

Table of Contents

State/Territory Name: HI

State Plan Amendment (SPA) #: 21-0019

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 AND HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, MD 21244-1850



Financial Management Group

February 21, 2022

Judy Mohr Peterson, PhD
Med-QUEST Division Administrator
Office of the Director
Department of Human Services
P.O. Box 339
Honolulu, HI 96809-0339

RE: Hawaii State Plan Amendment (SPA) 21-0019

Dear Dr. Peterson:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number 21-0019. Effective January 1, 2022, this amendment removes the application of the routine cost limit and customary charge limit for cost reimbursement of distinct part nursing facilities of critical access hospitals.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. This is to inform you that Medicaid State plan amendment 21-0019 is approved effective January 1, 2022. The CMS-179 and the amended plan page(s) are attached.

If you have any additional questions or need further assistance, please contact Mark Wong at (415) 744-3561 or mark.wong@cms.hhs.gov.

Sincerely,



Rory Howe
Director

Enclosures

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

1. TRANSMITTAL NUMBER <u>2 1</u> — <u>0 0 1 9</u>	2. STATE <u>HI</u>
3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
January 1, 2022

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR 438 --- 42 CFR 447 Subpart C

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a FFY 2022 \$ 0
b FFY 2023 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
~~Attachment 4.19-A pg. 3~~
Attachment 4.19-D pg. 10


8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)
~~Attachment 4.19-A pg. 3~~
Attachment 4.19-D pg. 10

9. SUBJECT OF AMENDMENT
Critical Access Hospital (CAH limit)-removes application of cost limits on critical access hospital (CAH) acute nursing facility reimbursement.

10. GOVERNOR'S REVIEW (Check One)

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

OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL


12. TYPED NAME
Judy Mohr Peterson, PhD

13. TITLE
Med-QUEST Division Administrator

14. DATE SUBMITTED
12/23/21

15. RETURN TO

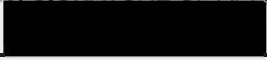
FOR CMS USE ONLY

16. DATE RECEIVED
December 23, 2021

17. DATE APPROVED
February 21, 2022

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
January 1, 2022

19. SIGNATURE OF APPROVING OFFICIAL


20. TYPED NAME OF APPROVING OFFICIAL
Rory Howe

21. TITLE OF APPROVING OFFICIAL
Director, Financial Management Group

22. REMARKS
Pen-and-ink changes made to Boxes 5, 7, and 8 by CMS with state concurrence.

undergone a change in ownership during the fiscal year; or

- b) one half of percentage increase (as measured over the same period of time) in the consumer Price Index for all Urban Consumer (United States city average).
7. The Department shall pay the Providers separately for ancillary services based on a fee schedule or through an Ancillaries Payment.
 8. Nursing Facilities that have a G&A or capital costs below the median for their peer group are rewarded with an incentive payment. A formula to determine the G&A Incentive Adjustment is defined in Section I.Q. A formula to determine the Capital Incentive Adjustment is defined in Section I.M.
 9. The Department may contract with Providers to provide Acuity Level D care to selected Residents.
 10. The Department shall reimburse Level A and Level C services of a Medicare and Medicaid certified CAH on a reasonable cost basis following Medicare principles of reimbursement. Reimbursement for Level A and Level C routine services provided in a long term care distinct part by a CAH will be actual costs up to 200% of each provider's Medicaid Routine Cost limit. However, for CAH providers whose routine costs exceed the Routine Cost Limit, reimbursement of costs will be limited to 200% of each provider's RCL, and only when a RCL exception request has been filed and only up to the amounts approved by the State. Effective January 1, 2022 routine cost limits and lesser of costs or charges for CAH facilities will not apply to Level A and Level C services.

D. Access to Data

Members of the public may obtain the data and methodology used in establishing payment rates for Providers by following the procedures defined in the Uniform Information Practices Act, Haw. Rev. Stat. chapter 92F, (A copy of Hawaii Revised Statutes 92F is appended to Plan as Exhibit 92F).

III. SERVICES INCLUDED IN THE BASIC PPS RATE

- A. The reasonable and necessary costs of providing the following items and services shall be included in the Basic PPS Rate and shall not be separately reimbursable unless specifically excluded under Section III.B.

TN No. 21-0019

Supersedes Approval Date: 02/21/2022 Effective Date: 01/01/2022

TN No. 03-002