



**STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES**

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

December 27, 2012

MEMORANDUM

QUEST/QExA MEMO NOS
ADM-1221 [QUEST]
ADMX-1217 [QExA]
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TO: Fee-For-Service (FFS) Physicians, QUEST & QUEST Expanded Access (QExA) Health Plans

FROM: Kenneth S. Fink, MD, MGA, MPH *KE*
Med-QUEST Division Administrator

SUBJECT: IMPLEMENTATION OF PAYMENT OF SERVICES REIMBURSEMENT INCREASES FOR PRIMARY CARE PHYSICIANS (PCP) FOR CALENDER YEARS (CY) 2013 AND 2014

The Med-QUEST Division (MQD) is issuing this memorandum to offer preliminary information on the implementation of the reimbursement increase to Medicare rates for primary care services provided by primary care physicians in CY 2013 and 2014 to Medicaid beneficiaries in the FFS, QUEST and QExA programs.

Due to the delay by the Centers for Medicare & Medicaid Services (CMS) in issuing final rules, we will not be able to implement the reimbursement increase beginning January 1, 2013. However, as a result CMS is allowing states up to March 31, 2013 to submit the request for authorization of federal funds for the reimbursement increase. Authorization approved after January 1, 2013 will be effective retroactively to January 1, 2013.

The federal rule provides two options for the reference Medicare rates: Medicare rates in effect for 2013 and 2014 or those calculated for these years using the 2009 Medicare conversion factor (CF), whichever is higher. Unless Congress addresses the projected reduction in Medicare physician reimbursement due to the sustainable growth rate, the 2009 CF method will be utilized.

For purposes of the increased reimbursement, eligible primary care physicians are considered those who:

- 1) Self-attest to practicing in family medicine, internal medicine, or pediatric medicine, and to subspecialists of those specialties as recognized by the American Board of Medical Specialties (ABMS), American Osteopathic Association (AOA), or American Board of Physician Specialties (ABPS); and
- 2) Are either board certified in that specialty or had 60 percent of their last calendar year's Medicaid claims for Evaluation and Management and vaccine administration codes specified below.

Receipt of self-attestation will be required prior to receiving increased reimbursement payments. We will issue additional guidance when available, including procedures for specialty self-attestation.

The eligible primary care services are Evaluation and Management codes 99201 through 99499 and vaccine administration codes 90460, 90461, 90471, 90472, 90473, or their successor codes, that are covered by the Hawaii Medicaid program with a date of service between January 1, 2013 and December 31, 2014. Services provided by non-physician professionals under the supervision of an eligible physician are eligible for increased reimbursement at the same percentage of the physician's reimbursement as was in effect on July 1, 2009. Higher payment does not apply to services provided at a Federally Qualified Health Center or Rural Health Clinic, which already receive cost-based reimbursement.

MQD anticipates that the increased reimbursement for services provided through the Medicaid FFS and managed care programs (e.g., QUEST and QExA) will occur quarterly in lump sum payments. Supplemental payments to physicians for services provided through the managed care programs will be paid separately by each health plan. Payments in the FFS program will be made directly to physicians. However, the final methodology is subject to CMS approval. Health plans will not make increased reimbursement payments until MQD receives approval by CMS.

Please note that we greatly appreciate your service to Medicaid beneficiaries and will pay the increased reimbursement as available under federal law effective retroactively to January 1, 2013. Please contact the MQD Provider Hotline at 808-692-8099 should you have any questions.