

## **Table of Contents**

**State/Territory Name: Hawaii**

**State Plan Amendment (SPA) #: 10-003**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages



**DEPARTMENT OF HEALTH & HUMAN SERVICES** Centers for Medicare & Medicaid Services

Region IX  
Division of Medicaid & Children's Health Operations  
90 Seventh Street, Suite 5-300 (5W)  
San Francisco, CA 94103-6706

**NOV 15 2010**

Lillian B. Koller, Esq.  
Director, Department of Human Services  
P.O. Box 339  
Honolulu, HI 96809-0339

Dear Ms. Koller:

Enclosed is an approved copy of Hawaii State Plan Amendment (SPA) No. 10-003 which adds smoking cessation as a covered Medicaid benefit and expands current coverage of prescription and non-prescription tobacco cessation agents for the Medicaid eligible population. This SPA is effective July 1, 2010.

If you have any questions, please feel free to contact Torris Smith at (415) 744-3599 or [Torris.Smith@cms.hhs.gov](mailto:Torris.Smith@cms.hhs.gov).

Sincerely,

  
Gloria Nagle  
Associate Regional Administrator  
Division of Medicaid & Children's Health Operations

cc: Kenneth Fink, Med-QUEST Administrator  
Michele Bowser, CMS Center for Medicaid and State Operations (two copies)  
Mary Rydell, Pacific Area Representative

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:  
TN 10-009

2. STATE  
HAWAII

FOR: HEALTH CARE FINANCING ADMINISTRATION

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE  
SOCIAL SECURITY ACT (MEDICAID)  
MEDICAL ASSISTANCE

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE:  
July 1, 2010

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN

AMENDMENT TO BE CONSIDERED AS NEW PLAN

AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:  
Patient Protection and Affordable Care Act  
(P.L. 111-148)

Health Care Education Reconciliation Act of 2010  
(P.L. 111-192)

7. FEDERAL BUDGET IMPACT:

a. FFY 2010 ~~\$14,727.99~~ \$ 0.00 JM  
b. FFY 2011 \$51,139.32

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Supplement to Attachment 3.1A and 3.1B, pages 2,  
2.1 and 3.2.b

Attachment 4.19B, page 8.3

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable): JM

Supplement to Attachment 3.1A and 3.1B,  
pages 2, 2.1 and 3.2b; page shift of tobacco  
cessation services from pg 2 to pg 2.1  
Attachment 4.19B, page 8.3

10. SUBJECT OF AMENDMENT:

Add smoking cessation counseling as a covered Medicaid benefit and expands current coverage of  
prescription and non-prescription tobacco cessation agents for the Medicaid eligible population.

11. GOVERNOR'S REVIEW (Check One):

- GOVERNOR'S OFFICE REPORTED NO COMMENT
- COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
- NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:  
AS APPROVED BY GOVERNOR

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:  
LILLIAN B. KOLLER

14. TITLE:  
DIRECTOR

15. DATE SUBMITTED:  
June 10, 2010

16. RETURN TO:

17. DATE RECEIVED:

18. EFFECTIVE DATE OF APPROVAL:

21. TYPED NAME:

23. REMARKS:

**SUPPLEMENT TO ATTACHMENT 3.1-A and 3.1-B**

6a. Exclusions to Podiatry services are:

- 1) Routine foot care, including debridement not related to infection or injury;
- 2) Treatment of flat feet; and
- 3) Hospital inpatient services and appliances costing more than \$100.00 require prior approval by the department.

6b. Approval required for contact lenses, subnormal visual aids costing more than \$50.00 and to replace glasses or contacts within 2 years. Medical justification required for bifocal lenses prescribed for persons under 40 years of age.

Orthoptic training is excluded.

6d. Services of a Psychologist are provided with the following limitations:

- 1) Testing is limited to a maximum of 4 hours once every 12 months or to 6 hours, if a comprehensive test is justified.
- 2) Prior authorization is required for all psychological testing except for tests that are requested by the department's professional staff.

