

Public Notice – Rate Methodology for the Medicaid Reentry Program

Posted on September 24, 2026

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
MED-QUEST DIVISION

NOTICE FOR A PUBLIC NOTICE ON MEDICAID REENTRY PROGRAM RATES

In accordance with the public notice requirement of Title 42, Section §447.205 of the Code of Federal Regulations, the State of Hawaii, Department of Human Services (DHS), Med-QUEST Division (MQD), hereby notifies the public of a proposed rate methodology for Medicaid Reentry Program services provided under Hawai'i's QUEST Integration Section 1115(a) Demonstration, Section 5121 of the Consolidated Appropriations Act (CAA) of 2023 (SPA 26-0033), and the Medicaid State Plan (forthcoming State Plan Amendment [SPA] for post-release Targeted Case Management services for individuals not eligible under CAA).¹ Under provisions of federal law, the state is required to issue public notice of proposed changes in statewide methods and standards for setting Medicaid payment rates. These rates are effective for service dates starting on or after October 1, 2026.

PURPOSE

The purpose of this posting is to provide public notice regarding the proposed rate methodology for the Medicaid Reentry Program.

OVERVIEW OF PROPOSED RATE SETTING

The Medicaid Reentry Program is a new Medicaid program that provides coverage for a defined set of health care and care coordination services for up to 90 days prior to, and immediately following, a member's release from a participating carceral facility. Reimbursement rates for Reentry Program services are established using one of three approaches, depending on the service: (1) new Reentry-specific rates for Reentry Targeted Case Management (rTCM), a service with no comparable existing Hawai'i Medicaid rate; (2) modified Reentry-specific rates, which apply Hawai'i's existing Medicaid fee schedule increased by a 5% operational factor to reflect the added operational complexity of delivering select services within a carceral setting; and (3) unmodified rates, under which most other Reentry Program services are reimbursed at Hawai'i's existing Medicaid fee schedule or, where no fee schedule rate is available, at QI Health Plan-established rates.² rTCM rates will be adjusted by the percentage change to the Medicare Economic Index (MEI) annually, beginning January 1, 2028. Where a Reentry Program rate is derived from the Hawai'i Medicaid fee schedule, the Reentry Program rate is automatically

¹ Hawai'i's Medicaid Reentry Program is authorized under the Hawai'i QUEST Integration Section 1115(a) Demonstration, approved by the Centers for Medicare & Medicaid Services (CMS) on January 8, 2025, Section 5121 of the Consolidated Appropriations Act of 2023 (Public Law 117-328), and the Medicaid State Plan, and is administered by the Department of Human Services, Med-QUEST Division. Note that in the coming months, Hawai'i will issue a SPA for post-release rTCM services for individuals not eligible under CAA.

² Medications at Release and Medical Equipment and Supplies are administered and reimbursed by QI Health Plans out of capitation at negotiated rates and are therefore not included in the rate schedule in Table 1. Other Reentry Program services not listed in Table 1, including Medication for Addiction Treatment (MAT) medications, Diagnostic Services, and certain Practitioner Office Visit – Other services, are reimbursed at unmodified rates (Hawai'i's existing Medicaid fee schedule or, where no fee schedule rate is available, at QI Health Plan-established rates), with no rate adjustment specific to the Medicaid Reentry Program.

updated based on the underlying Hawai'i Medicaid fee schedule changes, without requiring a separate rate-setting action specific to the Medicaid Reentry Program.

