

State Demonstrations Group

April 7, 2026

Meredith Nichols
Acting Med-QUEST Division Administrator
State of Hawaii Department of Human Services
Office of the Director
PO Box 339
Honolulu, HI 96809-0339

Dear Acting Administrator Nichols:

The Centers for Medicare & Medicaid Services (CMS) is approving the health related social needs (HRSN) payment methodology document submitted November 14, 2025, in accordance with special term and condition (STC) 8.19 of the demonstration entitled, “Hawaii QUEST Integration” (Project Number 11-W-00001/9). This document reflects the payment methodologies Hawaii will use for the following services: short-term pre-procedure housing, short-term recuperative care, and short-term post-transition housing; and fruit and vegetable prescriptions and/or protein boxes. This approval is conditioned upon compliance with the previously approved STCs, which set forth in detail the nature, character, and extent of anticipated federal involvement in the project.

CMS rescinded the November 2023 and December 2024 Center for Medicaid & CHIP Services (CMCS) Center Informational Bulletins (CIB) related to coverage of certain services and supports to address “health-related social needs” while CMS evaluates policy options consistent with Medicaid and CHIP program requirements and objectives. Additional information is available on Medicaid.gov.¹

States are responsible for following all applicable federal law and regulations when they claim and use federal Medicaid funds and must fully comply with all applicable Medicaid statutes and regulations under a section 1115 demonstration, except where specific provisions have been expressly waived or identified as not applicable for that demonstration. This obligation includes all requirements in title XIX of the Social Security Act and implementing regulations governing provider screening and enrollment activities, pre- and post-payment review claiming, payment methodologies and rate-setting, utilization controls, and program integrity including processes to identify, investigate, and refer suspected fraud, and methods to receive complaints and identify questionable practices. States must maintain effective systems and safeguards to prevent, detect, and address any fraud, waste, or abuse (FWA) in the delivery of and payment for Medicaid services, including referrals to law enforcement when appropriate.

¹ CMCS Center Informational Bulletin: <https://www.medicaid.gov/federal-policy-guidance/downloads/cib03042025.pdf>

States should have heightened monitoring and oversight mechanisms in place featuring robust internal controls to identify and remediate all vulnerabilities (including, but not limited to, FWA and beneficiary access issues) inherent in service areas approved as part of a demonstration. At any time, CMS may request that the state provide a plan detailing the state's systems and safeguards to prevent, detect, and address any FWA relative to this demonstration. Failure to meet program integrity obligations under federal statutes and regulations or under the terms and conditions of this demonstration approval may result in compliance actions or other enforcement measures that could include requirements to develop and implement corrective action plans, withholdings, deferrals, disallowances, and termination of demonstration authority.

We look forward to our continued partnership on the Hawaii QUEST Integration section 1115(a) demonstration. If you have any questions, please contact your CMS project officer, Jamie John, at Jamie.John@cms.hhs.gov.

Sincerely,

**Angela D.
Garner -S**

Digitally signed by Angela
D. Garner -S
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Angela D. Garner
Director
Division of System Reform Demonstrations

Enclosure

cc: Sasha Zolynas, State Lead, Medicaid & CHIP Operations Group

Payment Rates from Hawai'i Department of Human Services, Med-QUEST Division

Table drafted for CMS on January 9, 2026

Service Category	Service Description	HCPCS Code	Proposed Rate
Medical Respite			
Short-term Pre-Procedure Housing	Housing and support to those with a planned medical procedure requiring preparatory care or care following planned treatment	S5151 with Modifier SC for pre-procedure S5151 with Modifier SE for post-procedure	One bundled payment of \$274.00 per day
Short-term Recuperative Care	Housing and clinically oriented support to those with ongoing medical and psychiatric needs	S9125 with modifier 22	One bundled payment of \$274.00 per day
Short-term Posthospitalization Housing	Housing and limited support to members in continued recovery from a physical, psychiatric, or substance use condition following discharge or exit from an institution	S9125 with modifier SC	One bundled payment of \$274.00 per day
Nutrition Supports			
Fruit and Vegetable Prescription or Protein Boxes	A food box or voucher (referred to as a "food benefit" here) for fruits, vegetables, and proteins	S9977	\$53 per weekly food benefit