

**STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
MED-QUEST DIVISION**

PUBLIC NOTICE

Pursuant to 42 C.F.R. §447.205, the Department of Human Services (DHS), Med-QUEST Division (MQD) hereby notifies the public that MQD intends to submit a State Plan Amendment (SPA) to the Centers for Medicare and Medicaid Services (CMS).

Section 4121, of Division FF of the Consolidated Appropriations Act (CAA, 2023), established a new Medicare benefit category for Marriage and Family Therapist (MFT) and Mental Health Counselor (MHC) services to the list of core Rural Health Clinic (RHC) providers for Medicare, in Section 1861(aa)(1)(B) of the Act beginning January 1, 2024. For the purposes of Hawaii's Medicaid program and services provided in Federally Qualified Health Centers (FQHC) and RHCs, 1905(I)(2)(A) defines "Federally-qualified health center services" as "services of the type described in subparagraphs (A) through (C) of section 1861(aa)(1) [of the Act] when furnished to an individual as a patient of [an FQHC]".

Hawaii MQD is submitting SPA 24-0005 to allow MFT and MHC providers in our Medicaid State Plan to provide services in FQHC and RHCs, and clarify payment under section 1861 (aa)(1) of the Act. Hawaii has amended Supplement to Attachment 3.1-A and 3.1-B pg. 1 and Attachment 4.19-B pg. 14.1 and 14.6 effective March 15, 2024.

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.

This SPA is expected to have minimal effect on the annual aggregate expenditures in Hawaii. This proposed change will be submitted for review to CMS as Medicaid SPA 24-0005.

A printed copy of the proposed changes and special accommodations (i.e., interpreter, large print or taped materials) can be arranged if requested by contacting the Policy and Program Development Office at (808) 692-8058 no later than seven (7) working days before the comment period ends.

Comments should be received **within 30 days** from the time this notice is posted. Individuals may submit written comments using the following methods:

By email: PPDO@dhs.hawaii.gov (Please identify in the subject line: State Plan Amendment 24-0005)

By mail:
Department of Human Services
Med-QUEST Division
Attention: Policy and Program Development Office
P.O Box 700190
Kapolei, Hawaii 96709

DEPARTMENT OF HUMAN SERVICES, MED-QUEST DIVISION
JUDY MOHR PETERSON, PhD
MED-QUEST DIVISION ADMINISTRATOR

Each year's costs will be divided by total visits. Total costs should include the cost of all Medicaid covered services provided by the FQHC or RHC, including all ambulatory services previously paid on a fee-for-service basis.

- (c) Service provided at a satellite service site or a mobile satellite facility that is affiliated with an FQHC or RHC shall be reimbursed at the same PPS rate as that of the affiliated FQHC or RHC, subject to the FQHC's or RHC's right to request a scope-of-service adjustment to the rate. A satellite facility or mobile unit is affiliated with an FQHC or RHC when it is owned and operated by the same entity and has been approved or certified by the Health Resources and Services Administration ("HRSA") as part of the official scope of the project on a Notice of Grant Award.
- (d) Baseline rates for FQHCs and RHCs that did not file annual cost reports as of May 31, 2001 will be set at 100% of the costs of furnishing such services at the cost per visit rate established by the method described in the preceding paragraphs for the FQHC or RHC, respectively, that is most similar in scope of service and case load.
- (e) For FQHCs and RHCs that submitted cost reports for their respective fiscal years ending 1999 and 2000 but, as of December 31, 2000, were not certified as FQHCs or RHCs long enough to produce two annual cost reports based on their respective fiscal years, baseline PPS rates will be set at the higher of the cost per visit rate for the FQHC or RHC that is most similar in scope of service and case load or the actual cost per visit rate calculated using the FQHC's and RHC's most recent "as filed" cost report.
- (f) The FQHC/RHC PPS rates will be effective for services rendered from January 1 through December 31 of each year.
- (g) Starting January 1, 2002, PPS rates will be adjusted annually using the Medicare Economic Index ("MEI"), as defined in Section 1842(i)(3) of the Social Security Act applicable to primary care services as defined in Section 1842(i)(4) of the Social Security Act, for that calendar year as published in the Federal Register.
- (h) To be eligible for PPS reimbursement, services must be delivered exclusively by the following licensed health care professionals: physician, physician's assistant, nurse practitioner, nurse midwife, visiting nurse, clinical social worker, clinical psychologist, mental health counselors (MHC), marriage and family therapists (MFT), and licensed dieticians

TN No. 24-0005
 Supersedes
 TN No. 08-007

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~~[08-007]~~

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~~[05/14/08]~~

TN No. 08-007
~~[01-003]~~

iii. In either of the circumstances described above, the following documentation must be submitted no later than five months after the close of the FQHC's or RHC's fiscal year:

- Uniform cost report;
- Working trial balance;
- Provider cost report questionnaire;
- Audited financial statements, if available;
- Disclosure of appeal items included in the cost report;
- Disclosure of increases or decreases in scope of services; and
- Other schedules as identified by the Department.

