

**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

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