The providers for SAT services are psychologists, licensed clinical social workers in behavioral health, advance practice registered nurses (APRN), marriage and family therapist (MFT), and licensed mental health counselors (MHC), in behavioral health. Settings where services will be delivered are in outpatient hospitals/clinics including methadone clinics, and physician/provider offices. Only professional fees are paid when services are provided in an outpatient or clinic setting and are paid at or below the Medicare fee schedule rate. SAT services that are medically necessary shall be reimbursed with the existing approved Medicaid Fee Schedule located in Attachment 4.19-B, Section 1. Hawaii Medicaid Fee Schedule, items (a) and (d) and Section 2. Medicaid Payments for Other Non-Institutional Items and Services are Determined as Follows, item (i). Limits may be exceeded based on medical necessity.

Substance abuse services that are medically necessary shall be provided with no limits on the number of visits in accordance with the Hawaii substance abuse parity law. Substance abuse services that are medically necessary shall be reimbursed with the existing approved Medicaid fee Schedule or PPS methodology.

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TN No. 10-003  
Supersedes  
TN No. 08-014

Approval Date: NOV 15 2010

Effective Date: 07/01/10

SUPPLEMENT TO ATTACHMENT 3.1-A and 3.1-B

Smoking cessation counseling and pharmacotherapy recommended in the most current Public Health Service guideline shall be limited to two quit attempts per year. A minimum of four in person counseling sessions provided by trained and licensed providers practicing within their scope of practice shall constitute each quit attempt. Two effective components of counseling, practical counseling and social support delivered as part of the treatments is emphasized. Settings where services will be delivered are in outpatient hospital/clinics and physician/provider offices. Limits may be exceeded based on medical necessity.

Smoking cessation counseling services can be provided by the following licensed providers: psychologists, licensed clinical social workers in behavioral health, advance practice registered nurses (APRN), marriage and family therapist (MFT), and licensed mental health counselors (MHC) in behavioral health.

7a Home health services means the following items and services, provided to a  
to recipient at his/her place of residence on physician's order as part of a written  
d. plan of care:

- (1) Nursing services (as defined in the State Nurse Practice Act and subject to the limitations set forth in 42 CFR 440.70(b)(1));
- (2) Home health aide service provided by a home health agency;
- (3) Medical supplies, equipment, and appliances suitable for use in the home (subject to an annual review by a physician of need for the service); and
- (4) Physical therapy, occupational therapy, or speech pathology and audiology services, provided by a home health agency or by a facility licensed by the State to provide medical rehabilitation services.

Home health services shall be reimbursed on the basis of "per visit"; Daily home visits permitted for home health aide and nursing services in the first two weeks of patient care if part of the written plan of care; No more than three visits per week for each service for the third week to the seventh week of care; No more than one visit a week for each service from the eighth week to the fifteenth week of care; No more than one visit every other month for each service from the sixteenth week of care. Services exceeding these parameters shall be prior authorized by the medical consultant or it's authorized representative. Medical social services not covered.

Physical and occupational therapy and services for speech, hearing and language disorders are subject to the limitations set forth in #11.

Medical supplies, equipment and appliances require prior authorization by the department when the cost exceeds \$50.00 per item.

Initial physical therapy and occupational therapy evaluations do not require prior approval. However, physical and occupational therapy and reevaluations require approval of the medical consultant providing diagnosis, recommended therapy including frequency and duration, and for chronic cases, long term goals and a plan of care.

All speech, hearing, and language evaluations and therapy require authorization by the medical consultant including rental or purchase of hearing aids.

9. Clinical services, same limitations as #2 above.

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TN No. 10-003  
Supersedes  
TN No. 08-014

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**SUPPLEMENT TO ATTACHMENT 3.1-A and 3.1-B**

- Pediatric Multivitamins, including those with fluoride (covered for ages 12 years and younger)
  - Multivitamins Covered for patients with ESRD\*\*
  - Vitamin C (all forms covered for UTI\*\*)
  - Vitamin B12 (covered for specific deficiencies\*\*)
- (d) Nonprescription drugs  
(see specific drug categories below)
- Analgesics
  - Antibacterials/Antifungals,
  - Antidiarrheals
  - Antihemorrhoidals
  - Antacids
  - Cough & Cold
  - Gastrointestinal (H2 & PPI)
  - Iron Supplement
  - Laxatives
  - Minerals
  - Miscellaneous, Other
  - Miscellaneous, Topical
  - Ophthalmics
  - Otics
  - Schedule V OTC Products
  - Vitamins/Minerals
- (e) Barbiturates (see specific drug categories below)
- All
- (f) Benzodiazepines (see specific drug categories below)
- All
- (g) Smoking cessation (except dual eligibles as Part D will cover) according to the most current Public Health Services guidelines
- Nicotine Agents
  - Non-Nicotine Agents

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TN No. 10-003  
Supersedes  
TN No. 05-006

Approval Date: NOV 15 2010 Effective Date: 07/01/2010

State:	HAWAII
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**NONINSTITUTIONAL ITEMS AND SERVICES:**

The State assures that the reimbursement to public and private providers of Medicaid services, products or items are the same and does not subdivide or subclassify its payment rates.