- **Reentry Targeted Case Management (rTCM).** rTCM is a mandatory case management service that identifies members' physical and behavioral health needs and health-related social needs, develops an individualized care plan, and supports care coordination from up to 90 days pre-release through a minimum of 30 days post-release (with authorization available for up to 12 months post-release). Because rTCM is a new service with no comparable existing Hawai'i Medicaid rate, rTCM rates are newly established and are expected to increase the annual aggregate expenditures by approximately \$2.7 million.
- **Practitioner Office Visit – Reentry Wellness Exam.** The Reentry Wellness Exam is a mandatory comprehensive physical and behavioral health assessment offered to all Medicaid Reentry Program members to inform reentry care planning. Select Reentry Wellness Exam and related pre-release dental screening billing codes are reimbursed at Hawai'i's existing Medicaid fee schedule rate increased by a 5% operational factor during the 90-day pre-release period; all other Reentry Wellness Exam billing codes not defined below are reimbursed at unmodified rates. Together with Practitioner Office Visit – Other services, these rates are expected to increase the annual aggregate expenditures by approximately \$0.2 million.
- **Practitioner Office Visit – Other.** Other practitioner office visits are optional visits that a carceral facility may elect to offer to Medicaid Reentry Program members assessed as in clinical need, supporting ongoing clinical care, assessment, medication management, and reentry care planning. Select billing codes for these visits, including office visits, clinical consultations, psychiatric diagnostic evaluation and psychotherapy, and vision and hearing examinations, are reimbursed at Hawai'i's existing Medicaid fee schedule rate increased by a 5% operational factor during the 90-day pre-release period; all other Practitioner Office Visit codes not defined below are reimbursed at unmodified rates. Together with Practitioner Office Visit – Reentry Wellness Exam, these rates are expected to increase the annual aggregate expenditures by approximately \$0.2 million.
- **Medication for Addiction Treatment (MAT).** MAT, also referred to as Medication Assisted Treatment, is a mandatory service that combines medications with counseling and behavioral therapies to support the treatment and stabilization of substance and alcohol use disorders. Select MAT billing codes, including assessment, diagnostic, and psychotherapy codes, are reimbursed at Hawai'i's existing Medicaid fee schedule rate increased by a 5% operational factor during the 90-day pre-release period; all other MAT billing codes not defined below, including MAT medications, are reimbursed at unmodified rates. These rates are expected to increase the annual aggregate expenditures by approximately \$.6 million.
- **Peer Support Services.** Peer Support Services are an optional service delivered by individuals with lived experience, such as peer specialists and community health workers, to support Medicaid Reentry Program members' engagement in care and successful transition to the community. Peer Support Services are reimbursed at Hawai'i's existing Medicaid fee schedule rate increased by a 5% operational factor during the 90-day pre-release period, and are expected to increase the annual aggregate expenditures by approximately \$0.1 million.

The proposed rate schedule is available for review in Table 1. The fee schedule will be available at <https://medquest.hawaii.gov/en/plans-providers/provider-memo.html>.

Table 1: Hawai'i Department of Human Services, Med-QUEST Division Medicaid Reentry Program Fee Schedule

Service Name	Service Description	Unit of Service/ Payment	Rate and HCPCS code	Methodology
<i>Reentry Targeted Case Management (rTCM)</i>				

Service Name	Service Description	Unit of Service/ Payment	Rate and HCPCS code	Methodology
rTCM Intake and Care Plan Development	Service assessment and care plan development completed at the start of rTCM engagement	Per completed intake and care plan	One bundled payment of \$256.00 T2024	Rated established based on a benchmarking analysis of reimbursement levels for comparable services in other states under approved Reentry demonstrations. No comparable existing Hawai'i Medicaid rate.
rTCM Pre- and Post-Release Case Management	Ongoing case management activities supporting care coordination from the pre-release period through post-release	Per 15 minutes	\$28.00 per 15-minute increment T1017	Rated established based on a benchmarking analysis of reimbursement levels for comparable services in other states under approved Reentry demonstrations. No comparable existing Hawai'i Medicaid rate.
Warm Handoff Meeting	Meeting between rTCM providers to transition case management responsibilities (e.g., due to a change in rTCM provider or a facility transfer)	Per meeting	\$175.00 G9012	Rated established based on a benchmarking analysis of reimbursement levels for comparable services in other states under approved Reentry demonstrations. No comparable existing Hawai'i Medicaid rate.
<i>Practitioner Office Visit – Reentry Wellness Exam</i>				
Preventive Medicine Visit – New Patient	Comprehensive physical and behavioral health assessment for new patients ages 12 and older	Per visit	Hawai'i Medicaid fee schedule rate + 5% operational factor 99384; 99385; 99386; 99387	Hawai'i Medicaid fee schedule, increased by a 5% operational factor to reflect the added operational complexity of delivering the service within a carceral setting.
Preventive Medicine Visit – Established Patient	Comprehensive physical and behavioral health assessment for established	Per visit	Hawai'i Medicaid fee schedule rate + 5% operational factor 99394; 99395; 99396;	Hawai'i Medicaid fee schedule, increased by a 5% operational factor to reflect the added operational complexity of

Service Name	Service Description	Unit of Service/ Payment	Rate and HCPCS code	Methodology
	patients ages 12 and older		99397	delivering the service within a carceral setting.
EPSDT Visit	Completed Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) visit for members under age 21	Per visit	Hawai'i Medicaid fee schedule rate + 5% operational factor S0302	Hawai'i Medicaid fee schedule, increased by a 5% operational factor to reflect the added operational complexity of delivering the service within a carceral setting.
<i>Dental Screening for CAA-Eligible Individuals³</i>				
Oral Evaluation	Pre-release dental screening for CAA-eligible individuals; billed to Hawaii Dental Service (HDS), MQD's third-party administrator for dental services, rather than the member's QI Health Plan	Per visit	Hawai'i Medicaid fee schedule rate + 5% operational factor D0120; D0140; D0150; D0160; D0170–D0171; D0180	Hawai'i Medicaid fee schedule, increased by a 5% operational factor to reflect the added operational complexity of delivering the service within a carceral setting.
<i>Practitioner Office Visit – Other</i>				
Office Visits – New and Established Patient	Clinical evaluation and management office visits	Per visit	Hawai'i Medicaid fee schedule rate + 5% operational factor 99202–99205; 99211–99215	Hawai'i Medicaid fee schedule (generally aligns with the prior year's Medicare Physician Fee Schedule), increased by a 5% operational factor to reflect the added operational complexity of delivering the service within a carceral setting.
Clinical Consultation	Practitioner clinical consultation	Per visit	Hawai'i Medicaid fee schedule rate + 5% operational factor	Hawai'i Medicaid fee schedule (generally aligns with the prior year's Medicare Physician Fee

