

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 26-0008 "Lab Fees and Durable Medical Equipment (DME) Payment Methodology updates" effective May 1, 2026.

The current reimbursement methodology for laboratory fees is set at 60% of the applicable Medicare fee schedule. Hawaii proposes to revise this methodology to reimburse at 100% of the Medicare fee schedule, effective July 1, 2026.

In addition, the language pertaining to Medical Supplies on the same page has been removed because it is duplicative and is already included in Attachment 4.19-B, page 2

Attachment 4.19-B pg. 2.1

1. *"Medical Supplies" has been removed.*
2. *Payment for X rays shall be at 60% of the Medicare Fee Schedule.*
3. *Payment for (rural/non-rural) laboratory services shall be paid at no less than 100% of the Medicare Fee Schedule.*

SPA 26-0008 is expected to have minimal 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 accommodation (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 26-0008)

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
MEREDITH NICHOLS
MED-QUEST DIVISION ADMINISTRATOR

Except as otherwise noted in the plan, the state developed fee schedule rates are the same for both governmental and private providers for the same services listed below. All rates can be found at <https://medquest.hawaii.gov/en/plans-providers/fee-for-service/fee-schedules.html>:

- Dental Services (including dentures):

For services on or after December 1, 2020, the fee schedule will be set at 60% of the average of the code average of the 2 major commercial dental plans for Oahu paid over the previous 12 months.

For services for neighbor islands (Kauai, Maui Hawaii, Lanai and Molokai) on or after December 1, 2020, the fee schedule are set up to 65% of the average of the code average of the 2 major commercial dental plans for Oahu paid over the previous 12 months.

Annual procedure code revisions are based on updates made as provided for by the American Dental Association.

Effective January 1, 2024, the following services are paid at no less than 60% of the [~~current~~] Medicare Fee Schedule in effect for the prior calendar year or as required by federal law not to exceed 100% of Medicare:

- Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) (comprehensive periodic examination, case management, skilled nursing and personal care services.)
- Home pharmacy services;
- Home Health Agency Services

(b) Payment for (rural/non-rural) X-ray services shall be at 60% of the Medicare fee schedule for participating providers.

Payment for (rural/non-rural) Laboratory services shall be paid at no less than 100% of Medicare Fee Schedule for participating providers.

TN No. 26-0008
 Supersedes Approval Date: _____ Effective Date: 07/01/2026
 TN No. 23-0008

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- Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) (comprehensive periodic examination, case management, skilled nursing and personal care services.)
- Home pharmacy services;
- ~~[Medical supplies,]~~
- Home Health Agency Services

(b) Payment for (rural/non-rural) ~~[laboratory services and]~~ X-ray services shall be at 60% of the ~~current~~ Medicare fee schedule for participating providers.

Payment for (rural/non-rural) Laboratory services shall be paid at no less than 100% of Medicare Fee Schedule for participating providers.

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~~[23-0008]~~

Supersedes _____ Approval Date: _____ Effective Date: 07/01/2026
[01/01/2024]

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