

## **Table of Contents**

**State/Territory Name: Hawaii**

**State Plan Amendment (SPA) #: 19-0005**

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  
Center for Medicaid & CHIP Services  
233 North Michigan Ave., Suite 600  
Chicago, Illinois 60601



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**Financial Management Group**

July 23, 2020

Dr. Judy Mohr Peterson  
Med-Quest Division Administrator  
P.O. Box 700190  
Kapolei, HI 96709-0190

RE: TN 19-0005

Dear Dr. Peterson:

We have reviewed the proposed Hawaii state plan amendment (SPA) to Attachment 4.19-B HI 19-0005 which was submitted to the Centers for Medicare & Medicaid Services (CMS) on December 3, 2019. This plan amendment implements the requirements of Section 1903(i)(27) of the Social Security Act concerning reimbursement for durable medical equipment.

Based upon the information provided by the State, we have approved the amendment with an effective date of October 1, 2019. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Blake Holt at 415-744-3754 or [blake.holt@cms.hhs.gov](mailto:blake.holt@cms.hhs.gov).

Sincerely,



Todd McMillion  
Director  
Division of Reimbursement Review

Enclosures

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>	1. TRANSMITTAL NUMBER  1 9 — 0005	2. STATE <b>Hawaii</b>
	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 <b>Oct 1, 2019</b>
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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 <b>1903(i)(27) of the Social Security Act</b>	7. FEDERAL BUDGET IMPACT a. FFY <sup>2019</sup> \$0.00 b. FFY <sup>2020</sup> \$0.00
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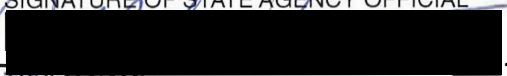
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT <b>Attachment 4.19-B page 2</b>	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT ( <i>If Applicable</i> ) <b>Attachment 4.19-B page 2</b>
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10. SUBJECT OF AMENDMENT

**Durable Medical Equipment (DME) and Fee-For-Service (FFS) requirements**

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

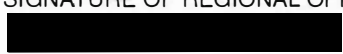
GOVERNOR'S OFFICE REPORTED NO COMMENT       OTHER, AS SPECIFIED  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

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 Administrator	
15. DATE SUBMITTED <b>DEC - 3 2019</b>	

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED	18. DATE APPROVED 7/23/2019
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**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL 10/1/2019	20. SIGNATURE OF REGIONAL OFFICIAL 
21. TYPED NAME Todd McMillon	22. TITLE Director, Division of Reimbursement Review

23. REMARKS

**PEN AND INK AUTHORIZATIONS:**

Box 7a: FFY updated from 2019 to 2020.  
Box 7b: FFY updated from 2020 to 2021.

2. MEDICAID PAYMENTS FOR OTHER NONINSTITUTIONAL ITEMS AND SERVICES ARE DETERMINED AS FOLLOWS:

- (a) The reimbursement rates for the following services are based on a rate that is published on the agency's website at <https://medquest.hawaii.gov/en/plans-providers/fee-for-service/fee-schedules.html>
  - Durable Medical Equipment (DME) integral to a surgical service are provided as part of an outpatient surgical procedure and paid at the Medicaid fee schedule for the surgical service. DME not included in the outpatient surgical procedure (intraocular lenses, cochlear implants, neurostimulators, prosthetic devices and appliances) are paid at invoice cost, not to exceed the Medicare fee schedule. DME not included in the outpatient surgical procedure and not covered by Medicare (eyeglass frames and hearing aids) are paid at Medicaid fee schedule rates.

The rates for the durable medical equipment described above were set and are effective on or after July 1, 2006.

Effective 10/1/2019, for items of DME provided in Medicare Competitive Bidding /Areas (CBAs) where rates for specific items have been competitively bid/ under the Medicare program, the rate is set at the lower of the following:

1. The Medicare single payment amount specific to the geographic area where the item is being provided, that are in effect as of Jan. 1 of each year;
2. The provider's charge;
3. The non-rural and rural DMEPOS fee schedule rate; or
4. The Medicaid FFS rate that is in effect as of Jan. 1 of each year.

If there is no competitively bid payment rate for an item of DME in a CBA then one of two methodologies will apply:

Reimbursement for DME provided in non-rural areas is set at the lower of the following:

1. The Medicare DMEPOS fee schedule rate for Hawaii geographic, non-rural areas, that are in effect as of Jan. 1 each year;
2. The provider's charge; or
3. invoice amount
4. The Medicaid FFS rate that is in effect as of Jan. 1 of each year.

For items of DME provided in rural areas, the rate is set at the lower of the following:

1. The Medicare DMEPOS fee schedule rate for Hawaii geographic, rural areas, set as of Jan. 1 each year;
2. The provider's charge; or
3. invoice amount
4. The Medicaid FFS rate that is in effect as of Jan. 1 of the current year.

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TN No. 19-0005  
 Supersedes TN No. 09-004      Approval Date: 7/23/20      Effective Date: 10/01/2019