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State/Territory Name: Hawaii

State Plan Amendment (SPA) #: 15-0003

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
San Francisco Regional Office
90 Seventh Street, Suite 5-300 (5W)
San Francisco, CA 94103-6706



DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

February 13, 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. 15-0003, which was submitted to my office on March 12, 2015. This SPA extends enhanced reimbursement rates for certain primary care physician services established under Section 1202 of the Affordable Care Act to the period of January 1, 2015 through June 30, 2016. The approval of this SPA is effective January 1, 2015.

Attached are copies of the new State Plan pages to be incorporated into Hawaii's approved State Plan:

- 4.19-B, page 1
- Supplement 2 of Attachment 4.19-B, pages 1 and 3

If you have any questions, please contact Christy Bonstelle at (415) 744-3522 or christy.bonstelle@cms.hhs.gov.

Sincerely,

/s/

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

cc: Tom Duran, CMS Pacific Area Representative
Edie Mayeshiro, Med-QUEST Program and Policy Development Office
Aileen Befitel, Med-QUEST Program and Policy Development Office

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

1 5 — 0003

2. STATE

HAWAII3. 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, 2015

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 C.F.R 447

7. FEDERAL BUDGET IMPACT

a. FFY 2015 (2nd and 3rd quarter & 4th qtr) ~~\$26,000~~ \$27,000

b. FFY 2016 (2nd, 3rd and 4th qtr) \$ \$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, 3 and 4
and 39. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable)

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 extends the enhanced reimbursement rates for certain primary care services for an additional six months and will continue the current methodology established 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

13. TYPED NAME
Rachael Wong, DPH

14. TITLE

Director

15. DATE SUBMITTED

MAR 12 2015

16. RETURN TO

State of Hawaii
Department of Human Services
Office of the Director
P.O. Box 339
Honolulu, Hawaii 96809-0339**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED

March 12, 2015

18. DATE APPROVED

February 13, 2017

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL

January 1, 2015

20. SIGNATURE OF REGIONAL OFFICIAL

/s/

21. TYPED NAME

Henrietta Sam-Louie

22. TITLE

Associate Regional Administrator
Region IX, Division of Medicaid and Children's Health Operations

23. REMARKS

Box 8 Pen and Ink Changes requested by state on 12/19/16 (cb)

Box 6 Pen and Ink Changes requested by state on 11/14/16 (cb)

Box 7 Pen and Ink Changes requested by state on 11/14/16(cb)

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) For 2nd, 3rd and 4th quarter of federal fiscal year 2015 and 1st, 2nd and 3rd quarters of federal fiscal year 2016, the methodology for the calculation of enhanced payments for 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>15-0003</u>	Approval Date:	<u>02/13/2017</u>	Effective Date:	<u>01/01/2015</u>
Supersedes					
TN No.	<u>13-003</u>				

PHYSICIAN SERVICES

The state will continue to reimburse for services provided by primary care physicians as if the requirements of 42 C.F.R. 447.400, 447.405 and 447.410 remain in effect for 2nd, 3rd and 4th quarter of federal fiscal year 2015 and 1st, 2nd and 3rd quarters of federal fiscal year 2016. The rates will be those in effect for these payments as of January 1, 2014.

- ☐ 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

TN No. 15-0003

Supersedes

TN No. 13-003

Approval Date:

02/13/2017

Effective Date:

01/01/2015

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

For 2nd, 3rd and 4th quarter of federal fiscal year 2015 and 1st, 2nd and 3rd quarters of federal fiscal year 2016, 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, 2015, ending on June 30, 2016. All rates are published at www-med-quest.us.

Effective July 1, 2016, the reimbursement methodology will return to that in effect on December 31, 2012.

Vaccine Administration

This reimbursement methodology applies to services delivered on and after January 1, 2015, ending on June 30, 2016. All rates are published at www-med-quest.us.

Effective July 1, 2016, the reimbursement methodology will return to that in effect on December 31, 2012.

TN No.	15-0003			
Supersedes		Approval Date:	02/13/2017	Effective Date: 01/01/2015
TN No.	13-003			