




STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
Med-QUEST Division
P. O. Box 700190
Kapolei, Hawaii 96709-0190

June 25, 2008

MEMORANDUM

ACS M08-08

TO: Medicaid Participating Hospitals, Nursing Homes,
FQHC and Rehabilitation Centers

FROM: Patricia Johnson, Health Care Assistant Administrator 


SUBJECT: CLARIFICATION ON DEPARTMENT OF HUMAN SERVICES (DHS)
MED-QUEST DIVISION (MQD) MEDICAID HOSPITAL SUPPLEMENTAL
PAYMENTS

This Memorandum Is To Clarify the Medicaid Supplemental Payments To the Hospitals

The implementation of the Quest Expanded Access Program (QExA) will not affect the current disbursements made by MQD for the aged, blind, and disabled (ABD) population's hospital care. Although the current Medicaid ABD clients will be enrolled into one of two managed care health plans, Ohana Health Plan or Evercare, MQD will continue to make the following hospital payments.

- Disproportionate Share Hospital (DSH) Allowance

Medicaid cost reports will continue to be a requirement of participation. This cost report will be for informational purposes only and will not determine a settlement. The CMS approved hospital complex cost report will continue to be the required reporting mechanism. Please refer to your CMS Pub. 1541 for the applicable instructions for the preparation of the cost reporting forms and cost report filing instructions. Further stipulations regarding the filing of cost reports immediately before and after the implementation of QExA will be determined in the near future. Should you have any questions or concerns please contact Mr. Reuben Shimazu, Financial Risk and Reimbursement Manager at (808) 692-7983 or email rshimazug@medicaid.dhs.state.hi.us



Myers and Stauffer_{LC}

Certified Public Accountants

CERTIFIED MAIL

MAY 19 2008

Mr. Gary Kajiwaru, President
Kuakini Medical Center
347 North Kuakini Street
Honolulu, Hawaii 96817

SUBJECT: NOTICE OF MEDICAID ACUTE PPS RATES EFFECTIVE JULY 1, 2008
Provider Name: Kuakini Medical Center
Provider Number: 006236

Dear Mr. Kajiwaru:

This letter is to notify you of your Medicaid Acute PPS Rates effective July 1, 2008. These rates, as summarized on Attachment A, are based on trending forward your current PPS rates by applying the CMS Hospital Prospective Reimbursement Market Basket update factor for State Fiscal Year 2009.

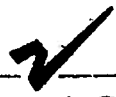
The update factor for SFY 2009 is 3.6%. It is based on the mean of the quarterly projections taken from the First Quarter 2008 Healthcare Cost Review published by Global Insight.

Consistent with the Hawaii Administrative Rules (HAR) Section 17-1739-78, you have the right to request rate reconsideration if you believe your facility meets one or more of the conditions set forth in the HAR. Your request must be submitted in writing within 60 days of this notice and should be submitted to the address below. Your request must include sufficient documentation to support your claim.

At a minimum, your request should include:

1. Descriptions and explanations and the amounts of the additional/extraordinary costs related to each specific issue for which you are requesting relief.
2. The additional per diem and/or per discharge amounts you are requesting for each service category such as Medical, Surgical, etc.
3. Calculations, summaries, invoices, contracts, cost report data and the like sufficient to document and quantify your claim.

Please refer to the above referenced HAR Section 17-1739-78 for a complete discussion of the rate reconsideration provisions established by the State Plan.



Myers and Stauffer LC

Certified Public Accountants

CERTIFIED MAIL

MAY 19 2008

Ms. Annie Yonemoto, Director of Revenue Management
Maui Memorial Medical Center
3675 Kilauea Avenue
Honolulu, Hawaii 96816

SUBJECT: NOTICE OF MEDICAID ACUTE PPS RATES EFFECTIVE JULY 1, 2008
Provider Name: Maui Memorial Medical Center
Provider Number: 005796

Dear Ms. Yonemoto:

This letter is to notify you of your Medicaid Acute PPS Rates effective July 1, 2008. These rates, as summarized on Attachment A, are based on trending forward your current PPS rates by applying the CMS Hospital Prospective Reimbursement Market Basket update factor for State Fiscal Year 2009.


The update factor for SFY 2009 is 3.6%. It is based on the mean of the quarterly projections taken from the First Quarter 2008 Healthcare Cost Review published by Global Insight.

Consistent with the Hawaii Administrative Rules (HAR) Section 17-1739-78, you have the right to request rate reconsideration if you believe your facility meets one or more of the conditions set forth in the HAR. Your request must be submitted in writing within 60 days of this notice and should be submitted to the address below. Your request must include sufficient documentation to support your claim.

