Chapter 1

Medicaid Provider Manual

Medicaid General Information

March 2010

TABLE OF CONTENTS

1.1 MEDICAID GENERAL INFORMATION

1.1.1 Medicaid Progran

Title XIX of the Social Security Act is a program that provides medical assistance for certain individuals and families with low income and resources. The program, known as Medicaid, became law in 1965 as a jointly funded cooperative venture between the Federal and State governments to assist States in the provision of adequate medical care to eligible needy persons. Medicaid is the largest program providing medical and health-related services to America's poorest people. Within broad national guidelines which the Federal government provides, each of the States:

a) establishes its own eligibility standards;

b) determines the type, amount, duration, and scope of services;

c) sets the rate of payment for services; and

d) administers its own program.

Thus, the Medicaid program varies considerably from State to State, and is alterable by the State over time to meet the needs of the client population.

1.1.2 Department of Human Services

The Department of Human Services is the single State agency for the State of Hawaii that is responsible for administering the Medicaid Program

1.1.3 Med-QUEST Division (MQD)

1.1.3.1 Med-QUEST Division Responsibilities

The Med-QUEST Division (MQD) within the DHS is responsible for the overall administration of the Medicaid Program in the State of Hawaii. Specific responsibilities include the following:

a) Policies and Procedures - Establish and implement Medicaid Program policies and regulations to ensure compliance with State and Federal requirements.

b) Provider Approval/Termination – Maintain control of provider enrollment processes such as approve providers for participation in the Medicaid Program, maintain provider information, investigate reported violations of Medicaid policies, recommend or initiate appropriate action against offenders, and notify providers of denied applications for and participation in the Medicaid Program.

c) Client Eligibility – Determine eligibility policy, determine client eligibility, answer inquiries regarding eligibility status, and identify third party liabilities.

d) Detection/Investigation/Referral of Fraud or Abuse – Conduct preliminary investigations of all complaints/allegations of provider fraud and abuse and determine whether cases are referred to the Medicaid Fraud Control Unit within the Department of Attorney General for full investigation or handled through administrative actions by DHS.

e) Medical Necessity and Claims Adjudication – Review claims and authorization requests for medical necessity, appropriate level of care, and appropriate reimbursement within the limitations of the Program.

f) Benefit/Policy Determination – Determine the scope and limitations of covered services, new procedures, and procedures that require prior authorization.

g) Appeals Process – Coordinate appeals initiated by providers disagreeing with policy decisions made by or under the direction of MQD.

h) Release of Information – Review the release of information regarding Medicaid clients and the services rendered under the Medicaid Program in accordance with State and Federal confidentiality and privacy regulations.

i) Provider Surveys – Conduct periodic provider surveys.

j) Coding Schemes – Determine which coding system will be utilized by providers of services to identify medical procedures, diagnoses, and drugs on claim forms and other forms as required by DHS. DHS adheres to the Standards established by the Health Insurance Portability and Accountability Act (HIPAA).

k) Provider Information and Training – Approve written material sent to providers, such as provider manuals, bulletins, newsletters, or other provider publications. Also approve of provider orientation and training sessions as needed or required.

l) Third Party Liability - Collect third party resource information from all sources, determine policy and administrative decisions regarding third party liability, and initiate recovery efforts.

m) Post Payment Reviews – Review paid claims resubmitted by providers desiring payment reconsideration based on medical necessity or level of care.

1.2 MEDICAID PROGRAM IN HAWAII

The Medicaid Program in Hawaii is separated into two different methods of providing services to qualified clients. One method of providing services is through the fee-for-service (FFS) program. Under this program, providers bill Medicaid directly to be reimbursed for services provided to Medicaid-eligible clients. The other method of providing services is through managed care health plans that are contracted by MQD. These programs are known as QUEST Expanded Access (QExA) and the QUEST program. Most of the services provided to Medicaid-eligible clients are provided through managed care health plans of the QExA and QUEST programs.

1.2.1 General Covered Services covered by all Medicaid Programs

1.2.1.1 Basic Medical Services Covered

Basic Medical Services covered by all Medicaid Programs are:

- Inpatient hospital services
- Outpatient hospital services
- Rural health center (including federally-qualified health center) services
- Other laboratory and x-ray services
- Family Practice and Pediatric Nurse Practitioners' services
- Nursing facility (NF) services and home health services
- Early and periodic screening, diagnosis and treatment (EPSDT) for individuals under age 21
- Family planning services and supplies
- Physician services and medical and surgical services of a dentist
- Nurse-Midwife services

1.2.1.2 Optional Services Covered

Optional services that the State of Hawaii covers in QUEST and QExA include:

- Podiatrist Services
- Optometrist Services
- Psychologist Services
- Clinic Services
- Dental Services
- Physical Therapy
- Occupational Therapy
- Speech, Hearing and Language Disorders
- Prescribed Drugs
- Prosthetic Devices
- Eyeglasses
- Diagnostic Services
- Screening Services
- Preventive Services
- Rehabilitative Services
- ICF/MR Services
- Inpatient Psychiatric Services for Under Age 21
- NF Services Under Age 21
- Emergency Hospital Services
- Transportation Services
- Targeted Case Management Services

- Hospice Care Services
- Respiratory Care Services

The services and items covered by the Medicaid Program must be medically necessary for the diagnosis and treatment of the individual client. For services and items to be medically necessary services, they must meet the Department's definition of medical necessity as detailed in Appendix 1. More detailed information on how services are covered is found in later chapters of this manual.

