Attachment J
Notice of Request for a Section 1115(a) Renewal of Hawaii’s Section 1115 Demonstration
(11-W-00001/9)

The State of Hawaii, Department of Human Services (the State), hereby notifies the public that it intends to seek a five-year renewal of its Section 1115 demonstration from the Centers for Medicare & Medicaid Services (CMS). This renewal, which will be effective January 1, 2014, will be entitled “QUEST Integration.”

By November 20, 2012, a copy of the proposed renewal application will be available at the Department of Human Services, Med-QUEST Division, Policy and Program Development Office at 601 Kamokila Blvd., Room 518, Kapolei, HI 96707, or at http://www.med-quest.us/ and http://hawaii.gov/dhs/main/har/proposed_rules/. We are providing this notice pursuant to CMS requirements in 42 C.F.R. §431.408.

QUEST Integration Renewal Application

The State’s current demonstration, QUEST Expanded, is set to expire June 30, 2013, but the State expects it will be extended to December 31, 2013 pursuant to the extension request submitted in June 2012. QUEST Integration seeks to build on the successes of Hawaii’s existing demonstration, while integrating the current programs to align with requirements in the Affordable Care Act (ACA) and deliver better health outcomes more efficiently.

Program Description, Goals, and Historical Context

Originally implemented as the QUEST program in 1994, QUEST Expanded is the current version of Hawaii’s demonstration project to provide comprehensive benefits to its Medicaid enrollees through competitive managed care delivery systems. The provision of benefits through managed care has saved hundreds of millions of dollars in State and federal funds and has enabled the State to use some of the savings to provide coverage to individuals not otherwise eligible for Medicaid.

The Hawaii Medicaid program covers adults in certain categories and up to certain income levels, as well as all children up to 300% of the federal poverty level (FPL). In addition, through the demonstration, Hawaii has sought to provide coverage to Medicaid expansion populations through a variety of programs known as QUEST, QUEST-Net, and QUEST-ACE. The demonstration already covers non-pregnant, non-disabled adults up to and including 133% of the federal poverty level (FPL).

Further detail on the existing program is available at http://www.med-quest.us/. CMS also offers online resources regarding the QUEST Expanded Demonstration, which can be viewed at http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/Waivers.html?filterBy=hawaii

Under the “QUEST Integration” renewal, Hawaii seeks to continue to deliver services through managed care, while integrating the demonstration’s programs and benefits to create a more
patient-centered healthcare delivery system and to align the demonstration with ACA’s new requirements. The State will eliminate all eligibility enrollment caps, and streamline its programs by consolidating the current programs under QUEST Integration. All eligible beneficiaries will be enrolled under QUEST Integration, and access to services will be based on clinical criteria and medical necessity. Other renewal initiatives include:

- Incorporating the new simplified Medicaid eligibility structure and other changes in ACA.
- Offering new services to beneficiaries, including a home- and community-based services (HCBS) benefit to individuals who are assessed to be at risk of deteriorating to the institutional level of care (the “at risk” population).
- Expanding coverage of behavioral health services.
- Preparing for integration of care for Medicaid and Medicare enrollees.
- Modifying the health plan enrollment process.
- Covering certain Medicaid expansion populations.
- Expanding the qualified provider network to increase access to substance abuse treatment services.
- Modifying retroactive coverage.
- Changing the payment process when hospice care is furnished to individuals residing in nursing facilities.
- Eliminating the QUEST-ACE enrollment benchmarks for purposes of claiming FFP in uncompensated care costs.

The goals of QUEST Integration will be to:

- Improve the health and healthcare of the member population.
- Minimize administrative burdens, streamline access to care for enrollees with changing health status, and improve health outcomes by integrating the demonstration’s programs and benefits.
- Align the demonstration with ACA.
- Improve care coordination by establishing a “provider home” for members through the use of assigned primary care providers (PCP).
- Expand access to HCBS and allow individuals to have a choice between institutional services and HCBS.
- Maintain a managed care delivery system that assures access to high-quality, cost-effective care that is provided, whenever possible, in the members’ community, for all covered populations.
- Establish contractual accountability among the state health plans and health care providers.
- Continue the predictable and slower rate of expenditure growth associated with managed care.
- Expand and strengthen a sense of member responsibility and promote independence and choice among members that leads to more appropriate utilization of the health care system.
More detailed information about renewal initiatives and changes in QUEST Integration can be found in the draft application, which is available at http://www.med-quest.us/ and http://hawaii.gov/dhs/main/har/proposed_rules/, as well as in hard copy at the Department of Human Services, Med-QUEST, Policy and Program Development Office located at 601 Kamokila Blvd, Room 518, Kapolei, HI.

