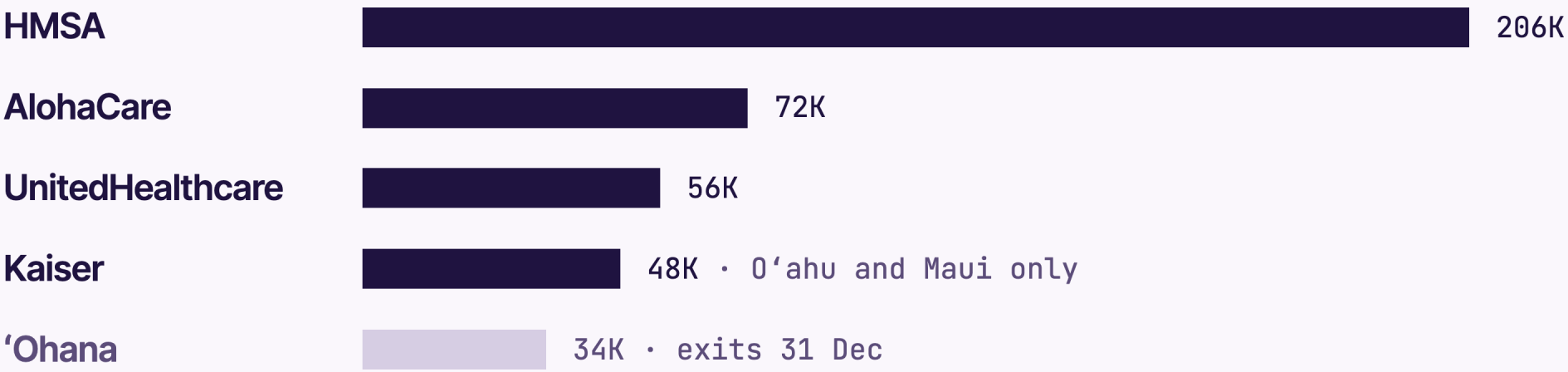
No MA rating

Leaves QUEST 31 Dec 2026

Sources: Med-QUEST enrollment, Dec 2024; CMS 2026 and 2027 Star Ratings; HMSA 2024 Financial Report; AlohaCare Form 990

04 · QUEST PLANS

After ‘Ohana exits, most islands have three QUEST plans



‘Ohana’s 34K members move to the remaining plans on 1 Jan 2027. Re-verify eligibility and plan assignment.

Source: Med-QUEST enrollment, Dec 2024

05 · HOW MEDICARE PRICES A VISIT

One formula. *One* multiplier decides geography.

$$
\begin{aligned}
&(\text{RVU} \times \textit{GPCI}) \\
+\ &(\text{RVU} \times \textit{GPCI}) \\
+\ &(\text{RVU} \times \textit{GPCI}) \\
\hline
\times\ &\text{CF} \\
=\ &\text{Payment}
\end{aligned}
$$

