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July 31, 2000

Ms. Christina Moylan
Department of Health and Human Services
Health Care Financing Administration
Center for Medicaid and State Operations
Family and Children's Health Programs Group
Mail Stop S2-01-16
7500 Security Boulevard
Baltimore, Maryland 21244-1850

Ms. Moylan:

RE: STATE P U N AMENDMENT TN NO. 00-003

We are writing to respond to your letters of May 26, 2000 and July 24, 2000 requesting additional information for your evaluation of our proposed amendments to our Title XXI State Plan.

DEA's understanding is correct. On July 1, 2000, Hawaii began enrolling uninsured children under age nineteen with countable family income not exceeding two hundred per cent of the federal poverty level into our Title XXI Medicaid expansion program.

The additional information and clarification that you requested are addressed in the enclosure.

We are transmitting this document electronically as well as in hard copy format to both CMSO and Region IX. We have addressed your concerns and request that the ninety-day clock be restarted.

AN EQUAL OPPORTUNITY AGENCY

Ms. Christina Moylan

June 20, 2000

Page 2

Allow me to express our appreciation for the cooperation and support HCFA has provided Hawaii. Your review team has been very helpful in providing technical assistance throughout the past six months. Please extend our appreciation to them for their continuing support and assistance.

If there are any questions or discussion is needed, please contact Ms. Pearl Tsuji of our Med-QUEST Division, Policy and Program Development Office at (808) 692-8080.

Sincerely,

William M. Chandler
Director

Enclosure

c: Ms. Maria Boulmetis
Ms. Sue Castleberry
Ms. Mary Rydell

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Additional Information Request for Hawaii's Title XXI Amendment

The following are the information and clarification that you requested through the May 26, 2000 letter as well as our respective response to each of those concerns.

Section 2 - General Background and Description of State Approach to Child Health Coverage

Section 23

1. *Since the citation to the regulation at 42 C.F.R. 435.404 implies that the children have a choice of QUEST-Net or the SCHIP Medicaid expansion, please provide additional information describing how children may move between your different State programs and how the state will assure compliance with the statute at section 1905(u)(2)(C).*

Response: Hawaii withdraws the proposal that is described in our letter dated March 31, 2000, item B., which begins with, "The maintenance of the QUEST-Net premium-share for children is related to our plans for implementation of Title XXI."

2. *Please clarify the source of the numbers in the right vertical "total" column of the chart provided in your May 5, 2000 letter, describing the Number of Children Disenrolled From QUEST-Net in 1999 (response to question 1.b.).*

Response: The data originated from the Department's Hawaii Automated Welfare Information (HAWI) System. However, when transferring the data typographical errors were made. The table below provides corrected information.

Code	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
10	32	32	27	37	19	37	49	49	36	29	26	41	414
20	1	5	2	0	2	0	0	1	1	0	1	0	13
30	1	0	2	0	0	119	4	4	0	0	0	1	131
40	61	14	60	43	55	0	0	0	0	0	0	0	233
50	0	0	0	0	0	0	1	0	0	0	0	0	1
70	0	1	0	3	0	4	0	0	0	1	1	0	10
80	1	0	0	0	0	0	2	0	0	0	0	0	3
92	6	3	3	3	2	1	0	0	3	3	6	3	33
95	31	8	6	20	14	12	7	15	26	14	3	8	164
96	55	38	63	65	67	41	87	57	27	112	93	124	829
97	0	0	0	0	2	402	0	6	3461	0	0	0	3871
98	10	6	10	15	11	12	9	17	47	16	6	7	166
99	131	150	181	143	170	141	163	178	469	388	280	241	2635
Total	329	257	354	329	342	769	322	327	4070	563	416	425	8503

3. *Please provide additional information regarding what processes/controls/edits are in place in the HAWI system to assure that an individual does not participate in more than one program simultaneously. Your May 5, 2000 letter does not provide an adequate description of how the State will assure that eligible children are placed in the correct program and that dual enrollment/payment is prevented*

Response: An individual who is registered in the HAWI system is assigned a unique client identifying number. This number remains with the individual even during periods of non-participation. As previously stated in our May 5, 2000 letter, the HAWI system tracks individuals and it is the client identifying number that prevents an individual from participating in more than one medical assistance program simultaneously.

The HAWI system is currently being modified to accommodate the Title XXI children. When modifications are completed HAWI will not allow an individual to participate in Title XXI when the individual's countable family income is less than or equal to the age-specific Title XIX income limits. The modifications are scheduled to be implemented in November 2000.