**Beneficiaries Impacted, Eligibility Methodology, and Eligibility Requirements**

QUEST Integration will utilize a new eligibility methodology called “modified gross adjusted income” (MAGI) to the extent required by ACA, which will not have an asset test. Other than the use of MAGI methodology, there will be no changes in eligibility methodology. Eligibility for the aged, blind, and disabled (ABD) groups will continue to be determined using current income and resource methodologies. Effective January 1, 2014, MAGI will be applied to new non-ABD applicants and annual eligibility re-determinations (no individual enrolled on January 1, 2014 will lose his or her eligibility prior to March 31, 2014 because of the implementation of MAGI).

Hawaii plans to cover the following groups in QUEST Integration:

<table>
<thead>
<tr>
<th>Eligibility Group Name</th>
<th>Social Security Act and Code of Federal Regulations Citations</th>
<th>Income Level and Other Qualifying Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parents or caretaker relatives</td>
<td>§ 1902(a)(10)(A)(i)(I), (IV), (V)</td>
<td>Up to and including 100% FPL</td>
</tr>
<tr>
<td></td>
<td>§ 1931(b), (d)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>42 C.F.R.§ 435.110 (eff. Jan. 1, 2014)</td>
<td></td>
</tr>
<tr>
<td>Pregnant Women</td>
<td>§ 1902(a)(10)(A)(i)(III)-(IV)</td>
<td>Up to and including 185% FPL</td>
</tr>
<tr>
<td>Poverty Related Infants</td>
<td>§ 1902(a)(10)(A)(i)(IV)</td>
<td>Infants up to age 1, up to and including 185% FPL</td>
</tr>
<tr>
<td></td>
<td>§ 1902(l)(I)(B)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>42 C.F.R. § 435.118(c)(eff. Jan. 1, 2014)</td>
<td></td>
</tr>
<tr>
<td>Poverty Related Children</td>
<td>§ 1902(a)(10)(A)(i)(VI)-(VII)</td>
<td>Children ages 1 through 18, up to and including 133% FPL</td>
</tr>
<tr>
<td></td>
<td>§ 1902(l)(I)(I)(C)-(D)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>42 C.F.R. § 435.118(a) (eff. Jan. 1, 2014)</td>
<td></td>
</tr>
<tr>
<td>Eligibility Group Name</td>
<td>Social Security Act and Code of Federal Regulations Citations</td>
<td>Income Level and Other Qualifying Criteria</td>
</tr>
<tr>
<td>------------------------</td>
<td>---------------------------------------------------------------</td>
<td>-------------------------------------------</td>
</tr>
<tr>
<td>ACA Mandatory Adults Age 19 Through 64 Group</td>
<td>§ 1902(a)(10)(A)(i)(VIII) 42 C.F.R. § 435.119(b) (eff. Jan. 1, 2014)</td>
<td>Up to and including 133% FPL</td>
</tr>
<tr>
<td>Children through the CHIP Medicaid expansion</td>
<td>Title XXI, § 2105</td>
<td>Title XIX limits up to and including 300% FPL and for whom the State is claiming Title XXI funding</td>
</tr>
<tr>
<td>Former Foster Children under age 26</td>
<td>§ 1902(a)(10)(A)(i)(IX)</td>
<td>No income limit</td>
</tr>
<tr>
<td>SSI Aged, Blind, or Disabled</td>
<td>§ 1902(a)(10)(A)(i)(II)(aa), as qualified by Section 1902(f) 42 C.F.R. § 435.121</td>
<td>SSI-related using SSI payment standard</td>
</tr>
<tr>
<td>Section 1925 Transitional Medicaid, Subject to Continued Congressional Authorization</td>
<td>§ 1925 § 1931(c)(2)</td>
<td>Coverage for two six-month periods due to increased earnings, or for four months due to receipt of child support, that would otherwise make the individual ineligible under Section 1931 - In the second six-month period, family income may not exceed 185% FPL</td>
</tr>
</tbody>
</table>

