

**STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
MED-QUEST DIVISION**

PUBLIC NOTICE

Pursuant to 42 C.F.R. 447.205, the Department of Human Services ("DHS") is proposing to continue the increase to Medicaid reimbursement rates to eligible primary care physicians for certain primary care services. The proposed change will be submitted for review to the federal government as part of the Medicaid State Plan Amendment to be effective January 1, 2015.

Under the Affordable Care Act (ACA), the reimbursement rates for certain primary care services provided by eligible primary care physicians increased to 100% of the Medicare rates for a two-year period ending December 31, 2014. The increase was funded entirely with federal funds. DHS is proposing to continue the increased reimbursement for six months from January 1, 2015 through June 30, 2015 at the available lower federal funding rate using additional appropriated State funds.

Payments for certain primary care services provided by eligible primary care physicians will continue to be made in quarterly lump sum payments. Payments will be made by the Med-QUEST Division for claims submitted under the Medicaid Fee-For-Service program and by the health plans for claims and/or encounter data submitted under the Medicaid managed care program. Effective January 1, 2015, funding for the increased primary care payments has been incorporated into the capitation payments from DHS to the health plans; previously under the ACA provision, the health plans were able to separately invoice DHS. Lump sum payments will be calculated based on the difference between 100% of the Medicare rates and the published Medicaid Fee Schedule rates.

A copy of the proposed changes are available for public viewing from the first working day that the public notice appears in the Honolulu Star-Advertiser, Hawaii Tribune Herald, West Hawaii Today, The Maui News, and The Garden Island, from Monday – Friday, exclusive of State holidays, between the hours of 9:00 a.m. to 2:00 p.m. at the appropriate Med-QUEST Division offices on the respective islands listed below.

Department of Human Services
Med-QUEST Division
Policy & Program Development Office
601 Kamokila Blvd., Room 518
Kapolei, Hawaii 96707-2021
Phone: 692-8058

East Hawaii Office
Waiakea Kai Shopping Plaza
88 Kanoielehua Ave., Room 107

Maui Office
Millyard Plaza
210 Imi Kala Street, Suite 101

Hilo, Hawaii 96720
Phone: 933-0339

Wailuku, Hawaii 96793
Phone: 243-5780

West Hawaii Office
Lanihau Professional Center
75-5591 Palani Road, Suite 3004
Kailua-Kona, Hawaii 96740
Phone: 327-4970

Molokai Office
State Civic Center
65 Makaena Street, Room 110
Kaunakakai, Hawaii 96748
Phone: 553-1758

Kauai Office
Dynasty Court
4473 Pahee Street, Suite A
Lihue, Hawaii 96766
Phone: 241-3575

Lanai Office
730 Lanai Avenue
Lanai, City, Hawaii 96763
Toll Free Phone: 1 (800) 894-5755

Upon request, any written comments received by the department may be reviewed at the locations noted above.

In addition, written comments concerning the proposed changes may be sent to:

Med-QUEST Division
Policy & Program Development Office
P. O. Box 700190
Kapolei, Hawaii 96709-0190

DEPARTMENT OF HUMAN SERVICES
BARBARA YAMASHITA
DIRECTOR