- (c) Each FQHC or RHC that submits an annual cost report shall keep financial and statistical records of the cost reporting consistent with 45 CFR 74.53(b) after submitting the cost report to the Department and shall make such records available to authorized state or federal representatives upon request.
- (d) The Department or its fiscal agent may conduct periodic on-site or desk audits of cost reports, including financial and statistical records of a sample of FQHCs or RHCs.
- (e) FQHCs and RHCs must submit other information (statistics, cost and financial data) as deemed necessary by the Department.

10.6 Rebasing

Baseline PPS rates will not be subject to rebasing after their initial computation unless authorized by Congress.

10.7 Eligible Services

- (a) To be eligible for PPS reimbursement services must be:
- i. Within the legal authority of an FQHC or RHC to deliver, as defined in Section 1905 of the Social Security Act as amended;
 - ii. Actually provided by the FQHC or RHC, either directly or under arrangements;
 - iii. Medicaid covered ambulatory services under the Medicaid program, as defined in the Hawaii Medicaid State Plan;
 - iv. Provided to a recipient eligible for Medicaid benefits;
 - v. Delivered exclusively by licensed health care professionals (physician, physician's assistant, nurse practitioner, nurse midwife, visiting nurse, clinical social worker, clinical psychologist, mental health counselors (MHC), marriage and family therapists (MFT) or licensed dieticians);
 - vi. Provided in an outpatient settings during business or after hours on the FQHC's or RHC's site. For full-benefit dual eligibles only, services may be provided at the patient's place of residence, which may be a skilled nursing facility, a nursing facility or other institution used as a patient's

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TN No. 08-007
[~~01-003~~]

1. The utilization control committee of an acute hospital facility shall determine the medical necessity for admission and continued stay for all Medicaid beneficiaries. Extension of hospital stay shall be requested when a patient is awaiting placement in a long-term facility.
- 2a. Outpatient psychiatric services for substance abuse treatment (SAT) services that are medically necessary shall be provided with no limits on the number of visits. The providers for SAT services are psychiatrists, psychologists, licensed social workers in behavioral health, and advance practice registered nurses (APRN) in behavioral health. Setting where services will be delivered are in outpatient hospital/clinic including methadone clinics, and physician/provider offices. Only professional fees are paid when services are provided in an outpatient clinic setting and are paid at or below the Medicare fee schedule rate. SAT services that are medically necessary shall be reimbursed with the existing approved Medicaid Fee Schedule or appropriate payment methodology located on Attachment 4.19-B. pg. 1.
- 2c. FQHC and RHC services are congruent with the general scope and limitations to services of Hawaii's Medicaid program.

FQHC and RHC services shall be delivered exclusively by the following health care professionals who are licensed by, and a resident of, the State of Hawaii:

- i. Physician (Doctor of Medicine, Doctor of Osteopathy, Doctor of Dentistry, Doctor of Optometry, and Doctor of Podiatry);
- ii. Physician Assistant;
- iii. Nurse Practitioner;
- iv. Nurse Midwife;
- v. Visiting Nurse;
- vi. Clinical Social Worker;
- vii. Clinical Psychologist; or
- viii. Licensed dieticians
- ix. Mental Health Counselors
- x. Marriage and Family Therapists

3. Prior authorization is required for the following services:

Radiology:

- MRI (magnetic resonance imaging)
- MRA (magnetic resonance angiography)
- PET (positron emission tomography)

Laboratory:

- Reference lab tests that cannot be done in Hawaii and not specifically billable by clinical labs in Hawaii
- Disease specific new technology lab tests
- Chromosomal analysis

Payment for laboratory services made only for tests performed by standard procedures and techniques commonly accepted by the medical community.

- 4a. Authorization by the Department's medical consultant is required for level of care and admission to a NF.
- 4b. All services listed under 1905(a) of the Social Security Act are available to EPSDT eligible individuals when medically necessary, even though the services are not covered in this plan.

TN No. 24-0005

Supersedes

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TN No. 12-004

1. The utilization control committee of an acute hospital facility shall determine the medical necessity for admission and continued stay for all Medicaid beneficiaries [~~recipients~~]. Extension of hospital stay shall be requested when a patient is awaiting placement in a long-term facility.
- 2a. Outpatient psychiatric services for substance abuse treatment (SAT) services that are medically necessary shall be provided with no limits on the number of visits. The providers for SAT services are psychiatrists, psychologists, licensed social workers in behavioral health, and advance practice registered nurses (APRN) in behavioral health. Setting where services will be delivered are in outpatient hospital/clinic including methadone clinics, and physician/provider offices. Only professional fees are paid when services are provided in an outpatient clinic setting and are paid at or below the Medicare fee schedule rate. SAT services that are medically necessary shall be reimbursed with the existing approved Medicaid Fee Schedule or appropriate payment methodology located o[±]n Attachment 4.19-B. pg. 1 [~~Section 1., Hawaii Medicaid Fee Schedule, item (a) and (d) and Section 2., Medicaid Payment for Other Non-Institutional Items and Services are determined as Follows, item (i)., or PPS methodology.~~]
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TN No. 24-0005 [~~12-004~~]

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