



STATE OF HAWAII  
**DEPARTMENT OF HUMAN SERVICES**

Med-QUEST Division  
Finance Office  
P.O. Box 700190  
Kapolei, Hawaii 96709-0190

August 10, 2018


MEMORANDUM

MEMO NO.

QI-1812A

[supersedes to QI-1812]

TO: QUEST Integration (QI) Health Plans

FROM:  Judy Mohr Peterson, PhD  
Med-QUEST Division Administrator

SUBJECT: PAYMENT SUSPENSION TO PROVIDER - EFFECTIVE JULY 23, 2018

The memorandum dated July 23, 2018, is being superseded and replaced by this memo.

The purpose of this memorandum is to notify all QUEST Integration Health Plans that all HCPCS Code E0260 Medicaid payments to PAC MED (NPI #1811971872, NPI #1093841835, MQD #539455, MQD #250062) have been temporarily suspended as of July 23, 2018. A copy of the notice sent to the provider is attached for your reference. Please be informed, this partial payment suspension is effective regarding all HCPCS Code E0260 payments to PAC MED, regardless of provider identification number used by PAC MED.

The Federal regulation at 42 C.F.R. § 455.23 requires that Medicaid payments be suspended pending the investigation of a "credible allegation of fraud" against any individual or entity, unless the state determines that there is good cause not to suspend payments. At present, the Med-QUEST Division is unaware of any circumstances that constitute good cause as enumerated in such federal regulations. This suspension applies to all pending or scheduled Medicaid payments.

The QUEST Integration Health Plans will be notified if the payment suspension may be lifted, or if PAC MED's status as a Medicaid provider shall be changed. Should the payment suspension be lifted, the provider would be entitled to receive any payments, which were held in abeyance during the suspension period.

Should you have any questions, please contact Kelii Billington, Investigator at (808) 692-7999 or by email at [cbillington@dhs.hawaii.gov](mailto:cbillington@dhs.hawaii.gov).

Attachments

DAVID Y. IGE  
GOVERNOR



PANKAJ BHANOT  
DIRECTOR

CATHY BETTS  
DEPUTY DIRECTOR

STATE OF HAWAII  
**DEPARTMENT OF HUMAN SERVICES**  
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P.O. Box 700190  
Kapolei, Hawaii 96709-0190

July 23, 2018

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED  
7017 3380 0000 0615 8463

Mr. Keith Matsunaga  
PAC MED  
420 Kuwili Street, Suite 101  
Honolulu, Hawaii 96817

Re: Notice of Partial Suspension of Medicaid Payments

Dear Mr. Matsunaga:

In accordance with 42 C.F.R. § 455.23, all E0260 Medicaid claim payments to PAC MED are being suspended by the Med-QUEST Division (MQD) effective as of July 23, 2018, due to allegations of fraud against the Medicaid program, including but not limited to failure to make available without reasonable justification, all records required to be maintained by Hawaii Revised Statute §346-40.

This suspension is for a temporary period and will not continue after either MQD or the prosecuting authorities determine that there is insufficient evidence of fraud, or legal proceedings related to PAC MED's alleged fraud are complete.

PAC MED has the right to submit written evidence for consideration by MQD to the address listed within the letterhead of this letter and to my attention.

Further, pursuant to Hawaii Administrative Rules (HAR) Title 17 Subtitle 12 Chapter 1736 Subchapter 3, including but not limited to HAR §17-1736-33, PAC MED may request an administrative hearing within 30 days from the date of this letter. There shall be no required format for PAC MED's written request for an administrative hearing, though PAC MED must clearly state that an administrative hearing is requested. At the time PAC MED requests an administrative


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PAC MED  
July 23, 2018  
Page 2

hearing, PAC MED shall include with the request all documents and written evidence that PAC MED wishes to be considered at the hearing. Where PAC MED makes a timely request for an administrative hearing, PAC MED shall not be suspended until the hearing has been held and a decision has been reached.

If you have questions, you may contact Keli Billington, Investigator at (808) 692-7999 or by email at [cbillington@dhs.hawaii.gov](mailto:cbillington@dhs.hawaii.gov).

Sincerely,

  
for Judy Mohr Peterson, PhD  
Med-QUEST Division Administrator

C: QI Health Plans  
MFCU  
HCSB  
FO/FIS



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July 23, 2018

MEMORANDUM

MEMO NO.  
QI-1812

TO: QUEST Integration (QI) Health Plans

FROM:  Judy Mohr Peterson, PhD  
Med-QUEST Division Administrator

SUBJECT: PAYMENT SUSPENSION TO PROVIDER - EFFECTIVE JULY 23, 2018

The purpose of this memorandum is to notify all QUEST Integration Health Plans that all E0260 Medicaid payments to PAC MED – NPI #1811971872 have been temporarily suspended as of July 23, 2018. A copy of the notice sent to the provider is attached for your reference.

The Federal regulation at 42 C.F.R. § 455.23 requires that Medicaid payments be suspended pending the investigation of a “credible allegation of fraud” against any individual or entity, unless the state determines that there is good cause not to suspend payments. At present, the Med-QUEST Division is unaware of any circumstances that constitute good cause as enumerated in such federal regulations. This suspension applies to all pending or scheduled Medicaid payments.

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Attachments