



STATE OF HAWAII  
**DEPARTMENT OF HUMAN SERVICES**


Med-QUEST Division  
Health Care Services Branch  
P.O. Box 700190  
Kapolei, Hawaii 96709-0190

November 20, 2020

MEMORANDUM

MEMO NO.  
QI-2037

TO: QUEST Integration (QI) Health Plans

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

SUBJECT: COVID-19 PANDEMIC ACTION PLAN FOR QI HEALTH PLANS – PART V

The purpose of this memorandum is to operationalize the waivers and flexibilities that Department of Human Services, Med-QUEST Division (DHS/MQD) has received specific to the Appendix K Amendment process and offers additional guidance to the QI-2009, QI-2014, QI-2015 and QI-2016 memorandums, which outline a pandemic action plan for QI health plans. The goal of the pandemic action plan is to maintain the health and safety of the QI members and health plan personnel, and the continued access to necessary services during and through the Public Health Emergency (PHE) that was declared by the Secretary of the Department of Health and Human Services on January 31, 2020. Note that for the Appendix K flexibilities only, they are in effect beginning March 1, 2020 and shall remain in effect through February 28, 2021.

**What is Appendix K?**

In times of emergency such as the COVID-19 pandemic, states which operate Home and Community-Based Services (HCBS) can apply for approval of “Appendix K: Emergency Preparedness and Response” in order to activate the necessary flexibilities available under the Medicaid. Hawaii’s Appendix K application for the COVID-19 emergency was approved by the Centers for Medicare and Medicaid Services (CMS) on April 8, 2020 and is retroactive to March 1, 2020 and continues in effect through February 28, 2021. A subsequent Appendix K Amendment was approved by CMS on September 24, 2020, and these additional flexibilities are the main subject of this memorandum.

These flexibilities are available only for the duration of a federally declared disaster. All services and programmatic changes taken through an approved Appendix K must be based on situations that arise from the emergency and are temporary in nature. Service changes for participants must be directly related to the COVID-19 emergency and the flexibilities under Appendix K are only authorized for the duration of the emergency.

The purpose of these operational guidelines is to provide guidance on how to implement changes that will be in effect for the duration of the declared COVID-19 emergency. Health plans will work closely with members, families, and providers to ensure coordination and communications.

### **Retainer Payments**

#### **Eligible Services**

The services approved for retainer payments under the Appendix K Amendment include:

1. Adult Day Care (ADC)
2. Adult Day Health (ADH)
3. Assisted Living Facility (ALF)
4. Community Care Foster Family Home (CCFFH)
5. Expanded Adult Residential Care Homes (E-ARCH)

#### **COVID-19 Applicable Conditions**

A Retainer Payment may be made for the following conditions:

1. To the primary caregiver in an HCBS residential setting (ALF or CCFFH or E-ARCH) when a member is hospitalized or absent from home due to positive COVID-19 diagnosis;
2. To a day program setting (ADC or ADH) when a member is hospitalized or absent from home due to positive COVID-19 diagnosis;
3. To a day program setting (ADC or ADH) when a member stops attending because of fear of contracting COVID-19, and for that same period did not receive any payments related to day program services delivered as outlined under memorandum QI-2015;

#### **Claim Submission and Payment**

A Retainer Payment shall be made to requesting providers and are limited to three (3) 30-day billing periods for a member, and these requests shall be made using the regular provider claim submission process. Each 30-day billing period must appear on separate claim submissions.

Retainer payments shall be paid at a reduced rate of 75 percent of the per unit of service, and shall be paid for only the following CPT/HCPCS codes:

1. ADH – S5101 or S5102

2. ADC – S5105
3. ALF – T2031
4. CCFFH and EARCH – S5140

Claim submissions shall use the identified CPT/HCPCS code in combination with both the CR and XU billing modifiers. The place of service code shall be coded with POS=99.