Physician work · Honolulu = 1.000

Practice expense

Malpractice

Conversion factor · $33.40 in 2026

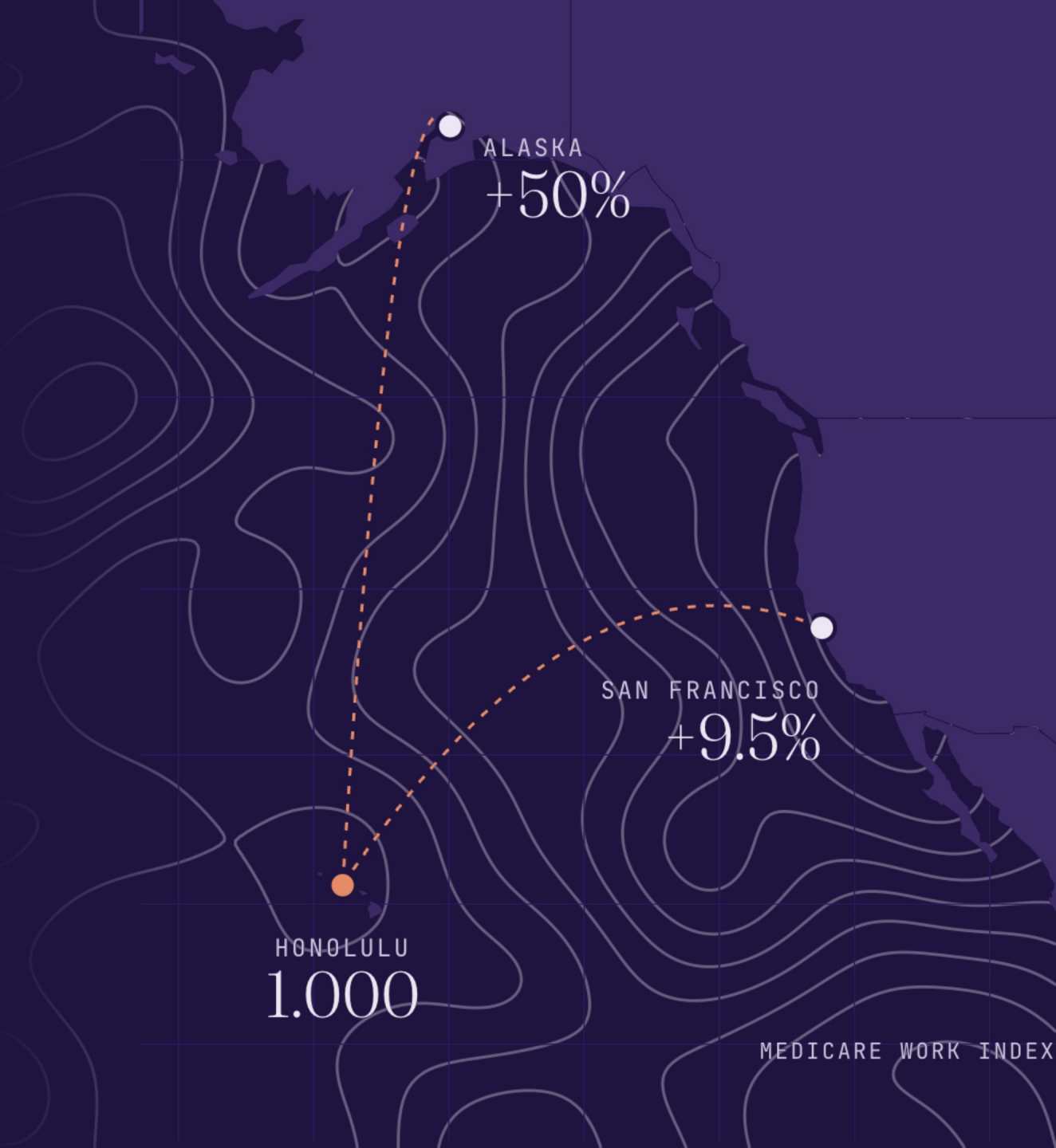
RVUs are the same everywhere. **GPCIs are where geography comes in.**

RVU = relative value unit · GPCI = geographic practice cost index · CF = conversion factor (2026, non-qualifying APM). Source: CMS 2026 PFS

05 · THE GEOGRAPHIC PENALTY

Same visit. *Less* pay.

Medicare's work index treats Honolulu as cheaper than San Francisco, and far below Alaska's protected floor.