1.3 FEE FOR SERVICE (FFS)

Under the FFS Program, providers apply directly to the Medicaid Program to be eligible for reimbursement of services provided to Medicaid-eligible clients. Providers will submit claims using their assigned National Provider Identifier for payment. Atypical providers that do not require an NPI are assigned an individual provider number with which to submit claims. The Medicaid Program pays the providers directly for covered services.

Medically necessary services that are a covered benefit can be obtained anywhere within the State of Hawaii from a Medicaid provider. Clients under the FFS Program are able to seek care from any participating Medicaid FFS provider. Some services in the FFS Program are limited or may require prior authorization from the Medicaid Program. For Hawaii Medicaid clients that are out-of-state, only emergency medical services or prior authorized services are available.

1.3.1 Fiscal Agent Responsibilities

Under the FFS Program, providers apply directly to the Medicaid Program to be eligible for reimbursement of services provided to Medicaid-eligible clients. Providers will submit claims using their assigned National Provider Identifier for payment. Atypical providers that do not require an NPI are assigned an individual provider number with which to submit claims. The Medicaid Program pays the providers directly for covered services.

Medically necessary services that are a covered benefit can be obtained anywhere within the State of Hawaii from a Medicaid provider. Clients under the FFS Program are able to seek care from any participating Medicaid FFS provider. Some services in the FFS Program are limited or may require prior authorization from the Medicaid Program. For Hawaii Medicaid clients that are out-of-state, only emergency medical services or prior authorized services are available.

1.3.1 Fiscal Agent Responsibilities

Affiliated Computer Services (ACS) a Xerox Company is currently contracted by DHS to act as the Fiscal Agent for the Hawaii Medicaid Program. In accordance with policies established by DHS, the Fiscal Agent's major responsibilities are as follows:

a) Provider Enrollment – Enroll and notify providers of their acceptance into the Hawaii Medicaid Program, provide instructions to providers on claims submission procedures and certify providers for Electronic Claims Submission.

) Claims Processing/Adjudication/Payment – Receive and data enter claims and other claim-related transactions, including processing adjustments using established guidelines and procedural policies, producing and mailing provider checks and remittance advices, and recovering and coordinating Third Party. Duties also include printing

and distributing correspondence to providers and clients, issuing Medicaid identification cards and other provider related materials. Medical reviews will be the responsibility of MQD.

c) Notification of Coverages and Limitations – Notify providers of Medicaid policies and of changes in coverage and limitations through state approved publications and distribution of Medicaid Provider Manuals, newsletters, memoranda, and through provider training sessions.

d) Documentation Support – Provide research, claim data, and reports for the Medicaid fraud investigator and Medicaid Fraud Control Unit within the State Department of the Attorney General.

e) Medicaid Forms –Distribute to providers Medicaid forms except the CMS (formerly HCFA) 1450 (UB-04), CMS (formerly HCFA) 1500, and ADA Dental Claim forms.

f) Provider Relations (Provider Call Center and Field Staff) – Respond to provider inquiries on enrollment, claim reimbursement, claim status, billing procedures, and remittance advices.

1.4 HAWAII QUEST

Another Program administered by Medicaid is the QUEST Program. Under this program, services are provided through a managed care environment. DHS contracts with medical health plans selected through a competitive bidding process. Clients who are eligible for QUEST are able to select a medical plan. The plans are responsible to ensure clients receive medically necessary services that are a covered benefit, within their contracted network of qualified providers.

DHS, in turn, pays a monthly capitated amount to the medical plan for each member enrolled in their plan. DHS will pay a plan no more than the capitated amount regardless of how many times a client seeks services within a plan or the type of service a client receives.

For specific information regarding provider contracting, member services and coordination, fee schedules and reimbursement, and prior authorization procedures, among others, please contact the health plans directly.

1.5 HAWAII QUEST EXPANDED ACCESS (QEXA)

The last program under Medicaid is QUEST Expanded Access or QExA. Similar to the QUEST Program, QExA services are rendered in a managed care environment. Clients who are aged (65+), blind, or disabled are able to select a health plan that best suits their medical needs. Benefits covered by these health plans are made available to clients through their network of accredited providers. The QExA health plans will also administer programs for home and community-based services.

Just like the QUEST Program, QExA is paid a monthly capitated amount to the medical health plan for each member enrolled. DHS will pay a plan no more than the capitated amount regardless of how many times a client seeks services within a plan or the type of service a client receives.

For specific information regarding provider contracting, member services and coordination, fee schedules and reimbursement, and prior authorization procedures, among others, please contact the health plans directly.