Retainer payments shall be made by the health plan upon receipt of a clean retainer payment claim from the provider. After confirming that MQD is in possession of a completed attestation as described below, the claim shall be adjudicated, processed and paid during the next regular claim payment cycle.

All providers will continue to receive the FFS rate for each delivered service as outlined in Memorandum QI-2015.

#### **Attestation Requirements**

Providers must submit a written attestation to MQD agreeing to the following requirements for retainer payments:

1. Provider acknowledges that retainer payments will be subject to recoupment if inappropriate billing or duplicate payments for services occurred (or in periods of disaster, duplicate uses of available funding streams), as identified in a state or federal audit or any other authorized third-party review;
2. Provider will not lay off staff;
3. Provider will maintain wages at existing levels;
4. Provider did not receive aggregate funding from any other sources, including, but not limited to, unemployment benefits and Small Business Administration loans, that would exceed their revenue for the last full quarter prior to the PHE.
5. Provider did not already receive revenues in excess of the pre-PHE level, but if receipt of the retainer payment in addition to prior sources of funding results in the provider exceeding the pre-PHE level, then the retainer payment amounts in excess will be recouped.
6. Provider did not already receive revenues in excess of the pre-PHE level.

Providers must submit separate attestations for each Medicaid Provider ID that will participate. Ensure that the provider ID submitted aligns with the services that provider is licensed/certified for. Attachment 1 provides a standard attestation form for providers to submit. Completed attestation forms may be submitted using e-mail to [HCSBInquiries@dhs.hawaii.gov](mailto:HCSBInquiries@dhs.hawaii.gov) with the

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subject line 'Provider Retainer Payment Attestation-PROVIDER NAME-MEDICAID PROVIDER ID#', or may be submitted via postal mail to:

Med-QUEST, Health Care Services Branch  
ATTN: Provider Retainer Payment Attestation  
601 Kamokila Blvd., #506A  
Kapolei, Hawaii 96707

MQD will make available to the health plans a list of providers with completed written attestations in a format and location to be determined, and this list will be updated on a weekly basis. MQD will perform periodic audits to ensure proper payments. MQD may recoup payments if other resources are received and used for the same purpose.

If you have any questions, please contact Jon Fujii at [jfujii@dhs.hawaii.gov](mailto:jfujii@dhs.hawaii.gov)

**Attachment 1**

**Hawaii Medicaid Memorandum QI-203X: Provider Retainer Payment Program  
Attestation Form**

Provider \_\_\_\_\_  
Provider Medicaid ID \_\_\_\_\_  
Services Provided \_\_\_\_\_  
Authorized Signatory Name \_\_\_\_\_  
Authorized Signatory Position/Title with provider \_\_\_\_\_

\_\_\_\_\_ (provider) identified in the Hawaii Medicaid provider enrollment system with ID \_\_\_\_\_ (Hawaii Medicaid ID) would like to participate in the Med-QUEST retainer payment program as outlined in the QI-2037 memorandum. As a condition of participation, I hereby attest to the following requirements:

1. Provider acknowledges that retainer payments will be subject to recoupment if inappropriate billing or duplicate payments for services occurred (or in periods of disaster, duplicate uses of available funding streams), as identified in a state or federal audit or any other authorized third-party review;
2. Provider will not lay off staff;
3. Provider will maintain wages at existing levels;
4. Provider did not receive aggregate funding from any other sources, including, but not limited to, unemployment benefits and Small Business Administration loans, that would exceed their revenue for the last full quarter prior to the PHE.
  - i. Provider did not already receive revenues in excess of the pre-PHE level, but if receipt of the retainer payment in addition to prior sources of funding results in the provider exceeding the pre-PHE level, then the retainer payment amounts in excess will be recouped.
  - ii. Provider did not already receive revenues in excess of the pre-PHE level.

\_\_\_\_\_  
Provider Signatory Signature

\_\_\_\_\_  
Date