



STATE OF HAWAII  
**DEPARTMENT OF HUMAN SERVICES**

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

June 15, 2021


MEMO NO.

QI-2114

[Replaces QI-2024]

MEMORANDUM

TO: QUEST Integration (QI) Health Plans  
Hospitals  
Long Term Care Providers

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

SUBJECT: SUBACUTE DEFINITIONS

Effective date of this memorandum: June 1, 2021

This memorandum integrates and replaces provider memo QI-2024

The Med-QUEST Division (MQD) has been working with affected providers to clarify and update the definitions of subacute facilities and patients who would be classified as meeting a subacute level of care. We believe these actions may help address hospital waitlist issues and ensure that patients receive care in the most appropriate setting.

Hawaii Administrative Rules (H.A.R.) Chapter 17-1737, Subchapter 10, describes the considerations and characteristics for a subacute patient. MQD recognizes that the types of patients being treated in nursing facilities today have changed materially since the rules were finalized in 2000. We are in the process of amending the Hawaii Administrative Rules to formalize what MQD acknowledges may have been authorized in practice on an exceptions basis. However, revising the Hawaii Administrative Rules will take several months to complete. Therefore, we are issuing this memorandum to be followed until the amendments are finalized.

The following changes shall be implemented:

- Subacute facilities do not have separate licensing or certification, therefore, the requirement for the facility to be licensed and Medicare certified as an acute hospital or a Skilled Nursing Facility (SNF) facility, is deleted. To be consistent with the current standards for subacute, MQD will decrease the minimum hours from 5 hours to 4 hours of skilled nursing hours per day for a subacute patient. Refer to H.A.R. 17-1739.2-4 for skilled nursing criteria for these patients.
- The requirement to operate a separate subacute unit of 6 to 60 beds is deleted.
- Facilities shall be responsible for ensuring that they are adequately staffed with trained personnel, to include registered nurses and licensed practical nurses as appropriate, to care for the type of patients served. The requirement that "registered nurses and licensed practical nurses have a minimum of six months experience (within the past two years) in a direct participatory general acute care facility where the caseload included patients requiring intensive care and the use of special equipment" has been deleted.
- If a patient is dually eligible for Medicare and Medicaid with a Medicare qualified SNF stay, subacute level of care will begin when the patient no longer qualifies for a Medicare SNF stay.

The following scenarios were added as qualifying for Sub Acute reimbursement in the last QI memorandum (QI-2024) and shall continue to remain as such going forward:

- Trach bed-bound hemodialysis patients;
- Trach patients requiring suction at least once per shift and who are morbidly obese;
- Trach patients requiring suctioning at least once per shift and requiring wound care for multiple stage 2 or higher wounds;
- Telemetry patients who meet criteria for continuous cardiac monitoring;
- Patients with complex drains or tubes, including Ommaya drains, fecal reimplantation, and Aspira chest tubes, drains requiring monitoring and draining (i.e. JP drains) who need at least 4 hours of skilled nursing care daily; and
- Other patients who need at least 4 hours of skilled nursing care daily, with the conditions such as described below, will be approved on a case by case basis:
  - Enteral feedings with J-tube, G-tube or NG tube for nutritional needs, hydration and/or medication administration
  - Medically necessary isolation;
  - Patients with external fixators, traction

In addition, in response to the coronavirus (COVID-19) pandemic and need for specialized care, MQD is adding the scenarios below as qualifying for Sub Acute reimbursement thru the end of the federal public health emergency (PHE):

- Patients who are at ICF/SNF Level of Care (LOC) and meet one of the following criteria outlined below will be covered at the Sub Acute rate. (The duration of isolation or quarantine required for COVID-19 is determined by the disease investigator with the DOH's Disease Outbreak Control Division):
  - Patient is COVID-19 positive;
  - Patient is under isolation due to a having been identified as a COVID-19 case; or
  - Patient is in community setting (non-facility) placed under quarantine due to a defined exposure to a known COVID-19 case and transferred to a nursing facility setting.

The Sub Acute rates are in effect for these new COVID-19 patients from either acute facility or community setting who enter a long term care facility. The Sub Acute rates are not in effect for outbreaks in a nursing facility with the exception of the COVID-19 positive individual.

Providers are reimbursed for subacute patients based on the cost of care for these patients. Providers that do not have a Medicaid subacute reimbursement rate should submit their cost estimates to Myers & Stauffer for review. Myers & Stauffer will review these on a timely basis and forward their recommendations to MQD for approval. Once approved, MQD will communicate these rates to the QI health plans. However, due to the current public health emergency, those providers wishing to accept sub-acute level patients immediately may be assigned an interim rate by Myers & Stauffer. This interim sub-acute rate shall be developed based on available data for current facilities that currently have a sub-acute reimbursement rate and will be in effect until the finalized rates are developed.

Should you have any questions, please contact Jon Fujii, Health Care Services Branch Administrator, at 808-692-8083 or email at [jfujii@dhs.hawaii.gov](mailto:jfujii@dhs.hawaii.gov).