### Optional State Plan Groups

<table>
<thead>
<tr>
<th>Eligibility Group Name</th>
<th>Social Security Act and Code of Federal Regulations Citations</th>
<th>Income Level and Other Qualifying Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aged or Disabled</td>
<td>§ 1902(a)(10)(ii)(X) § 1902(m) 42 C.F.R. § 435.230(c)(vi)</td>
<td>SSI-related net income up to and including 100% FPL</td>
</tr>
<tr>
<td>Independent Foster Care Adolescents (Age 19 and 20)</td>
<td>§ 1902(a)(10)(A)(ii)(XVII) § 1905(w)</td>
<td>No income limit</td>
</tr>
<tr>
<td>Certain Women Needing Treatment for Breast or Cervical Cancer</td>
<td>§ 1902(a)(10)(A)(ii)(XVIII) § 1902(aa)</td>
<td>No income limit; must have been detected through NBCCEDP and not have creditable coverage</td>
</tr>
<tr>
<td>Medically Needy Non-Aged, Blind, or Disabled Children and Adults</td>
<td>§ 1902(a)(10)(C) 42 C.F.R. § 435.301(b)(1) 42 C.F.R. § 435.308 42 C.F.R. § 435.310</td>
<td>Up to and including 300% FPL, if spend down to medically need income standard for household size</td>
</tr>
</tbody>
</table>

**Expansion Population**

<table>
<thead>
<tr>
<th>Eligibility Group Name</th>
<th>Federal Poverty Level and/or Other Qualifying</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parents or caretaker relatives with an 18-year-old dependent child</td>
<td>Parents or caretaker relatives who (i) are living with an 18-year-old who would be a dependent child but for the fact that s/he has reached the age of 18 and (ii) would be eligible if the 18-year-old was under 18 years of age</td>
</tr>
<tr>
<td>Individuals in the 42 C.F.R. § 435.217 group receiving HCBS</td>
<td>Income up to and including 100% FPL using the institutional income rules</td>
</tr>
<tr>
<td>Medically needy individuals receiving HCBS</td>
<td>Receiving HCBS and meet medically needy income standard using institutional rules for income, assets, and post-eligibility treatment of income</td>
</tr>
<tr>
<td>Medically needy ABD individuals whose spend-down exceeds the plans’ capitation payment</td>
<td>Medically needy ABD individuals whose spend-down liability is expected to exceed the health plans’ monthly capitation payment</td>
</tr>
</tbody>
</table>
**Benefit Coverage**

Under QUEST Integration, Hawaii will combine the two benefit packages available under the current demonstration into one robust set of benefits available to all demonstration populations. Instead of offering different benefit packages to different eligibility groups, Hawaii will offer one package consisting of full primary and acute service State plan benefits and certain additional benefits based on clinical eligibility and medical necessity. This benefit structure will be easier for beneficiaries to navigate, better equipped to serve patients with changing needs, and less burdensome for the State to administer.

Individuals who meet institutional level of care ("1147 certified") will have access to a wide variety of HCBS and long-term services and supports (LTSS), including specialized case management, home maintenance, personal assistance, adult day health, respite care, and adult day care, among others. Moreover, Hawaii will provide HCBS to certain individuals who are assessed to be at risk of deteriorating to the institutional level of care, in order to prevent a decline in health status and maintain individuals safely in their homes and communities. These individuals (the "at risk" population) will have access to a set of HCBS that includes personal assistance, adult day care, adult day health, home delivered meals, personal emergency response system (PERS) and skilled nursing.