Sources: CMS 2026 PFS locality GPCIs; PATCH Act, Hawai'i delegation, 2025

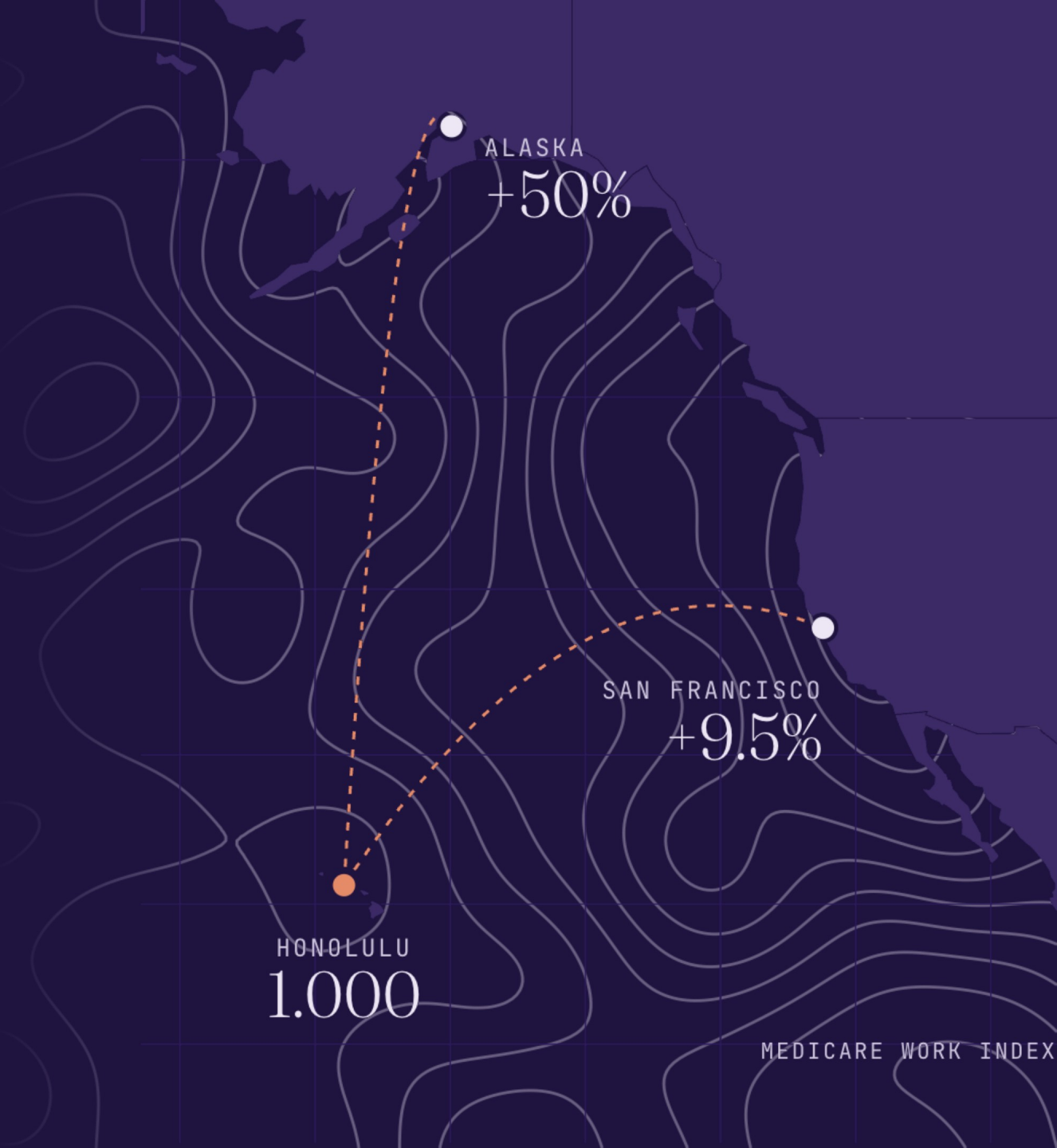
05 · THE GEOGRAPHIC PENALTY

Same visit. *Less* pay.

Medicare's work index treats Honolulu as cheaper than San Francisco, and far below Alaska's protected floor.

