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State/Territory Name: HI

State Plan Amendment (SPA) #:17-002

- 1) Approval Letter
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DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
San Francisco Regional Office
90 Seventh Street, Suite 5-300 (5W)
San Francisco, CA 94103-6706



DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

June 22, 2017

Dr. Judy Mohr Peterson
Med-QUEST Division Administrator
MQD/Admin
P.O. Box 700190
Kapolei, HI 96709-0190

Dear Dr. Peterson,

Enclosed is an approved copy of Hawaii's State Plan Amendment (SPA) No. 17-002, which was submitted to the Centers for Medicare and Medicaid Services on March 29, 2017. This SPA reestablishes enhanced reimbursement rates for primary care using the methodology recognized under Section 1202 of the Affordable Care Act. The approval of this SPA is effective January 1, 2017.

Attached are copies of the new State Plan pages to be incorporated into Hawaii's approved State Plan at Attachment 4.19-B, page 1 and Supplement 2 of Attachment 4.19-B, pages 1 & 3.

If you have any questions, please contact Carolyn Kenline at (415) 744-3591 or carolyn.kenline@cms.hhs.gov.

Sincerely,

/s/

Henrietta Sam-Louie
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

cc: Tom Duran, CMS Pacific Area Representative
Aileen Befitel, Med-QUEST Program and Policy Development Office
Jeri Kiddo, Secretary
Carla Turla, Secretary
Emelina Mauricio, Office Assistant

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER <u>1</u> <u>7</u> — <u>0002</u> _____	2. STATE HAWAII
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE January 1, 2017

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 42 CFR Part 447, Subpart F	7. FEDERAL BUDGET IMPACT a. FFY 2nd, 3rd and 4th quarter 2016 2017 0.00 - \$27,000 b. FFY- 2017 - 2018 \$ 0.00 - \$27,000
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-B, page 1 Supplement 2 of Attachment 4.19-B, page 1 and 3	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>) Attachment 4.19-B, page 1 Supplement 2 of Attachment 4.19-B, page 1&3 and 4-

10. SUBJECT OF AMENDMENT

The amendment to the Medicaid State Plan re-establishes enhanced reimbursement rates for certain primary care services using the methodology recognized under Section 1202 of the Affordable Care Act.

11. GOVERNOR'S REVIEW (*Check One*)

GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL 	16. RETURN TO State of Hawaii Department of Human Services Office of the Director P.O. Box 339 Honolulu, Hawaii 96809-0339
13. TYPED NAME Judy Mohr Peterson, PhD	
14. TITLE Med-QUEST Division Administrator	
15. DATE SUBMITTED MAR 29 2017	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED March 29, 2017	18. DATE APPROVED June 22, 2017
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PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL January 1, 2017	20. SIGNATURE OF REGIONAL OFFICIAL /s/
21. TYPED NAME - Henrietta Sam-Louie	22. TITLE Associate Regional Administrator

23. REMARKS

Boxes 7, 9 & 21 updates made by CMS as per DHS email dated 6/9/17

State: Hawaii

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.

1. HAWAII MEDICAID FEE SCHEDULE:

The Hawaii Medicaid Fee Schedule was updated on January 1, 2013 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;
 - (1) Payment shall be sixty per cent of the 2006 Medicare Fee Schedule for physician services. The rate was set and effective on or after January 1, 2013.
 - (2) The methodology for the calculation of enhanced payments for certain primary care physician services delivered to Medicaid recipients is described in Supplement 2 to Attachment 4.19-B. The reimbursement rates are published and located at <http://www.med-quest.us>.
- (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.	<u>17-0002</u>	Approval Date:	<u>June 22, 2017</u>	Effective Date:	<u>01/01/17</u>
Supersedes					
TN No.	<u>15-003</u>				

PHYSICIAN SERVICES

The state will reimburse for services provided by certain primary care physicians as if the requirements of 42 C.F.R. 447.400, 447.405 and 447.410 were still in effect.

- The rates reflect all Medicare sites of service adjustments.
- The rates do not reflect site of service adjustments, but reimburse at the Medicare rate applicable to the office setting.
- The rates reflect all Medicare geographic/locality adjustments.
- The rates are statewide and reflect the mean value over all counties for each of the specified evaluation and management and vaccine billing codes.

The following formula was used to determine the mean rate over all counties for each code: _____

Method of Payment

- The state has adjusted its fee schedule to make payment at the higher rate for each E&M and vaccine administration code.
- The state reimburses a supplemental amount equal to the difference between the Medicaid rate in effect on the date of service as published in the agency's fee schedule described in Attachment 4.19-B, page 1, under Physician Services of the Medicaid State Plan and the minimum payment required at 42 C.F.R. 447.405.

Supplemental payment is made: monthly quarterly

Primary Care Services Affected by this Payment Methodology

- This payment applies to all Evaluation and Management (E&M) billing codes 99201 through 99499.
- The State did not make payment as of July 1, 2009 for the following codes and will not make payment for those codes under this SPA (specify codes).

Description	Code
Hospital Inpatient	
Subsequent Observation Care, 15 minutes	99224
Subsequent Observation Care, 25 minutes	99225
Subsequent Observation Care, 35 minutes	99226
Consultations* Eliminated by Medicaid on June 1, 2010	
Office/Outpatient New or Established patients, 15 minutes	99241
Office/Outpatient New or Established patients, 30 minutes	99242
Office/Outpatient New or Established patients, 40 minutes	99243
Office/Outpatient New or Established patients, 60 minutes	99244
Office/Outpatient New or Established patients, 80 minutes	99245
Inpatient New or Established patients, 20 minutes	99251
Inpatient New or Established patients, 40 minutes	99252
Inpatient New or Established patients, 55 minutes	99253
Inpatient New or Established patients, 80 minutes	99254
Inpatient New or Established patients, 110 minutes	99255
Standby Services	
Stand-by service requiring prolonged attendance, each 30 minutes	99360

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Critical Care Transport Age 24 months or younger	
Supervision by a control physician of interfacility transport care; first 30 minutes	99485
Supervision by a control physician of interfacility transport care; each additional 30 minutes	99486
Coordination of Complex Services for Chronic Care	
Complex chronic care coordination services, first hour of clinical staff time, directed by the physician or other qualified health care professional with no face-to-face visit, per calendar month	99487
Complex chronic care coordination services, first hour of clinical staff time, directed by the physician or other qualified health care professional with one face-to-face visit, per calendar month	99488
Complex chronic care coordination services, each additional 30 minutes of clinical staff time, directed by the physician or other qualified health care professional per calendar month	99489
Management of Transitional Care Services	
Transitional care management services with the patient or caregiver within two (2) business days of discharge. Medical decision making of at least moderate complexity during face-to-face visit within 14 calendar days of discharge	99495
Transitional care management services with the patient or caregiver within two (2) business days of discharge. Medical decision making of at least moderate complexity during face-to-face visit within 7 calendar days of discharge	99496

The state will make payment under this SPA for the following codes which have been added to the fee schedule since July 1, 2009 (specify code and date added).

Physician Services - Vaccine Administration

The state reimburses vaccine administration services furnished by primary care physicians meeting the requirements of 42 C.F.R. 447.400 at the state regional maximum administration fee set by the Vaccines for Children (VFC) program.

Effective Date of Payment

E & M Services

This reimbursement methodology applies to services delivered on and after January 1, 2017. All rates are published at www-med-quest.us.

Vaccine Administration

This reimbursement methodology applies to services delivered on and after January 1, 2017. All rates are published at www-med-quest.us.

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