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Myers and Stauffer LC

Certified Public Accountants

CERTIFIED MAIL

MAY 19 2008

Mr. Stan B. Berry, Chief Executive Officer
North Hawaii Community Hospital
67-1125 Mamalahoa Highway
Kamuela, Hawaii 96743

SUBJECT: NOTICE OF MEDICAID ACUTE PPS RATES EFFECTIVE JULY 1, 2008
Provider Name: North Hawaii Community Hospital
Provider Number: 078352


Dear Mr. Berry:

This letter is to notify you of your Medicaid Acute PPS Rates for the period July 1, 2008. These rates, as summarized on Attachment A, are based on trending forward your current PPS rates by applying the CMS Hospital Prospective Reimbursement Market Basket update factor for State Fiscal Year 2009.


The update factor for SFY 2009 is 3.6%. It is based on the mean of the quarterly projections taken from the First Quarter 2008 Healthcare Cost Review published by Global Insight.

If you have any questions or concerns regarding this notice, please contact me at (808) 536-7059.

Sincerely,


Tom Cordery
Manager
Myers and Stauffer, LC


Approved By:


Ann H. Kinningham
State of Hawaii
Department of Human Services
Med-QUEST Division

5/14/08
Date

TC:mb

Attachment



Myers and Stauffer LC

Certified Public Accountants

CERTIFIED MAIL

MAY 19 2008

Mr. Rix Maurer, Vice President of Fiscal Services
The Queen's Medical Center
Post Office Box 861
Honolulu, Hawaii 96808

SUBJECT: NOTICE OF MEDICAID ACUTE PPS RATES EFFECTIVE JULY 1, 2008
Provider Name: The Queen's Medical Center
Provider Number: 490417

Dear Mr. Maurer:

This letter is to notify you of your Medicaid Acute PPS Rates effective July 1, 2008. These rates, as summarized on Attachment A, are based on trending forward your current PPS rates by applying the CMS Hospital Prospective Reimbursement Market Basket update factor for State Fiscal Year 2009.

The update factor for SFY 2009 is 3.6%. It is based on the mean of the quarterly projections taken from the First Quarter 2008 Healthcare Cost Review published by Global Insight.

Consistent with the Hawaii Administrative Rules (HAR) Section 17-1739-78, you have the right to request rate reconsideration if you believe your facility meets one or more of the conditions set forth in the HAR. Your request must be submitted in writing within 60 days of this notice and should be submitted to the address below. Your request must include sufficient documentation to support your claim.

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Myers and Stauffer_{LC}

Certified Public Accountants

CERTIFIED MAIL

MAY 19 2008

Ms. Sue Ann Moriwaki, Chief Financial Officer
Rehabilitation Hospital of the Pacific
226 North Kuakini Street
Honolulu, Hawaii 96817

SUBJECT: NOTICE OF MEDICAID ACUTE PPS RATES EFFECTIVE JULY 1, 2008
Provider Name: Rehabilitation Hospital of the Pacific
Provider Number: 505521

Dear Ms. Moriwaki:

This letter is to notify you of your Medicaid Acute PPS Rates effective July 1, 2008. These rates, as summarized on Attachment A, are based on trending forward your current PPS rates by applying the CMS Hospital Prospective Reimbursement Market Basket update factor for State Fiscal Year 2009.


The update factor for SFY 2009 is 3.6%. It is based on the mean of the quarterly projections taken from the First Quarter 2008 Healthcare Cost Review published by Global Insight.

Consistent with the Hawaii Administrative Rules (HAR) Section 17-1739-78, you have the right to request rate reconsideration if you believe your facility meets one or more of the conditions set forth in the HAR. Your request must be submitted in writing within 60 days of this notice and should be submitted to the address below. Your request must include sufficient documentation to support your claim.

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Myers and Stauffer^{LC}

Certified Public Accountants

CERTIFIED MAIL

MAY 19 2008

Mr. David Y. Okabe, Senior Vice President & CFO
Straub Clinic & Hospital
Hawaii Pacific Health
55 Merchant Street, 27th Floor
Honolulu, Hawaii 96813

SUBJECT: NOTICE OF MEDICAID ACUTE PPS RATES EFFECTIVE JULY 1, 2008
Provider Name: Straub Clinic & Hospital
Provider Number: 506074

Dear Mr. Okabe:

This letter is to notify you of your Medicaid Acute PPS Rates effective July 1, 2008. These rates, as summarized on Attachment A, are based on trending forward your current PPS rates by applying the CMS Hospital Prospective Reimbursement Market Basket update factor for State Fiscal Year 2009.