CPT 99215 · 40-MIN OFFICE VISIT · MEDICARE 2026



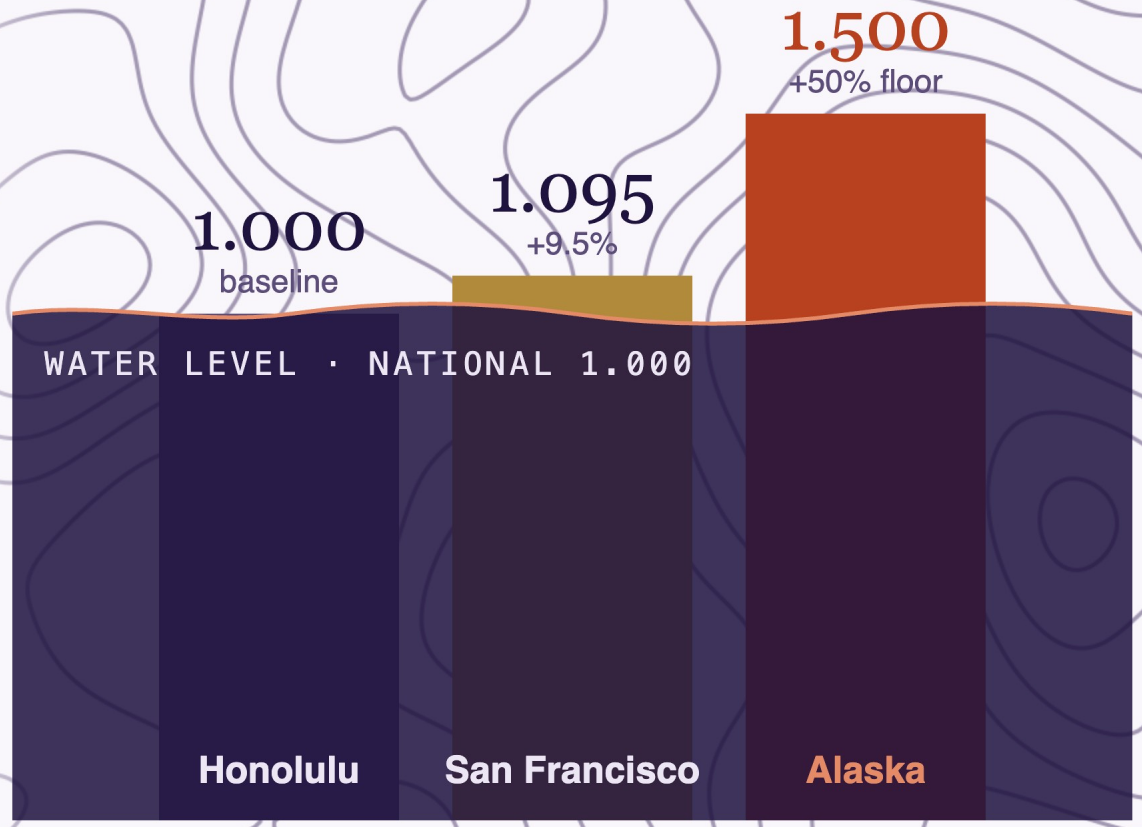


Sources: CMS 2026 PFS locality GPCIs; PATCH Act, Hawai'i delegation, 2025

07 · WHY THE GAP EXISTS

Hawai‘i’s Medicare rates are structurally *submerged*

Medicare’s work index puts Honolulu exactly at the national line: zero geographic credit. San Francisco sits above it; Alaska has a protected floor.



$142.79
99214 in Hawai‘i, only 5% above the $135.61 national rate

1.137 vs 1.410
Practice-expense index, Hawai‘i vs. San Francisco

$171 vs $200
“120% of Medicare” for a 99214, Hawai‘i vs. San Francisco

Medicare physician work index (GPCI), 1.000 = national. Source: CMS 2026 PFS locality GPCIs and Q4 2026 RVUs