³ CAA-eligible individuals include youth under the age of 21 who are otherwise eligible for Medicaid, youth under 19 who are eligible for CHIP, and youth and young adults formerly in foster care under 26 who qualify as Former Foster Care Children (FFCC) under Medicaid.

Service Name	Service Description	Unit of Service/ Payment	Rate and HCPCS code	Methodology
			99242–99245	Schedule), increased by a 5% operational factor to reflect the added operational complexity of delivering the service within a carceral setting.
Psychiatric Diagnostic Evaluation and Psychotherapy	Psychiatric diagnostic evaluation and psychotherapy services	Per visit	Hawai'i Medicaid fee schedule rate + 5% operational factor 90785; 90791–90792; 90832–90838	Hawai'i Medicaid fee schedule (generally aligns with the prior year's Medicare Physician Fee Schedule), increased by a 5% operational factor to reflect the added operational complexity of delivering the service within a carceral setting.
Vision Examination	Vision examination other than a preventive screening	Per visit	Hawai'i Medicaid fee schedule rate + 5% operational factor 92002; 92004; 92012; 92014; 99172	Hawai'i Medicaid fee schedule (generally aligns with the prior year's Medicare Physician Fee Schedule), increased by a 5% operational factor to reflect the added operational complexity of delivering the service within a carceral setting.
Hearing and Speech Examination	Hearing and speech examination other than a preventive screening	Per visit	Hawai'i Medicaid fee schedule rate + 5% operational factor 92521–92524; 92550–92597; V5010	Hawai'i Medicaid fee schedule (generally aligns with the prior year's Medicare Physician Fee Schedule), increased by a 5% operational factor to reflect the added operational complexity of delivering the service within a carceral setting.
<i>Medication for Addiction Treatment</i>				
Assessment and diagnostic	Assessment and evaluation services	Per visit	Hawai'i Medicaid fee schedule rate + 5%	Hawai'i Medicaid fee schedule (generally aligns with the prior year's

Service Name	Service Description	Unit of Service/ Payment	Rate and HCPCS code	Methodology
evaluation			operational factor 90791–90792	Medicare Physician Fee Schedule), increased by a 5% operational factor to reflect the added operational complexity of delivering the service within a carceral setting.
Psychiatric diagnostic evaluation and psychotherapy	Psychiatric diagnostic evaluation and psychotherapy	Per visit	Hawai'i Medicaid fee schedule rate + 5% operational factor 90785; 90832–90838	Hawai'i Medicaid fee schedule (generally aligns with the prior year's Medicare Physician Fee Schedule), increased by a 5% operational factor to reflect the added operational complexity of delivering the service within a carceral setting.
<i>Peer Support Services</i>				
Peer Recovery Support Services	Non-clinical support delivered by individuals with lived experience, such as peer specialists and community health workers, to promote member engagement in care and successful transition to the community	Per 15 minutes	Hawai'i Medicaid fee schedule rate + 5% operational factor H0038	Hawai'i Medicaid fee schedule (generally aligns with the prior year's Medicare Physician Fee Schedule), increased by a 5% operational factor to reflect the added operational complexity of delivering the service within a carceral setting.

PUBLIC COMMENT SUBMISSION PROCESS

MQD welcomes interested parties to submit comments and concerns about the rate methodology and or the effects no later than 30 days from the time this notice is posted. All comments are subject to public review and disclosure, as are the names of those who comment. Individuals may submit written comments:

By email:

- For the Medicaid Reentry Program, email: MQDreentry@dhs.hawaii.gov. Please identify in the subject line: *Medicaid Reentry Program Rate Methodology*

By mail:

Department of Human Services Med-QUEST Division

Attention: Health Care Services Branch

PO Box 700190

Kapolei, Hawaii 96709

DEPARTMENT OF HUMAN SERVICES, MED-QUEST DIVISION

MEREDITH NICHOLS

MED-QUEST DIVISION ADMINISTRATOR