Section 9 – Strategic Objectives and Performance Goals for Administration

Section 9.3

4. *Your May 5, 2000 letter indicates that the State will not be using HEDIS data for the segment of children not served by managed care. Please provide clarification regarding what information the State will use to assess quality for children in fee-for-service systems.*

Response: To assess quality for children in the fee-for-service (FFS) system, the State will explore the possibility of providing the following list of HEDIS proxy measures for FFS children.

- Well-Child Visits in the First 15 Months of Life
- Well-Child Visits in the Third, Fourth, Fifth and Sixth Year of Life
- Adolescent Well-Care Visits
- Inpatient Utilization – General Hospital/Acute Care (Total Inpatient)
- Ambulatory Care (Outpatient and ER)
- Outpatient Drug Utilization of Medicaid recipients under the age of 21
- Member Months of Enrollment by Age and Sex
- Unduplicated Count of Medicaid Members by age and sex

Fee-for-service data will be collected by and obtained from the Medicaid Management Information System (MMIS). Essentially, data that is collected will be used in the same manner as HEDIS data is used for children served by managed care. However, since recipients in the fee-for-service program have freedom of choice of providers and since the children are disabled by SSI (supplemental security income) standards, utilization is not

comparable with members of similar ages and sexes in the managed care 1115 waiver population,

In reporting HEDIS-like data for children covered in the Medicaid fee-for-service program, the Med-QUEST Division has decided to report all services provided without regard to continuing eligibility and/or breaks in eligibility. Also, reports will be based on unduplicated adjudicated claims (rather than incurred claims).

In addition to the HEDIS proxy measures cited above, the State has been performing the following: 1) producing and evaluating the annual HCFA-416, Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) Reports; 2) reviewing a report of births covered by the Medicaid fee-for-service program to ensure access to prenatal and delivery services; 3) reviewing inpatient medical records of recipients whose hospitalizations exceed outlier amounts (\$62,000.00); 4) reviewing of Preadmission Screening, Resident Review (PASRR) for adults and children in long term care facilities; 5) supervising and reviewing the activities of Hawaii Medicaid's Peer Review Organization (PRO) related to inpatient hospital care, ambulatory surgical center care, and long term care level of care; 6) reviewing the stays of recipients (adults and children) in long term care facilities; and 7) reviewing and investigating reports from the Surveillance: Utilization Review Surveys (SURS) pertaining to access to care, quality of care being provided, and potential fraud and abuse.

The following are the information and clarification that you requested through the July 24, 2000 letter as well as our respective response to each of those concerns.

S-CHIP State Plan and Amendments

1. *On July 1, 2000, you began enrolling eligible uninsured children under age 19 with income not exceeding 200 percent of federal poverty level into your SCHIP program. If this is accurate and there have been no other changes, we require no additional information related to this issue.*

Response: Yes, on July 1, 2000 Hawaii began enrolling eligible uninsured children under age nineteen with income not exceeding two hundred per cent of the federal poverty level into our Title XXI (S-CHIP) Medicaid expansion program.

2. *Please describe in your title XXI amendment how you will transition QUEST-Net children to the SCHIP program and upon what date that will be effective...If you would like to obtain the enhanced federal match retroactive to the date your SCHIP program was implemented for those (QUEST-NET) children, then the premiums paid must be refunded. If you elect to pursue this option, please provide detail on the process for distributing the refunds.*

Response: An adhoc report, generated by the HAWI system for benefit month July 2000, identified uninsured children in QUEST-Net with countable family income not exceeding

two hundred per cent of the federal poverty level. These printouts were distributed to line staff with detailed instructions which directed them to convert the affected children to Title XXI Medicaid expansion by reworking benefit month, July 2000; then, beginning August 2000, disenroll from QUEST-Net and enroll in Title XXI Medicaid expansion program.

For those recipients who will be moved into Title XXI (*S-CHIP*) and have paid their premiums for July, the account will be credited for the July premiums charged for those children. The credit balance will be applied to the parent's future premiums due if any. If no premiums are due in the future, as there are no other recipients required to premium-share, a refund check will be made to the recipient.

3. *Your approved title XXI State plan contains a three-month waiting period for children whose families drop private health care coverage; however, we understand that you implemented your program without any waiting period. Please confirm whether this is the case..In addition, please describe how you will monitor the SCHIP plan's impact on private health insurance to determine whether substitution of private coverage is occurring.*

Response: Yes, Hawaii implemented our Title XXI Medicaid expansion program without a waiting period for children whose families drop private coverage. Hawaii will therefore, be in conformance with HCFA's policy on waiting periods in Medicaid expansion programs.

As a waiting period is no longer an eligibility requirement, we will not request reason for uninsurance. However, we will attempt to monitor comments from the private health insurance industry and from others in the community, if any, to determine whether substitution of private coverage is occurring.