All payment rates and their effective dates shall be reflected in the Division's website at [www.med-quest.us](http://www.med-quest.us).

1. **HAWAII MEDICAID FEE SCHEDULE:**

The Hawaii Medicaid Fee Schedule was updated on July 1, 2006 and made effective for services rendered on or after that date. The current Hawaii Medicaid Fee Schedule is based on sixty percent of the 2006 Medicare Fee Schedule and it is located at <http://www.med-quest.us>.

Reimbursement rates, except as specified below and other parts of this Attachment, for providers of medical care who are individual practitioners and other providing non-institutional items and services shall not exceed the maximum permitted under federal laws and regulations and shall be the lower of the Medicare Fee Schedule, the State limits as provided by the Appropriation Act, the Hawaii Medicaid Fee Schedule or the provider's billed amount.

These services include:

- (a) Physician services;  
Payment shall be sixty per cent of the 2006 Medicare Fee Schedule for physician services. The rate was set and effective on or after July 1, 2009.
- (b) Podiatric services;
- (c) Optometric services;
- (d) Other practitioner services including nurse midwife, and pediatric nurse practitioner, advanced practice registered nurse in behavioral health are reimbursed at seventy-five per cent of the Medicaid reimbursement rate for a psychiatrist. Services provided by a licensed clinical social worker, marriage and family therapist, and licensed mental health counselor are reimbursed at seventy-five per cent of the Medicaid reimbursement rate for a psychologist;
- (e) Physical therapy;
- (f) Occupational therapy;
- (g) Services for persons with speech, language, and hearing disorders;

TN No. 10-003  
Supersedes  
TN No. 09-006

Approval Date: **NOV 15 2010** Effective Date: 07/01/09

(h) Smoking cessation services:

- Smoking cessation counseling services shall be billed according to the appropriate Healthcare Common Procedures Coding System (HCPCS) code of three to ten minutes or greater than ten minutes.

(i) Telehealth services:

- Spoke site or Originating site / Providers:

The spoke site (originating site) is only eligible to receive a facility fee not to exceed the published Medicare payment for telemedicine services for spoke sites. If the spoke or originating site is an FQHC/RHC, then the FQHC/RHC is eligible to receive prospective payment system (PPS) visit rate.

No payments will be made to Medicaid providers to facilitate telehealth.

Providers are required to identify asynchronous, store and forward technology, with HIPAA compliance coding.

- Hub site or Distant site / Providers:

Providers, physicians, psychologists, nurse midwives, pediatric or family nurse practitioners, advanced practice registered nurses in behavioral health and licensed clinical social workers in behavioral health, at the hub site or distant site will be reimbursed according to the payment methodology of the appropriate service provided as described in other parts of this Attachment.

If the hub or distant site is an FQHC/RHC, then the FQHC/RHC is eligible to receive PPS visit rate.

- Transmission fees and items such as technical support, line charges, depreciation on equipment, etc. are not reimbursable services under telehealth.

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TN No. 10-003  
Supersedes  
TN No. 09-006

Approval Date:

**NOV 15 2010**

Effective Date:

07/01/09



ATTACHMENT 4.19-B

7. Lodging and meals for Medicaid patients or attendants authorized by the attending physician, in an emergency situation, or the Department's medical consultant shall be paid through purchase orders to the providers issued by the branch unit.
  8. Payments for non-emergency transportation (e.g., Handicabs, but no taxis), are limited to rates established by the Department.
- c. Reimbursement for hospice services shall be based on the rates established under Medicare, adjusted to disregard cost offsets attributable to Medicare coinsurance amounts. The rates, which went into effect on October 1, 1990, will continue through December 31, 1990.
- d. Payment for smoking cessation services shall be at the lower of the billed charge, the rate established by the department or the current Medicare fee schedule.

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TN No. 10-003  
Supersedes  
TN No. 99-003

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