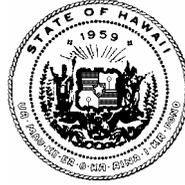


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State Cancels Proposed Cuts to Outpatient Medicaid Services

The Department of Human Services (DHS) today announced that it will restore Medicaid coverage for outpatient rehabilitation, prosthetics and optometry services to non-disabled adults younger than 65 years of age. In addition, DHS will not impose any limits on inpatient hospital services. Earlier this month, the DHS also announced that it will restore coverage for durable medical equipment.

DHS administrators proposed eliminating those services effective July 1, 2012 as part of its plan to achieve \$75 million in savings required by the state biennium budget.

“Medical assistance enrollment has increased 34 percent since 2008, yet Med-QUEST staff has worked diligently to restore services through cost savings and program integrity measures,” said Governor Neil Abercrombie. “The cost of health care is one of the greatest challenges faced by Island families, and the restoration of Medicaid coverage goes a long way in the preservation of access to the full range of medical services for Hawai‘i’s neediest and most vulnerable adults.”

Savings will be generated through a decrease in per-person actuarial costs for services, reduction in eligibility from 200% to 133%, and continuing reduced reimbursement rates. Additional funding became available through an increase in the federal matching rate providing \$15 million, and a supplemental appropriation of \$8 million by the Legislature. Savings also will come from program integrity measures that will include reduction of

duplicative enrollment, annual eligibility reviews for adults, fraud reduction, and periodic review of DOH death records.

“Restoring these critical services is key to addressing the health care needs of QUEST beneficiaries,” said Patricia McManaman, DHS Director. “The restoration of services is consistent with the Governor’s New Day Plan to ensure that all persons have access to quality healthcare.”

The cost of operating Hawai‘i’s medical assistance programs in 2012 is more than \$1.7 billion dollars in combined state and federal dollars. The Med-QUEST programs QUEST, QUEST-ACE, QUEST-Net, and QUEST Expanded Access served more than 280,000 people across the state last year.

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