

State of Hawaii  
Department of Human Services  
MED-QUEST DIVISION

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**MEDICAID STATE PLAN**

**SPA MEMO NO.:** 22-09

**DATE:** 03/31/23

**ORIGINATOR:** POLICY AND PROGRAM DEVELOPMENT OFFICE

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**TO:** Custodian of Med-QUEST Division Medicaid State Plan

**FROM:** Judy Mohr Peterson, PhD <sup>JMP</sup>  
Med-QUEST Division Administrator

**SUBJECT:** APPROVAL OF AMENDMENT UNDER THE MEDICAID STATE PLAN

**EXPLANATION:**

The State of Hawaii received approval from the Centers for Medicare & Medicaid Services (CMS) for State Plan Amendment (SPA) Number 22-0009 "Pregnant Woman Proxy Payment Methodology" on March 24, 2023, effective April 1, 2022.

Hawaii submitted this SPA to include the new payment methodology for pregnant women with the approval of SPA 22-0008 which extends postpartum medical coverage from a period of 60 days to 12 months.

**FILING INSTRUCTIONS:**

Review and file the amended Medicaid State Plan pages in your Medicaid State Plan Manual as follows:

File amended pages:

Supplement 18 to Attachment 2.6-A pg. 4 and remove old Supplement 18 to Attachment 2.6-A pg. 4

Supplement 18 to Attachment 2.6-A pg. 6 and remove old Supplement 18 to Attachment 2.6-A pg. 6

File new pages:

Attachment D to Supplement 18 to Attachment 2.6-A pg. 1-2

The Med-QUEST Division amendment described above has been incorporated into the electronic version of the Medicaid State Plan located at the Department of Human Services website link for public transparency below:

<http://humanservices.hawaii.gov/reports/hawaii-medicaid-state-plan/>

#### Attachments

- C: Attorney General's Office
- Audit, Quality Control & Research Office/Quality Control Staff
- Clinical Standards Office
- Department of Health/Child & Adolescent Mental Health Division
- Department of Health/State Planning Council Developmental Disabilities
- Department of Health/Developmental Disabilities Division
- Department of Human Services /Adult Protective and Community Services Branch
- Department of Human Services/Policy and Program Development Office
- Eligibility System Project (KOLEA)
- Finance Office
- Hawaii Document Center/HI State Library
- Hawaii Legislative Reference Bureau Library
- Health Care Services Branch
- Legal Aid Society of Hawaii

# TABLE OF CONTENTS

State/Territory Name: **Hawaii**

State Plan Amendment (SPA) #: **HI-22-0009**

- 1) Approval Letter
- 2) Approved Postpartum FMAP SPA pages
- 3) CMS 179 includes a pen/ink authorization



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**Financial Management Group**  
***Division of Financial Policy & Oversight***

March 23, 2023

Judy Mohr Peterson  
Med-QUEST Division Administrator  
Hawaii Policy and Program Development Office  
P.O. Box 700190  
Kapolei, Hawaii 96709-0190

Dear Ms. Peterson:

Enclosed for your records is an approved copy of the following state plan amendment (SPA).

Transmittal HI-22-0009:

- This SPA authorizes increased federal financial participation (FFP) for newly-eligible individuals receiving postpartum coverage and further includes the addition of Attachment D, which describes the special circumstances and other proxy adjustments that are applied to account for the proportion of individuals covered under the extended postpartum coverage option who would otherwise be eligible for coverage in the adult group and for the newly eligible FFP under section 1905(y) of the Social Security Act;
- This SPA is effective April 1, 2022

The state will be responsible for tracking and aggregating the extended postpartum population claims, which should be based on the population used to derive the proxy percentage. The extended postpartum claims will be a portion of the claims (“affected expenditures”) reported across many Categories of Service (COS) lines and integrated with claims from other populations. The state will need to apply the proxy percentage to the affected expenditures by COS line outside the Form CMS-64. Ultimately, the state will claim a portion of the affected expenditures as newly eligible or as not newly eligible, i.e. 1905(z) population as determined under the proxy methodologies, on the Form CMS-64.9VIII series by COS line, and the non-Adult Group (non-VIII Group) portion on affected expenditures on the Form CMS-64.9 series by COS line. The state should make available all documentation to support expenditures calculated based on the proxy methodology at the time it files the Form CMS-64.

Ms. Peterson Page 2

If you would like to discuss further, please contact either financial analyst, Yvette Moore at (667) 290-9825 or Medicaid financial branch chief, Stuart Goldstein at (410) 786-0694.