Hawaii also plans to include in the QUEST Integration benefit package the following benefits, subject to clinical criteria and/or medical necessity:

- Cognitive rehabilitation therapy (either through the demonstration or the State plan);
- Covered substance abuse treatment services provided by a certified (as opposed to licensed) substance abuse counselor; and
- Specialized behavioral health services (Clubhouse, Supportive Employment, Peer Specialist, Supportive Housing and Representative Payee) for qualified individuals with a Serious and Persistent Mental Illness (SPMI), Severe Mental Illness (SMI), or Serious Emotional or Behavioral Disorder (SEBD) (either through the demonstration or the state plan).
**Delivery System**
Under QUEST Integration, the State will continue to provide most benefits through managed care, which will help ensure access to high-quality, cost-effective care. A discrete set of benefits will be provided fee-for-service.

The following table depicts the delivery system for each benefit offered through QUEST Integration.

<table>
<thead>
<tr>
<th>Benefit(s)</th>
<th>Delivery System</th>
<th>Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>State plan services</td>
<td>Managed Care - MCO</td>
<td>1115</td>
</tr>
<tr>
<td>QUEST Integration HCBS and long-term care benefits</td>
<td>Managed Care - MCO</td>
<td>1115</td>
</tr>
<tr>
<td>Cognitive rehabilitation therapy</td>
<td>Managed Care - MCO</td>
<td>1115 or State plan</td>
</tr>
<tr>
<td>Medical services to medically needy individuals who are aged, blind or disabled</td>
<td>Managed Care - MCO</td>
<td>1115</td>
</tr>
<tr>
<td>Medical services to medically needy individuals who are not aged, blind or disabled</td>
<td>Fee-for-service</td>
<td>1115</td>
</tr>
<tr>
<td>Long-term care services for individuals with developmental disabilities (DD) or intellectual disabilities (ID)</td>
<td>Fee-for-service</td>
<td>Section 1915(c) waiver</td>
</tr>
<tr>
<td>Intermediate Care Facilities for the Intellectually Disabled (ICF-ID)</td>
<td>Fee-for-service</td>
<td>State plan</td>
</tr>
<tr>
<td>Medical services to applicants eligible for retroactive coverage only</td>
<td>Fee-for-service</td>
<td>State plan</td>
</tr>
<tr>
<td>Medical services under the State of Hawaii Organ and Tissue Transplant (SHOTT) program</td>
<td>Fee-for-service</td>
<td>State plan</td>
</tr>
<tr>
<td>Dental services</td>
<td>Fee-for-service</td>
<td>State plan</td>
</tr>
<tr>
<td>Targeted Case Management</td>
<td>Fee-for-service</td>
<td>State plan</td>
</tr>
<tr>
<td>School-based services</td>
<td>Fee-for-service</td>
<td>State plan</td>
</tr>
<tr>
<td>Early Intervention Services</td>
<td>Fee-for-service</td>
<td>State plan</td>
</tr>
<tr>
<td>Covered substance abuse treatment services provided by a certified substance abuse counselor</td>
<td>As described in the behavioral health protocol</td>
<td>1115</td>
</tr>
<tr>
<td>Specialized behavioral health services for qualified individuals with a SPMI, SMI, or SEBD</td>
<td>As described in the behavioral health protocol</td>
<td>1115 or State plan</td>
</tr>
</tbody>
</table>

**Cost Sharing**
The State will not charge any premiums, and co-payments may be imposed as set forth in the Medicaid state plan. The State plans to seek authority to continue to charge an enrollment fee to health plan enrollees whose spend-down liability or cost share obligation is estimated to exceed the health plan capitation rate (for the Medically Needy Aged, Blind, and Disabled), in the amount equal to the estimated spend-down or cost share amount.
**Annual Enrollment and Annual Expenditures**

From July 1, 2011 to June 30, 2012, state and federal expenditures in the demonstration totaled approximately $1.3 billion, and there was an average of 236,964 individuals enrolled in the demonstration (and covered in part by a federal match).