08 · NEIGHBOR ISLANDS

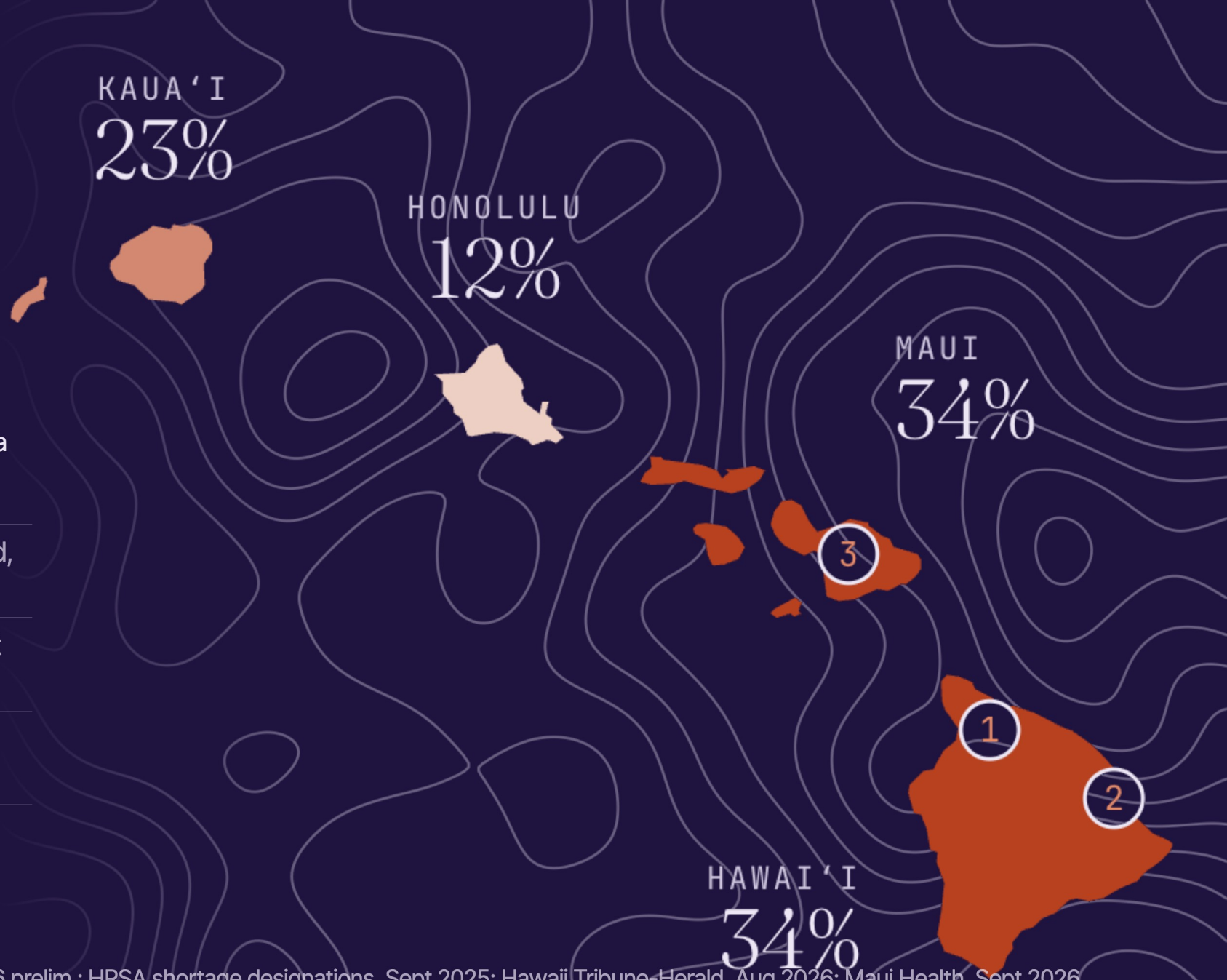
The neighbor island *squeeze*

34%
physician shortage on Maui and Hawai‘i Island, ~3× Honolulu

516K
residents, *1 in 3*, in a federal shortage area

1. **Waimea clinic.** ~450 patients dropped, –$162K a year
2. **Hilo Family Medicine.** Closed 30 Sept after 27 years
3. **Kula Hospital.** ER closed since the March storms

\+ **15% differential** on neighbor-island HMSA fee-for-service



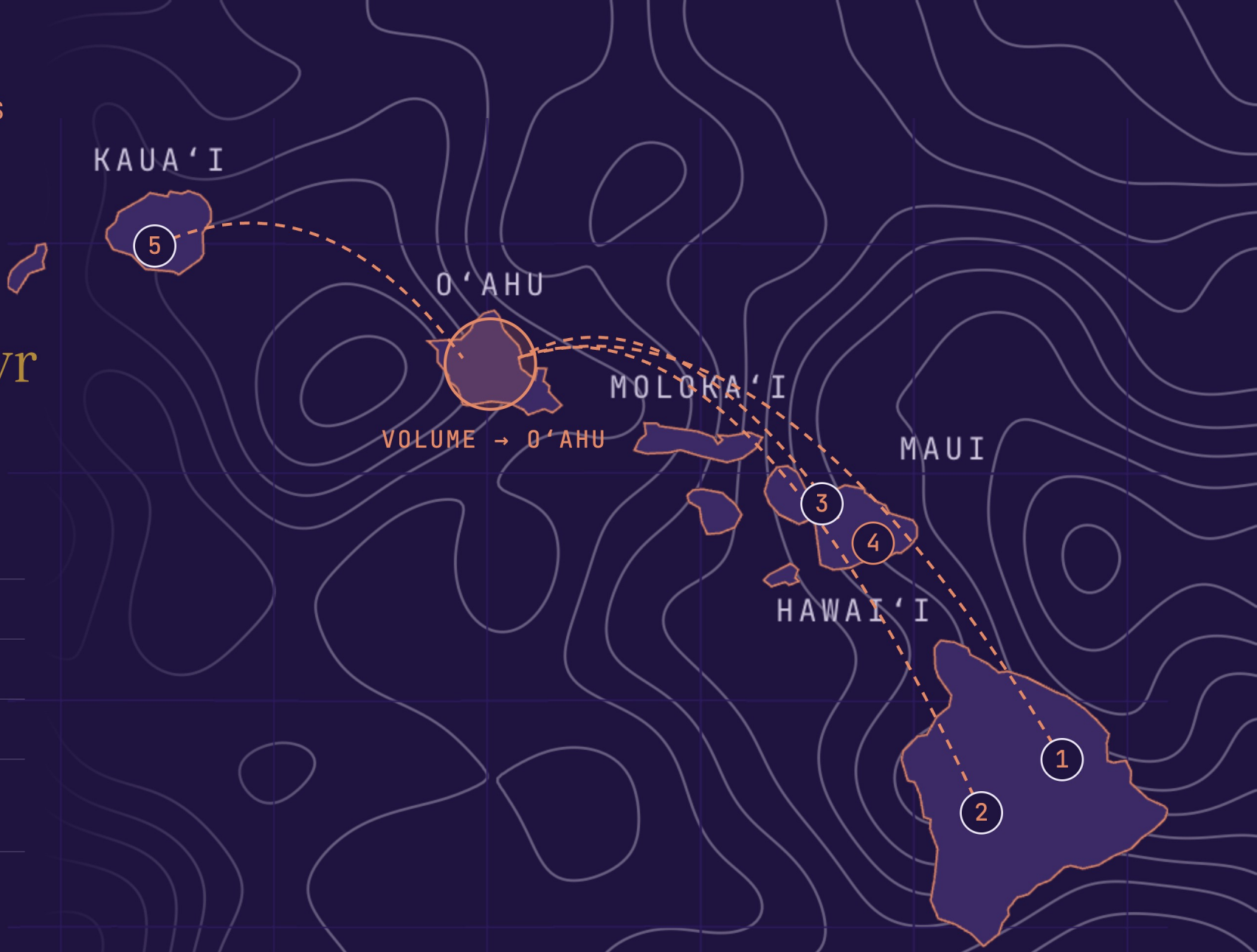
Sources: UH JABSOM workforce assessment, 2026 prelim.; HRSA shortage designations, Sept 2025; Hawaii Tribune-Herald, Aug 2026; Maui Health, Sept 2026

