

**REPORT TO THE TWENTY-FOURTH HAWAII STATE
LEGISLATURE 2008**

**IN ACCORDANCE WITH THE PROVISIONS OF ACT 284
SESSION LAWS OF HAWAII 2007**

**DEPARTMENT OF HUMAN SERVICES
MED-QUEST DIVISION
January 2008**

**REPORT SUBMITTED BY THE DEPARTMENT OF HUMAN SERVICES TO
THE 2008 LEGISLATURE TO MEET THE REQUIREMENTS OF ACT 284,
SESSION LAWS OF HAWAII 2007**

Act 284, SLH 2007, appropriated general revenues of \$8,000,000 for fiscal year 2007-2008 and the same sum for fiscal year 2008-2009 to the Department of Human Services (DHS) to increase the payment for physician services for the care of Medicaid eligible persons including fee-for-service and QUEST eligible individuals.

DHS is required to report the amount of the baseline Medicaid request and the additional funds at least equal to the sum appropriated in Act 284 for fiscal year 2008-2009 that will allow for increased moneys to be paid out for physician services.

DHS is also required to report the amount of funding necessary to:

- (1) Continue the increased payments for physician services up to one hundred per cent of the current Medicare fee schedule applicable to Hawaii; and
- (2) Increase payments up to one hundred per cent of the current Medicare fee schedule applicable to Hawaii to all Medicaid fee-for-service and QUEST providers, if approved.

The Department of Human Services estimates that payments for physician services up to one hundred percent of the 2006 Medicare fee schedule will require a total of \$12,934,448 in general funds.

Increased payments up to one hundred per cent of the 2006 Medicare fee schedule for all Medicaid fee-for-service and QUEST providers will total \$16,502,028 in general funds.