CENTERS FOR MEDICARE AND MEDICAID SERVICES
EXPENDITURE AUTHORITY

NUMBER: **11-W-00001/9**

TITLE: **QUEST Expanded Medicaid Section 1115 Demonstration**

AWARDEE: **Hawaii Department of Human Services**

Under the authority of section 1115(a)(2) of the Social Security Act (the Act), expenditures made by the State for the items identified below, which are not otherwise included as expenditures under section 1903 shall, for the period of this demonstration extension be regarded as expenditures under the State's title XIX plan but are further limited by the Special Terms and Conditions for the QUEST Expanded (QEx) Section 1115 Demonstration.

For enrollees in All Components of the Demonstration:

1. **Managed Care Payments.** Expenditures to provide coverage to individuals, to the extent that such expenditures are not otherwise allowable because the individuals are enrolled in managed care delivery systems that do not meet the following requirements of section 1903(m):

   Expenditures for capitation payments provided to managed care organizations (MCOs) in which the State restricts enrollees' right to disenroll without cause within 90 days of initial enrollment in an MCO, as designated under section 1903(m)(2)(A)(vi) and section 1932(a)(4)(A)(ii)(I) of the Act. Enrollees may disenroll for cause at any time and may disenroll without cause during the annual open enrollment period, as specified at section 1932(a)(4)(A)(ii)(II) of the Act, except with respect to enrollees on rural islands who are enrolled into a single plan in the absence of a choice of plan on that particular island.

   Expenditures for capitation payments to MCOs in non-rural areas that do not provide enrollees with a choice of two or more plans, as required under section 1903(m)(2)(A)(xii), section 1932(a)(3) and Federal regulations at 42 CFR section 438.52, to the extent necessary if a plan exceeds its enrollment cap.

2. **Quality Review of Eligibility.** Expenditures for Medicaid services that would have been disallowed under section 1903(u) of the Act based on Medicaid Eligibility Quality Control findings.

3. **Demonstration Eligibility.** Expenditures to provide coverage to the following populations:

a) **Demonstration Eligibles Enrolled in QEx Eligibility Components other than Quest Expanded Access (QExA).**

i. TANF cash recipients, whose income is up to 100 percent FPL (using the TANF methodology), but are not otherwise eligible under the Medicaid State plan or enrolled in QUEST;

ii. Adults who have lost QUEST or Medicaid Fee-for-Service eligibility because they have income or assets in excess of the Medicaid limits (QUEST-Net Adults):

1. Effective through June 30, 2012: With income up to 200 percent of the FPL or, for individuals continuously enrolled since January 1, 2008, incomes up to 300 percent FPL;
2. Effective July 1, 2012 through December 31, 2013: With income up to 133 percent of the FPL; and

iii. Adults with incomes or assets in excess of the Medicaid limits, but who are not otherwise Medicaid eligible (QUEST-ACE):

1. Effective through June 30, 2012: With income up to 200 percent of the FPL;
2. Effective July 1, 2012 through December 31, 2013: With income up to 133 percent of the FPL.

b) **Demonstration Eligibles Enrolled in the QExA eligibility component.**

i. Persons who would be eligible under section 1902(a)(10)(A)(ii)(VI) of the Act and 42 CFR section 435.217 if the home and community-based services that they are receiving from a QExA plan were provided under a waiver that was granted to the State under section 1915(c) as of the initial approval date of the QExA component of this demonstration. This includes the application of spousal impoverishment eligibility rules. Allowable expenditures shall be limited to those consistent with the regular post eligibility rules and spousal impoverishment rules.

ii. Non-institutionalized persons who meet the institutional level of care but live in the community, and who would be eligible under the approved State plan if the same financial eligibility standards were applied that apply to institutionalized individuals, including the application of spousal impoverishment eligibility rules. Allowable expenditures shall be limited to those consistent with the regular post eligibility rules and spousal impoverishment rules.

iii. Individuals who would otherwise be eligible under the State plan or another QExA demonstration population only upon incurring medical expenses (spend-down liability) that is estimated to exceed the amount of

the QExA capitation payment, subject to an enrollment fee equal to the spend-down liability.

4. **Hospital Uncompensated Care Costs.** Expenditures to reimburse certain hospital providers for provider costs of hospital services to the uninsured, and or underinsured, subject to the restrictions placed on hospital uncompensated care costs, as defined in the STCs.

5. **QExA Home and Community-Based Services (HCBS) and Personal Care Services**. Expenditures to provide HCBS and personal care services not included in the Medicaid State plan and furnished to QExA enrollees, as follows:

    a) Expenditures for the continued provision of services provided to individuals enrolled during the transition from fee-for-service to QExA in the State's Nursing Home Without Walls (NHWW), Residential Alternatives Community Care Program (RAACP), Medically Fragile Community Care Program (MFCCP) and HIV Community Care Program (HCCP) HCBS waiver programs as fee-for-service expenditures for the period beginning with the effective date of these authorities until QExA plan coverage (under the authority of subparagraphs b and c below) is operational;

    b) Expenditures for the provision of services, through QExA plans, that could be provided under the authority of section 1915(c) waivers, to individuals who meet an institutional level of care requirement;

    c) Expenditures for the provision of personal care services, through QExA plans, to individuals with less than a need for an institutional level of care, including personal care assistance services provided by a family member.

6. **Additional Primary and Acute Care Services for the Aged, Blind, and Disabled Population.** Expenditures to provide the following additional Primary and Acute Care Services for all individuals eligible for Medicaid or QExA who are aged, blind, or disabled when medically necessary. These services are detailed in STC 27(b)(i)

All requirements of the Medicaid program expressed in law, regulation, and policy statement, not expressly identified as not applicable in the list below, shall apply to the Demonstration beginning February 1, 2008, through December 31, 2013, except those waived or listed below as not applicable.

Title XIX Requirements Not Applicable to Demonstration Populations

Amount, Duration, and Scope **Section 1902(a)(10)(B)**

To enable the State to maintain a waiting list, through a QExA plan, for home and community-based services and personal care services. No waiting list is permissible for

other services for QExA enrollees.

Cost Sharing **Section 1902(a)(14) and1916**

To the extent necessary to enable the State to impose cost-sharing that is above the limits that would apply under the State Plan. A qualifying Hawaii Prepaid Health Care Act employer must limit the employee's premium costs to no more than 1.5 percent of the employee's salary for employer sponsored insurance coverage. Co-payments and other cost-sharing will be consistent with the enrollee's specific health plan.

Cost Sharing **Section 1902(a)(14)**

To enable the State to charge cost sharing up to 5 percent of annual family income.

To enable the State to charge an enrollment fee to QExA enrollees whose spend-down liability or cost share obligation is estimated to exceed the QExA capitation rate (Demonstration Population 3.b.iii.), in the amount equal to the estimated spend-down or cost share amount.

Expenditures for MCO Contracts **Section 1903(m)(2)(A)(vi)**

To enable the State to restrict an enrollees' right to disenroll without cause within 90 days of enrollment in a new MCO.