Sincerely,

Charlie L. Arnold -S

Digitally signed by  
Charlie L. Arnold -S  
Date: 2023.03.23  
20:08:32 -04'00'

Charlie Arnold  
Director  
Division of Financial Policy & Oversight

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 2 — 0 0 0 9

2. STATE

HI

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT

XIX  XXI

TO: CENTER DIRECTOR  
CENTERS FOR MEDICAID & CHIP SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

April 1, 2022

5. FEDERAL STATUTE/REGULATION CITATION

American Rescue Plan Act of 2021

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2022 \$ 0  
b. FFY 2023 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Supplement 19 to Attachment 2.6-A pg.1-7

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

9. SUBJECT OF AMENDMENT

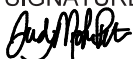
Pregnant Woman Proxy Payment Methodology-state plan amendment is needed to describe the payment methodology for Hawaii selection in SPA 22-0008 to extend medicaid coverage post-pregnancy from 60 days to 12 months.

10. GOVERNOR'S REVIEW (Check One)

- GOVERNOR'S OFFICE REPORTED NO COMMENT  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL



12. TYPED NAME

Judy Mohr Peterson, PhD

13. TITLE

Med-QUEST Division Administrator

14. DATE SUBMITTED

06/29/2022

15. RETURN TO  
State of Hawaii

Department of Human Services

Office of Director

P.O Box 339

Honolulu, HI 96809-0339

**FOR CMS USE ONLY**

16. DATE RECEIVED

June 29, 2022

17. DATE APPROVED

March 23, 2023

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL

April 1, 2022

19. SIGNATURE OF APPROVING OFFICIAL

Charlie L. Arnold - Digitally signed by Charlie L. Arnold - 5  
Date: 2023.03.23 20:10:12 -04'00'

20. TYPED NAME OF APPROVING OFFICIAL

Charlie Arnold

21. TITLE OF APPROVING OFFICIAL

Director of Financial Policy

22. REMARKS

**Pen/Ink Authorizations:**

Box 7: ADD: Supplement 18 to Attachment 2.6A, Page 4 and Supplement 18 to Attachment 2.6A, Page 6

Box 8: ADD: Supplement 18 to Attachment 2.6A, Page 4 and Supplement 18 to Attachment 2.6A, Page 6

1. Attachment C describes any enrollment caps authorized in section 1115 demonstrations as of December 1, 2009 that are applicable to populations that the state covers in the eligibility group described at 42 CFR 435.119 and received full benefits, benchmark benefits, or benchmark equivalent benefits as determined by CMS. The enrollment cap or caps are as specified in the applicable section 1115 demonstration special terms and conditions as confirmed by CMS, or in alternative authorized cap or caps as confirmed by CMS. Attach CMS correspondence confirming the applicable enrollment cap(s).
2. The state applies a combined enrollment cap adjustment for purposes of claiming FMAP in the adult group:  
 Yes. The combined enrollment cap adjustment is described in Attachment C.  
 No.
3. Enrollment Cap Methodology: Attachment C describes the methodology for calculating the enrollment cap adjustment, including the use of combined enrollment caps, if applicable.

C. Special Circumstances (42 CFR 433.206(g)) and Other Adjustments to the Adult Group FMAP Methodology

1. The state:  
 Applies special circumstances adjustment(s).  
 Does not apply a special circumstances adjustment.
2. The state:  
 Applies additional adjustment(s) to the adult group FMAP methodology (complete item 3).  
 Does not apply any additional adjustment(s) to the adult group FMAP methodology (skip item 3 and go to Part 3).
3. Attachment D describes the special circumstances and other proxy adjustment(s) that are applied, including the population groups to which the adjustments apply and the methodology for calculating the adjustments.

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<b>TN No.</b>	<u>22-0009</u>	<b>Approval Date:</b>	<u>03/23/2023</u>	<b>Effective Date:</b>	<u>04/01/2022</u>
<b>Supersedes</b>					
<b>TN No.</b>	<u>14-002</u>				

**Part 5 - State Attestations**

The State attests to the following:

- A. The application of the adult group FMAP methodology will not affect the timing or approval of any individual's eligibility for Medicaid.
- B. The application of the adult group FMAP methodology will not be biased in such a manner as to inappropriately establish the numbers of, or medical assistance expenditures for, individuals determined to be newly or not newly eligible.