10 · NEIGHBOR ISLAND HOSPITALS

Neighbor island hospitals are losing volume to *O‘ahu*

$57M
market-shift floors to protect them

$189M/yr
CMS Rural Health Transformation



1. **Hilo Medical Center** HHSC
2. **Kona Community Hospital** HHSC
3. **Maui Memorial** Maui Health
4. **Kula Hospital** ER closed since March storms
5. **Kaua‘i Veterans Memorial** HHSC

Arrows show the direction of volume shift, not measured flows. Sources: Hawai‘i Dept. of Health Steering Committee, Apr 2026; Maui Health, Sept 2026

So where is the *money?*

WHERE WE LOOK

The denial queue

Work denials. Fix coding. Wait for Washington.

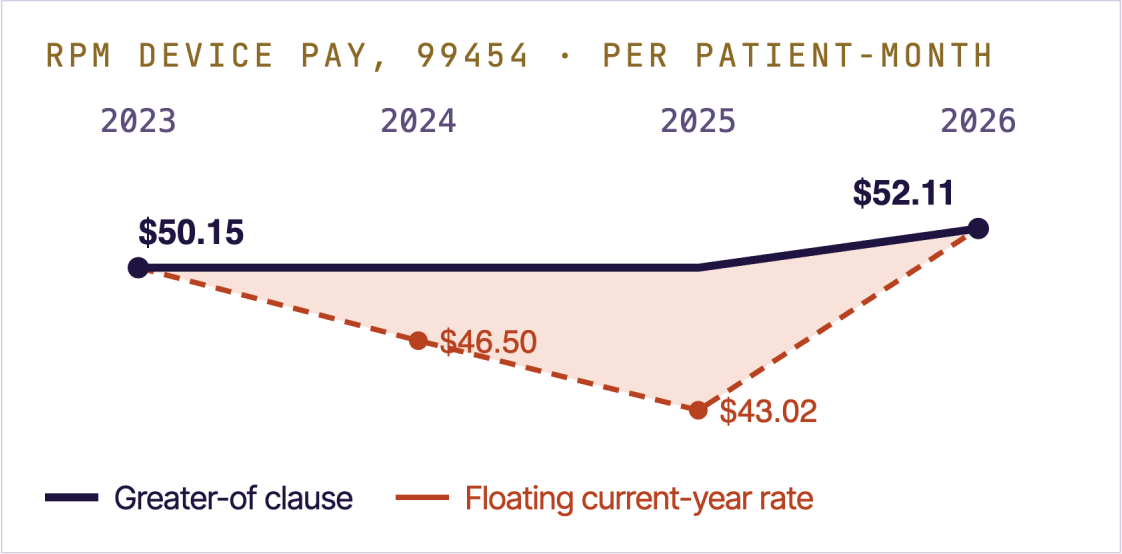
WHERE IT ACTUALLY IS

The *contract*

Terms you already signed, and never enforced.