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Consistent with the Hawaii Administrative Rules (HAR) Section 17-1739-78, you have the right to request rate reconsideration if you believe your facility meets one or more of the conditions set forth in the HAR. Your request must be submitted in writing within 60 days of this notice and should be submitted to the address below. Your request must include sufficient documentation to support your claim.

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Please refer to the above referenced HAR Section 17-1739-78 for a complete discussion of the rate reconsideration provisions established by the State Plan.



Myers and Stauffer_{LC}

Certified Public Accountants

CERTIFIED MAIL

MAY 19 2008

Mr. Don Olden, Chief Executive Officer
Wahiawa General Hospital
128 Lehua Street
Wahiawa, Hawaii 96786

SUBJECT: NOTICE OF MEDICAID ACUTE PPS RATES EFFECTIVE JULY 1, 2008
Provider Name: Wahiawa General Hospital
Provider Number: 490368

Dear Mr. Olden:

This letter is to notify you of your Medicaid Acute PPS Rates effective July 1, 2008. These rates, as summarized on Attachment A, are based on trending forward your current PPS rates by applying the CMS Hospital Prospective Reimbursement Market Basket update factor for State Fiscal Year 2009.

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Please refer to the above referenced HAR Section 17-1739-78 for a complete discussion of the rate reconsideration provisions established by the State Plan.



Myers and Stauffer_{LC}

Certified Public Accountants

CERTIFIED MAIL

MAY 19 2008

Mr. David Y. Okabe, Senior Vice President & CFO
Wilcox Memorial Hospital
Hawaii Pacific Health
55 Merchant Street, 27th Floor
Honolulu, Hawaii 96813

SUBJECT: NOTICE OF MEDICAID ACUTE PPS RATES EFFECTIVE JULY 1, 2008
Provider Name: Wilcox Memorial Hospital
Provider Number: 085500

Dear Mr. Okabe:

This letter is to notify you of your Medicaid Acute PPS Rates effective July 1, 2008. These rates, as summarized on Attachment A, are based on trending forward your current PPS rates by applying the CMS Hospital Prospective Reimbursement Market Basket update factor for State Fiscal Year 2009.

The update factor for SFY 2009 is 3.6%. It is based on the mean of the quarterly projections taken from the First Quarter 2008 Healthcare Cost Review published by Global Insight.

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Please refer to the above referenced HAR Section 17-1739-78 for a complete discussion of the rate reconsideration provisions established by the State Plan.

✓
Myers and Stauffer_{LC}

Certified Public Accountants

MAY 28 2008

CERTIFIED MAIL

Ms. Annie Yonemoto, Director of Revenue Management
Hale Ho'ola Hamakua
3675 Kilauea Avenue
Honolulu, Hawaii 96816

SUBJECT: MEDICAID CRITICAL ACCESS HOSPITAL INTERIM RATES EFFECTIVE
JULY 1, 2008
Provider Name: Hale Ho'ola Hamakua
Provider Number: 578263

Dear Ms. Yonemoto:

This letter is to notify you of your State Fiscal Year 2009 Medicaid Critical Access Hospital (CAH) Interim Rates. Your rates as calculated on Attachment A will be effective July 1, 2008.

These rates are based on data from your most recently filed Medicaid cost report. Costs are updated by inflation and adjusted by an audit adjustment factor. Long term care costs are subject to a routine cost limit and acute costs are subject to lower of cost or charges.

If you disagree with this interim rate determination, you may submit for our review your estimate of allowable costs and projected total and Medicaid patient day information for the period beginning July 1, 2008.

Please note that final settlement of Medicaid acute and long term care costs will be determined on the Medicaid cost report.

If you have any questions or concerns regarding this notice, please contact me at (808) 536-7059.

Sincerely,

Approved By:

Tom Cordery

Tom Cordery
Manager
Myers and Stauffer, LC

Reuben T. Shimazu

Reuben T. Shimazu
State of Hawaii
Department of Human Services
Med-QUEST Division

5/23/08

Date

TC:mb

Attachment

cc: Ms. Jeanne Abe, Interim Hospital Administrator

✓

Myers and Stauffer LC

Certified Public Accountants

CERTIFIED MAIL

MAY 28 2008

Ms. Sledhany Vaioleti, Interim CEO
Kahuku Hospital
56-117 Pualalea Street
Kahuku, Hawaii 96731-2052

**SUBJECT: MEDICAID CRITICAL ACCESS HOSPITAL INTERIM RATES EFFECTIVE
JULY 1, 2008**

Provider Name: Kahuku Hospital
Provider Number: 508137

Dear Ms. Vaioleti:

This letter is to notify you of your State Fiscal Year 2009 Medicaid Critical Access Hospital (CAH) Interim Rates. Your rates as calculated on Attachment A will be effective July 1, 2008.