During the five-year renewal period, the annual increase in enrollment is expected to be 3% per year for non-ABD recipients and 1.2% for ABD recipients, or approximately 6,317 recipients per year for the existing population. In addition, 24,000 recipients may become eligible under the new ACA eligibility guidelines. Total aggregate expenditures for each renewal year are anticipated to be $2.0 billion in both state and federal funding. That is, the State expects the changes required by ACA, coupled with changes effective since June 30, 2012 and other State-requested changes to the demonstration, to result in approximately $700 million in increased State and federal annual expenditures during the renewal period.

**Hypotheses and Evaluation Parameters**

In QUEST Integration, the State will continue to test two overarching hypotheses about its demonstration:

- Capitated managed care delivers high quality care, while also slowing the rate of health care expenditure growth.
- Capitated managed care provides access to HCBS and facilitates rebalancing of provided long-term care services.

The State will test the following hypotheses about the changes implemented in QUEST Integration:

- Consolidating the current programs decreases administrative burdens for the health plans and the State.
- Consolidating the current programs improves access to appropriate care, such as HCBS, and ensures continuity of care when an enrollee’s health status changes.
- Extending HCBS to the “at risk” population will decrease the percentage of at-risk enrollees whose health status deteriorates.

The State will also measure the outcomes in QUEST Integration based on the State Quality Improvement Strategy targets:

- Childhood Immunizations (CIS): Increase performance on the state aggregate HEDIS Childhood Immunization (combination 2) measure to meet/exceed the Medicaid 75th percentile.
• Chlamydia Screening (CHL): Increase performance on the state aggregate HEDIS Chlamydia Screening measure to meet/exceed the Medicaid 75th percentile.

• Breast Cancer Screening (BCS): Increase performance on the state aggregate HEDIS Breast Cancer Screening measure to meet/exceed the Medicaid 75th percentile.

• Comprehensive Diabetes Care (CDC):
  - Increase performance on the state aggregate HEDIS Diabetes Care Measure for A1c testing to meet/exceed the HEDIS 75th percentile.
  - Improve performance on the state aggregate HEDIS Diabetes Care Measure for A1c poor control (>9) to meet/fall below the HEDIS 25th percentile.
  - Increase performance on the state aggregate HEDIS Diabetes Care Measure for A1c control (<7) to meet/exceed below the HEDIS 75th percentile.
  - Increase performance on the state aggregate HEDIS Diabetes Care Measure for LDL screening to meet/exceed the HEDIS 75th percentile.
  - Increase performance on the state aggregate HEDIS Diabetes Care Measure for LDL control (<100) to meet/exceed the HEDIS 75th percentile.
  - Increase performance on the state aggregate HEDIS Diabetes Care Measure for blood pressure control (<140/90) to meet/exceed the HEDIS 75th percentile.
  - Increase performance on the state aggregate HEDIS Diabetes Care Measure for eye exams to meet/exceed the HEDIS 75th percentile.

• Cholesterol Management in Patients with Cardiovascular Conditions (CMC): Increase performance on the state aggregate HEDIS Cholesterol Screening measure to meet/exceed the HEDIS 75th percentile.

• Controlling High Blood Pressure (CBP): Increase performance on the state aggregate HEDIS Blood Pressure Control (BP<140/90) measure to meet/exceed the HEDIS 75th percentile.

• Use of Appropriate Medications for People with Asthma (ASM): Increase performance on the state aggregate HEDIS Asthma (using correct medications for people with asthma) measure to meet/exceed the HEDIS 75th percentile.

• Emergency Department Visits (AMB): Maintain performance on the state aggregate HEDIS Emergency Department Visits/1000 rate to fall below the HEDIS 10th percentile.

• Plan All-Cause Readmissions: Increase performance on the state aggregate HEDIS to meet/exceed the HEDIS 75th percentile.
• Getting Needed Care: Increase performance on the state aggregate CAHPS measure ‘Getting Needed Care’ measure to meet/exceed CAHPS Adult Medicaid 75th percentile.

• Rating of Health Plan: Increase performance on the state aggregate CAHPS measure ‘Rating of Health Plan’ measure to meet/exceed CAHPS Adult Medicaid 75th percentile.

• How well doctors communicate: Increase performance on the state aggregate CAHPS measure ‘How well doctors communicate’ measure to meet/exceed CAHPS Adult Medicaid 75th percentile.