**ATTACHMENTS**

Not all of the attachments indicated below will apply to all states; some attachments may describe methodologies for multiple population groups within the new adult group. Indicate those of the following attachments which are included with this SPA:

- Attachment A - Conversion Plan Standards Referenced in Table 1
- Attachment B - Resource Criteria Proxy Methodology
- Attachment C - Enrollment Cap Methodology
- Attachment D - Special Circumstances Adjustment and Other Adjustments to the Adult Group FMAP Methodology
- Attachment E - Transition Methodologies

**PRA Disclosure Statement**

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB number for this information collection is 0938-1148. The time required to complete this information collection is estimated to average 4 hours per response, including the time to review instructions, searching existing data resources, gather data needed, and completed and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

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<b>Supersedes</b>					
<b>TN No.</b>	<u>14-002</u>				



**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT**

**State: HAWAII**

**PAYMENT METHODOLOGY FOR PREGANT WOMAN POST-PARTUM 12 MONTH EXPANSION**

**I. PURPOSE**

Hawaii provides benefits that meet the requirements in section 1937 of the Act to all individuals receiving extended postpartum coverage.

Hawaii provides full benefit coverage to individuals who are eligible for and enrolled in Medicaid or CHIP while pregnant (including during a period of retroactive eligibility are eligible for extended coverage through the last day of the month in which their 12-month post-partum period ends).

**II. BACKGROUND REGARDING PREGNANT WOMAN POST-PARTUM 12 MONTHS EXPANSION**

Under Sections 9812 and 9822 of the American Rescue Plan Act of 2021, Hawaii provides 12 months of extended post-partum coverage to pregnant individuals enrolled in Medicaid and CHIP beginning April 1, 2022, available through March 2027 (or other date as specified by law).

**III. TOPIC**

As permitted by SHO#21-007, Hawaii uses an extended postpartum coverage proxy methodology to determine the portions of individuals receiving extended postpartum coverage who may be claimed at the newly eligible FMAP.

- 1) Two proxy allocation percentages for claiming are calculated:
  - a. The proxy allocation percentage for claiming pregnant individuals who are eligible to be moved to "newly eligible" Adults; and
  - b. The proxy allocation percentage for claiming pregnant individuals who are eligible to be moved to "transitional" Adults which are not newly eligible adults covered under 1905z of the Act.
  
- 2) Both *proxy allocation percentages for claiming* are calculated based on a retrospective analysis of pregnant individuals enrolled in Medicaid and CHIP anytime between January 1, 2018, and December 31, 2019.
  - a. Pregnant individuals who were enrolled in either adult group ("newly eligible" or "transitional") when they became pregnant and remained in those groups throughout the pregnancy and the postpartum periods were excluded.

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TN No. 22-0009  
Supersedes \_\_\_\_\_ Approval Date: 03/23/2023 Effective Date: 04/01/2022  
TN No. NEW

- 3) The total potential postpartum member-months attributed to pregnant individuals potentially eligible to be claimed at the newly eligible FMAP is used as the denominator of both *proxy allocation percentages for claiming formulae*.
- 4) Among pregnant individuals potentially eligible to be claimed at the newly eligible FMAP, those who were moved to either adult group ("newly eligible" or "transitional") during the extended postpartum period (61-365 days) are identified, and the numbers of member-months spent by these individuals in either adult group during the extended postpartum period are separately counted.
  - a. If a member was in a "newly eligible" or "transitional" group for any part of a month, the month is counted as one member-month.
- 5) The member-months contributed by pregnant individuals who became newly eligible for either adult group during the extended postpartum period are used as the numerators for the two separate *proxy allocation percentages for claiming formulae* as follows:
  - a. Member-months contributed by pregnant individuals who were moved to "newly eligible" Adults are used as the numerator for the proxy allocation percentage for claiming "newly eligible" Adults; and
  - b. Member-months contributed by pregnant individuals who were moved to "transitional" Adults are used as the numerator for the proxy allocation percentage for claiming "transitional" Adults.
- 6) Using the method detailed above, the calculated *proxy allocation percentages for claiming* for Hawaii are as follows:
  - a. The proxy allocation percentage for claiming pregnant individuals who would be eligible to be moved to "newly eligible" Adults is 9.6%; and
  - b. The proxy allocation percentage for claiming pregnant individuals who would be eligible to be moved to "transitional" Adults is 3.6%.

TN No. 22-0009

Supersedes

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