These rates are based on data from your most recently filed Medicaid cost report. Costs are updated by inflation and adjusted by an audit adjustment factor. Long term care costs are subject to a routine cost limit and acute costs are subject to lower of cost or charges.

If you disagree with this interim rate determination, you may submit for our review your estimate of allowable costs and projected total and Medicaid patient day information for the period beginning July 1, 2008.

Please note that final settlement of Medicaid acute and long term care costs will be determined on the Medicaid cost report.

If you have any questions or concerns regarding this notice, please contact me at (808) 536-7059.

Sincerely,

Approved By:



Tom Cordery
Manager
Myers and Stauffer, LC



Reuben T. Shimazu
State of Hawaii
Department of Human Services
Med-QUEST Division

5/23/08

Date

TC:mb

Attachment

✓
Myers and Stauffer LC

Certified Public Accountants

CERTIFIED MAIL

MAY 28 2008

Ms. Annie Yonemoto, Director of Revenue Management
Ka'u Hospital
3675 Kilauea Avenue
Honolulu, Hawaii 96816

**SUBJECT: MEDICAID CRITICAL ACCESS HOSPITAL INTERIM RATES EFFECTIVE
JULY 1, 2008**
Provider Name: Ka'u Hospital
Provider Number: 005675

Dear Ms. Yonemoto:

This letter is to notify you of your State Fiscal Year 2009 Medicaid Critical Access Hospital (CAH) Interim Rates. Your rates as calculated on Attachment A will be effective July 1, 2008.

These rates are based on data from your most recently filed Medicaid cost report. Costs are updated by inflation and adjusted by an audit adjustment factor. Long term care costs are subject to a routine cost limit and acute costs are subject to lower of cost or charges.

If you disagree with this interim rate determination, you may submit for our review your estimate of allowable costs and projected total and Medicaid patient day information for the period beginning July 1, 2008.

Please note that final settlement of Medicaid acute and long term care costs will be determined on the Medicaid cost report.

If you have any questions or concerns regarding this notice, please contact me at (808) 536-7059.

Sincerely,

Tom Cordery

Tom Cordery
Manager
Myers and Stauffer, LC

Approved By:

Reuben T. Shimazu

Reuben T. Shimazu
State of Hawaii
Department of Human Services
Med-QUEST Division

5/23/08

Date

TC:mb

Attachment

cc: Ms. Marilyn Harris, Administrator

✓
Myers and Stauffer_{LC}

Certified Public Accountants

MAY 28 2008

CERTIFIED MAIL

Ms. Annie Yonemoto, Director of Revenue Management
Kauai Veterans Memorial Hospital
3675 Kilauea Avenue
Honolulu, Hawaii 96816

**SUBJECT: MEDICAID CRITICAL ACCESS HOSPITAL INTERIM RATES EFFECTIVE
JULY 1, 2008**
Provider Name: Kauai Veterans Memorial Hospital
Provider Number: 508145

Dear Ms. Yonemoto:

This letter is to notify you of your State Fiscal Year 2009 Medicaid Critical Access Hospital (CAH) Interim Rates. Your rates as calculated on Attachment A will be effective July 1, 2008.

These rates are based on data from your most recently filed Medicaid cost report. Costs are updated by inflation and adjusted by an audit adjustment factor. Long term care costs are subject to a routine cost limit and acute costs are subject to lower of cost or charges.

If you disagree with this interim rate determination, you may submit for our review your estimate of allowable costs and projected total and Medicaid patient day information for the period beginning July 1, 2008.

Please note that final settlement of Medicaid acute and long term care costs will be determined on the Medicaid cost report.

If you have any questions or concerns regarding this notice, please contact me at (808) 536-7059.

Sincerely,

Approved By:

Tom Cordery

Tom Cordery
Manager
Myers and Stauffer, LC

Reuben T. Shimazu

Reuben T. Shimazu
State of Hawaii
Department of Human Services
Med-QUEST Division


5/23/08

Date

TC:mb

Attachment

cc: Ms. Orianna Skomoroch, Administrator



Myers and Stauffer LC

Certified Public Accountants

MAY 28 2008

CERTIFIED MAIL

**Ms. Annie Yonemoto, Director of Revenue Management
Kohala Hospital
3675 Kilauea Avenue
Honolulu, Hawaii 96816**

**SUBJECT: MEDICAID CRITICAL ACCESS HOSPITAL INTERIM RATES EFFECTIVE
JULY 1, 2008
Provider Name: Kohala Hospital
Provider Number: 006148**

Dear Ms. Yonemoto:

This letter is to notify you of your State Fiscal Year 2009 Medicaid Critical Access Hospital (CAH) Interim Rates. Your rates as calculated on Attachment A will be effective July 1, 2008.

