STATE OF HAWAII DEPARTMENT OF HUMAN SERVICES MED-QUEST DIVISION

PUBLIC NOTICE

Pursuant to Public Law 111-148 (section 2702) the Department of Human Services ("DHS") is proposing to modify the methodology and standards that it uses to reimburse for services delivered to eligible individuals under the Medicaid Program. The proposed changes will be submitted for review to the federal government as part of the Medicaid State Plan Amendment and Hawaii QUEST Expanded Medicaid Section 1115 Demonstration Waiver, to be effective January 1, 2012.

The amendments to the State Plan propose the:

- 1. Re-design of the State Plan benefit coverage to mandated Federal services for the categorically and medically needy adults. This action positions the Hawaii Medicaid program for the impact of the Affordable Care Act (ACA) newly eligible population in 2014 and remediates the State's projected substantial Medicaid general fund shortfall. Included in the final re-design shall be the implementation of Health Homes for beneficiaries with chronic conditions to provide comprehensive primary care (to be submitted at a later date).
- 2. Implementation of "benefit exceptions" to augment the State Plan benefit coverage for all children and pregnant women, and for adults with diagnoses of cancer, behavioral health services and requiring organ transplantation.

In concert with the above, amendments to the Hawaii QUEST Expanded Medicaid Section 1115 Demonstration include the:

- 1. Reduction of the income limits from 200% to 133% of the Federal Poverty Level (FPL) for both the QUEST-Net and QUEST-ACE programs. This reduction positions the Hawaii Medicaid program for the ACA mandated Medicaid expansion to 133% FPL in 2014.
- 2. Enhancement of benefits for the QUEST-Net and QUEST-ACE programs to those of the Medicaid State Plan. This enhancement positions the Hawaii Medicaid program for the ACA mandated Medicaid expansion to 133% FPL in 2014.
- 3. Consolidation under the QUEST program (or QExA for those who are blind/disabled) of all eligible children funded through the Children's Health Insurance Program (CHIP). Currently, CHIP children with incomes up to and including 200% FPL are enrolled in QUEST while those with incomes over 200% but not exceeding 300% FPL are enrolled in QUEST-Net, although both groups of children receive identical benefits. The

consolidation of all CHIP children under one program will promote efficiency and has no negative impact on benefit coverage.

- 4. Transfer of the authority for coverage of some primary and acute care benefits for the aged, blind, or disabled population from the State Plan to the 1115 Demonstration Waiver and alignment of outpatient rehabilitation benefits standards with Medicare.
- 5. Repeal of the Hawaii Premium Plus program due to absence of a Legislative appropriation.
- 6. Allow retroactive enrollment in health plans for QUEST, QUEST-Net, and QUEST-ACE enrollees.
- 7. Enrollment of medically needy individuals who are expected to incur expenses sufficient to satisfy their spend-down obligation for less than a 3-month period in a QExA health plan.
- 8. Request for technical amendments.

A copy of the proposed changes will be available for public viewing from the first working day that the public notice appears in the <u>Honolulu Star-Advertiser</u>, <u>Hawaii</u> <u>Tribune Herald</u>, <u>West Hawaii Today</u>, <u>The Maui News</u>, and <u>The Garden Island</u>, for a period of thirty days after the publication of this notice, from Monday – Friday, exclusive of State holidays, between the hours of 9:00 a.m. to 2:00 p.m. at the appropriate Med-QUEST Division offices on their respective islands listed below. On Oahu, the proposed changes will be available at 601 Kamokila Boulevard, Room 518, Kapolei, Hawaii 96707, between the hours of 7:45 a.m. to 4:30 p.m., from Monday – Friday, exclusive of State holidays.

On Oahu:	Department of Human Services Med-QUEST Division Policy & Program Development Office 601 Kamokila Blvd., Room 518 Kapolei, Hawaii 96707-2021 Phone: 692-8058
	Mailing Address: Med-QUEST Division Policy & Program Development Office P. O. Box 700190 Kapolei, Hawaii 96709-0190
On Maui:	Med-QUEST Division Maui Section 210 Imi Kala Street, Suite 101 Wailuku, Hawaii 96793

Phone: 243-5780

On Kauai:	Med-QUEST Division Kauai Section 4473 Pahee Street, Suite A Lihue, Hawaii 96766 Phone: 241-3575	
On Hawaii:	Med-QUEST Division East Hawaii Section 88 Kanoelehua Ave., Room 107 Hilo, Hawaii 96720 Phone: 933-0339	
	Med-QUEST Division West Hawaii Section Lanihau Professional Center 75-5591 Palani Road, Ste. 3004 Kailua-Kona, Hawaii 96740 Phone: 327-4970	

In addition, written comments concerning the proposed changes may be sent to P. O. Box 700190 at the Oahu mailing address noted above. Special accommodations (i.e. interpreter, sign language interpreter, large print or taped materials) may be arranged upon request. There are currently no public hearings scheduled with respect to the proposed changes. Public hearings will be held in conjunction with amendments to the Hawaii Administrative Rules that are made to conform to the changes described in this notice. A notice of the time and place of those hearings will be published at a later time.

DEPARTMENT OF HUMAN SERVICES PATRICIA MCMANAMAN, DIRECTOR