• Home and Community Based Service (HCBS) beneficiaries: Increase the proportion of clients receiving HCBS to at least 70% of the population receiving long-term supports and services.

**Waiver Authority**

The State believes the following waiver authorities will be necessary to authorize the demonstration.

1. Medically Needy - Section 1902(a)(10)(C); Section 1902(a)(17)

   To enable the State to limit medically needy spend-down eligibility to those non-ABD individuals whose gross incomes, before any spend-down calculation, are at or below 300% of the Federal poverty level. This is not comparable to spend-down eligibility for the aged, blind, and disabled eligibility groups, which have no gross income limit.

2. Amount, Duration, and Scope - Section 1902(a)(10)(B)

   To enable the State to offer demonstration benefits that may not be available to all categorically eligible or other individuals.

   To enable the State to maintain waiting lists, through a health plan, for home and community-based services (including services for the “at risk” population). No waiting list is permissible for other services for health plan enrollees.

3. Retroactive Eligibility - Section 1902(a)(34)

   To enable the State to limit retroactive eligibility to a ten (10) day period prior to application, or up to three months for individuals requesting long-term care services. Individuals will be considered eligible for any portion of the 10-day retroactive period that extends into a month prior to the month for which determined eligible.

4. Freedom of Choice - Section 1902(a)(23)

   To enable Hawaii to restrict the freedom of choice of providers to groups that could not otherwise be mandated into managed care under Section 1932.
5. **Hospice Care Payment - Section 1902(a)(13)(B)**

To enable the State, when hospice care is furnished to an individual residing in a nursing facility, to make payments to the nursing facility (through the health plans rather than the hospice providers) for the room and board furnished by the facility.

**Expenditure Authority**

The State believes the following expenditure authorities will be necessary to authorize the demonstration.

1. **Managed Care Payments.** Expenditures to provide coverage to individuals, to the extent that such expenditures are not otherwise allowable because the individuals are enrolled in managed care delivery systems that do not meet the following requirements of Section 1903(m):

   a) Expenditures for capitation payments provided to managed care organizations (MCOs) in which the State restricts enrollees’ right to disenroll without cause within 60 days of initial enrollment in an MCO, as designated under Section 1903(m)(2)(A)(vi) and Section 1932(a)(4)(A)(ii)(I) of the Social Security Act. Enrollees may disenroll for cause at any time and may disenroll without cause during the annual open enrollment period, as specified at Section 1932(a)(4)(A)(ii)(II) of the Act, except with respect to enrollees on rural islands who are enrolled into a single health plan in the absence of a choice of health plan on that particular island.

   b) Expenditures for capitation payments to MCOs in non-rural areas that do not provide enrollees with a choice of two or more health plans, as required under Section 1903(m)(2)(A)(xii), Section 1932(a)(3) and Federal regulations at 42 CFR § 438.52.

2. **Quality Review of Eligibility.** Expenditures for Medicaid services that would have been disallowed under Section 1903(u) of the Act based on Medicaid Eligibility Quality Control findings.

3. **Demonstration Eligibility.** Expenditures to provide coverage to the following populations:

   a) Parents or caretaker relatives who would otherwise be eligible if the dependent child was under 18 years of age.

   b) Non-institutionalized persons who meet the institutional level of care but live in the community, and who would be eligible under the approved State plan if the same financial eligibility standards were applied that apply to institutionalized individuals, including the application of spousal impoverishment eligibility rules.
Allowable expenditures shall be limited to those consistent with the regular post eligibility rules and spousal impoverishment rules.

c) Individuals who would otherwise be eligible under the State plan or another QUEST Integration demonstration population only upon incurring medical expenses (spend-down liability) that is estimated to exceed the amount of the health plan capitation payment, subject to an enrollment fee equal to the spend-down liability.

d) Individuals age 19 and 20 who are receiving adoption assistance payments, foster care maintenance payments, or kinship guardianship assistance.

e) Individuals who are younger than 26, aged out of the adoption assistance program or the kinship guardianship assistance program, are not eligible under any other eligibility group, and were enrolled in the State plan or waiver while receiving adoption assistance.