PLAYBOOK 1 OF 3

Fee schedule drift



ACTION Audit remits line by line. **Better yet, lock in a good year:** pay the greater of your best year or current Medicare.

Sources: CMS CY2027 PFS proposed rule, Jul 2026 (final rule due early Nov); CMS national non-facility rates for 99454, 2023–2025

PLAYBOOK 2 OF 3

Value-based transitions: the attribution trap

Patient is assigned to Provider A → Processed claim in the last 18 months? →

No: patient silently drops from panel. Revenue stops.

Yes: patient remains on panel.

177 of the ~450 patients dropped from one Waimea practice had visits on file. Claims lag pushes active patients down the "no" path.

ACTION Reconcile payer attribution rosters against your visit data, now.

Sources: Hawaii Tribune-Herald and The Garden Island, Aug–Sept 2026

Capitated or not, the diagnosis you document is the revenue

Coded vaguely	HCC
Obesity	0
Type 2 diabetes, exudative retinopathy	.104
Major depression, single episode, unspecified	0
CHF	.323
Asthma	0
Pressure ulcer, right heel, unspecified	0
CHF*DM	.154

RAF 1.029 · SAMPLE MA PAYMENT / YR

$9K

Coded to specificity	HCC
Morbid obesity, BMI 42	.273
Type 2 diabetes w/ diabetic retinopathy	.318
Major depressive disorder, single episode, mild	.395
CHF, class 3	.323
COPD	.328
Pressure ulcer, right heel, stage 3	1.204
CHF*DM; CHF*COPD	.154, .190

RAF 3.633 · SAMPLE MA PAYMENT / YR

$32K

Sample patient: female, 76, not disabled, Medicaid, ESRD or institutionalized; demographic RAF .448. Illustrative. V28 counts only diagnoses captured in a live encounter.

PLAYBOOK 3 OF 3

The auto-renewal ambush

60 days to undo a decade of capitation. Auto-renewing contracts hide the same kind of trigger.

BEFORE IT RENEWS

01
Find the notice window
Calendar it 30 days before it opens, not the renewal date.

02
Send notice every cycle
A written request to renegotiate keeps your leverage.

03
Strike one-sided changes
Payment-model changes by mutual consent, plus an annual escalator.

Sources: Honolulu Civil Beat, Jun 2026; Hawaii Tribune-Herald, Aug 2026

WHAT TO ASK FOR · 1 OF 2

Protect your *cash*

01

Transition payments

A bridge while fee-for-service claims catch up.

SAY

“We’d like a PMPM run-out for the first 90 days of fee-for-service.”

02

A rate floor

Never below a good year, never below Medicare.

SAY

“Let’s set payment at the greater of our base-year schedule or current Medicare.”

03

Your 15%

Neighbor island? Make sure the differential is real.

SAY

“Please confirm the neighbor-island differential is loaded in our fee schedule.”

WHAT TO ASK FOR · 2 OF 2

Protect your *patients* and your terms

04

Attribution protection

Visits on file should count, not just processed claims.

SAY

“Please count visits documented in our records, with a grace period on the 18-month lookback.”

05

Credit for your history

Bring quality scores and your HCC recapture rate.

SAY

“Here’s our HCC recapture rate. We’d like a quality incentive that carries into fee-for-service.”

06

Notice and reopeners

No more 60-day surprises.

SAY

“We need 90 days’ notice on any payment-model change, and the right to reopen rates.”

MONDAY MORNING

Pull your top five payers' *remits.*

Compare what you contracted with what you were paid. That's where the money is.

WAIMEA · 450 PATIENTS DROPPED · 177 HAD VISITS ON FILE

Earned, not *paid.*

Enforce what you signed. And ask the people who set the rules to bring this market to maturity, with the funding to get there.

Mahalo nui

Alex Yarijanian · CEO · HFMA Hawai'i Chapter 2026

carenodes