

**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 the MQD intends to submit a State Plan Amendment (SPA) to the Centers for Medicare and Medicaid Services (CMS).

Under the provisions of federal law, the state is required to issue public notice of proposed changes to statewide methods and standards for setting Medicaid payment rates.

Hawaii is submitting SPA 25-0017 “Federally Qualified Health Centers (FQHC)/Rural Health Centers (RHC) Behavioral Health and Prospective Payment System (PPS) Methodology” to allow Behavioral Health Providers to provide telehealth services from a hub or distant site which is not a FQHC/RHC site and be paid PPS, effective 12/08/25.

Attachment 4.19-B pg. 1.1. under the “Telehealth” section, requires the provider to be located at the FQHC to receive PPS payment. Attachment 4.19-B pg. 14.6 under section 10.7 “Eligible Services” for PPS reimbursement services currently provided in an outpatient setting during business or after hours on the FQHC’s or RHC’s site do not include telehealth by Medicaid Behavioral Health Care Providers located at a hub or distant site which is not a FQHC/RHC.

Hawaii is proposing to make an exception for behavioral health services where the provider is not located at the FQHC/RHC. Our state statute HRS 346-59.1(b) requires parity for behavioral health services provided via telehealth. Therefore, we are amending the state plan to allow for PPS payment in this instance. We are amending Attachment 4.19-B pg. 1.1 and 14.6 to include the exception that “Medicaid Behavioral Health Care providers may be located at a hub or distant site which is not a FQHC/RHC”.

SPA 25-0016 is expected to have moderate effect on the annual aggregate expenditures.

The proposed changes will be submitted to the federal government for review as a Medicaid SPA.

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** of 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 25-0017)

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

(h) Smoking cessation services:

- Smoking cessation counseling services shall be according to the appropriate health Common Procedure Coding System (HCPCS) code of three to ten minutes or greater than ten minutes.

(i) Telehealth:

- The spoke or originating site is the location of an eligible individual at the time the service being furnished via a telecommunications system occurs.
- The Hub or Distant site is the site at which the physician or practitioner delivering the services is located at the time the service is provided via a telecommunications system.
- When a spoke or originating site is solely used to facilitate telehealth, payment for the facilitation shall not exceed the published Medicare rate for transmission services for spoke sites.
- Medicaid Health Care Providers, such as physicians, psychologists, nurse midwives, pediatric or family nurse practitioners, advanced practice registered nurses in behavioral health and licensed clinical social workers in behavioral health, at the hub or distant site will be reimbursed according to the payment methodology of the appropriate service provided as described in other parts of this Attachment.
- If the spoke or originating site is a FQHC/RHC, and eligible FQHC services are performed by a Medicaid Health Care Provider at a hub or distant site which is an FQHC, the hub or distant site is eligible to receive the prospective payment system (PPS) rate. Exception: Medicaid Behavioral Health Care providers may be located at a hub or distant site which is not a FQHC/RHC.
- Medicaid Health Care Providers are required to ensure synchronous and asynchronous technology with HIPAA compliance coding.
- If the spoke or originating site is not a FQHC/RHC, and eligible FQHC services are performed by an eligible Medicaid Health Care Provider at the hub or distant site that is a FQHC/RHC, the hub or distant site is eligible to claim the PPS rate. Exception: Medicaid Behavioral Health Care providers may be located at a hub or distant site which is not a FQHC/RHC.
- If eligible FQHC services are performed at a FQHC/RHC originating site and includes provision of services outside the scope of the FQHC service with a Medicaid Provider contracted by the FQHC at a non-FQHC site, the originating site gets PPS and shall compensate the contracted FQHC provider for the services that were provided as appropriate.
- Items such as technical support, line charges, depreciation on equipment, etc. are not reimbursable services under telehealth.

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TN No.	19-0007 <u>[10-003]</u>	1.1	

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 (Exception: services provided by telehealth by Medicaid Behavioral Health Care Providers located at a hub or distant site which is not a FQHC/RHC). 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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