4. **Hospital Uncompensated Care Costs.** Expenditures to reimburse certain hospital and nursing facility providers for provider costs of inpatient and outpatient hospital services and long-term care services to the uninsured and/or underinsured, subject to certain restrictions placed on hospital and nursing facility uncompensated care costs. The State is seeking federal participation in the total of actual uncompensated care costs of private and public hospitals (including uncompensated long term care costs of public hospitals for serving QI enrollees) incurred in any given year, subject to the overall budget neutrality limitation.

5. **Home and Community-Based Services (HCBS).** Expenditures to provide HCBS not included in the Medicaid State plan and furnished to QUEST Integration enrollees, as follows:

   a) Expenditures for the provision of services, through health plans, that could be provided under the authority of Section 1915(c) waivers, to individuals who meet an institutional level of care requirement;

   b) Expenditures for the provision of services, through health plans, to individuals who are assessed to be at risk of deteriorating to the institutional level of care, *i.e.*, the “at risk” population.

All requirements of the Medicaid program expressed in law, regulation, and policy statement, not expressly identified as not applicable in the list below, will apply to the demonstration beginning January 1, 2014, through December 31, 2018, except those waived or listed below as not applicable.
**Medicaid Requirements Not Applicable to Demonstration Populations**

The State believes the following Medicaid requirement will need to be deemed not applicable to demonstration populations.

1. Cost Sharing - Section1902(a)(14)

   To enable the State to charge cost sharing with limits on cost-sharing amounts but no aggregate limit. To enable the State to charge an enrollment fee to Medically Needy Aged, Blind and Disabled health plan enrollees whose spend-down liability or cost share obligation is estimated to exceed the health plan capitation rate, in the amount equal to the estimated spend-down or cost share amount or, where applicable, the amount of patient income applied to the cost of long-term care.

**Comments**

We invite comments on this proposal. Please submit any comments or questions to Noreen Moon-Ng by mail to P.O. Box 700190, Kapolei, HI, 96709-0190 or by email at nmoon-ng@medicaid.dhs.state.hi.us.

Comments will be accepted for consideration between November 20, 2012, and December 21, 2012 (30 days from the date of this notice).

**Public Hearings**

The State will hold two public hearings to seek public input on this demonstration renewal application:

1. December 3, 2012 from 8:00 a.m.-12:00 p.m.:

   **Oahu**
   Keoni Ana Videoconference Center
   Keoni Ana Building
   1177 Alakea Street, Room 302
   Honolulu, Hawaii

   **Hawaii**
   Hilo Videoconference Center
   Hilo State Office Building
   75 Aupuni Street, Basement
   Hilo, Hawaii

   **Kauai**
   Lihue Videoconference Center
   Lihue State Office Building
   3060 Eiwa Street, Basement
   Lihue, Hawaii
2. December 7, 2012 from 9:00 a.m. to 12:00 p.m.:

Department of Human Services
1390 Miller Street, Conference Rooms 1 & 2
Honolulu, Hawaii

Interested parties may alternatively participate by teleconference in the December 7, 2012 public hearing. Should you be interested in participating in the teleconference, please call 808-692-8056 by close of business on December 5, 2012.

If you require special assistance or auxiliary aids and/or services to participate in the public hearing (e.g., sign or foreign language or wheelchair accessibility), please contact:

<table>
<thead>
<tr>
<th>Location</th>
<th>Contact Name</th>
<th>Phone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oahu</td>
<td>Jeri Kido</td>
<td>(808) 692-8056</td>
</tr>
<tr>
<td>Hawaii</td>
<td>Ann Stephenson</td>
<td>(808) 933-0046</td>
</tr>
<tr>
<td>Kauai</td>
<td>Iris Venzon</td>
<td>(808) 241-3582</td>
</tr>
<tr>
<td>Maui</td>
<td>Gail Omura</td>
<td>(808) 243-5787</td>
</tr>
</tbody>
</table>

at least 72 hours prior to the hearing for arrangements. The prompt submission of requests helps to ensure the availability of qualified individuals and appropriate accommodations.