These rates are based on data from your most recently filed Medicaid cost report. Costs are updated by inflation and adjusted by an audit adjustment factor. Long term care costs are subject to a routine cost limit and acute costs are subject to lower of cost or charges.


If you disagree with this interim rate determination, you may submit for our review your estimate of allowable costs and projected total and Medicaid patient day information for the period beginning July 1, 2008.


Please note that final settlement of Medicaid acute and long term care costs will be determined on the Medicaid cost report.

If you have any questions or concerns regarding this notice, please contact me at (808) 536-7059.

Sincerely,

Approved By:


**Tom Cordery
Manager
Myers and Stauffer, LC**


**Reuben T. Shimazu
State of Hawaii
Department of Human Services
Med-QUEST Division**

5/23/08

Date

TC:mb

Attachment

cc: Mr. Gino Amar, Assistant Hospital Administrator

✓
Myers and Stauffer LC

Certified Public Accountants

MAY 28 2008

CERTIFIED MAIL

Ms. Annie Yonemoto, Director of Revenue Management
Kula Hospital
3675 Kilauea Avenue
Honolulu, Hawaii 96816

SUBJECT: MEDICAID CRITICAL ACCESS HOSPITAL INTERIM RATES EFFECTIVE
JULY 1, 2008
Provider Name: Kula Hospital
Provider Number: 578271

Dear Ms. Yonemoto:

This letter is to notify you of your State Fiscal Year 2009 Medicaid Critical Access Hospital (CAH) Interim Rates. Your rates as calculated on Attachment A will be effective July 1, 2008.

These rates are based on data from your most recently filed Medicaid cost report. Costs are updated by inflation and adjusted by an audit adjustment factor. Long term care costs are subject to a routine cost limit and acute costs are subject to lower of cost or charges.

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If you have any questions or concerns regarding this notice, please contact me at (808) 536-7059.

Sincerely,

Approved By:

Tom Cordery

Tom Cordery
Manager
Myers and Stauffer, LC

Reuben T. Shimazu

Reuben T. Shimazu
State of Hawaii
Department of Human Services
Med-QUEST Division

5/23/08

Date

TC:mb

Attachment

cc: Mr. Lee Johnson, Administrator

✓

Myers and Stauffer LC

Certified Public Accountants

MAY 28 2008

CERTIFIED MAIL

Ms. Annie Yonemoto, Director of Revenue Management
Lanai Community Hospital
3675 Kilauea Avenue
Honolulu, Hawaii 96816

**SUBJECT: MEDICAID CRITICAL ACCESS HOSPITAL INTERIM RATES EFFECTIVE
JULY 1, 2008**

**Provider Name: Lanai Community Hospital
Provider Number: 251877**

Dear Ms. Yonemoto:

This letter is to notify you of your State Fiscal Year 2009 Medicaid Critical Access Hospital (CAH) Interim Rates. Your rates as calculated on Attachment A will be effective July 1, 2008.

These rates are based on data from your most recently filed Medicaid cost report. Costs are updated by inflation and adjusted by an audit adjustment factor. Long term care costs are subject to a routine cost limit and acute costs are subject to lower of cost or charges.

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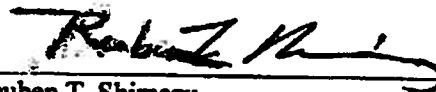
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Sincerely,



Tom Cordery
Manager
Myers and Stauffer, LC

Approved By:



Reuben T. Shimazu
State of Hawaii
Department of Human Services
Med-QUEST Division


5/23/08

Date

TC:mb

Attachment

cc: Mr. John Schaumburg, Administrator


Myers and Stauffer LC

Certified Public Accountants

MAY 28 2008

CERTIFIED MAIL

Ms. Janice Kalanihulia, Administrator
Moloka'i General Hospital
Post Office Box 408
Kaunakakai, Hawaii 96748

**SUBJECT: MEDICAID CRITICAL ACCESS HOSPITAL INTERIM RATES EFFECTIVE
JULY 1, 2008**
Provider Name: Moloka'i General Hospital
Provider Number: 002452

Dear Ms. Kalanihulia:

This letter is to notify you of your State Fiscal Year 2009 Medicaid Critical Access Hospital (CAH) Interim Rates. Your rates as calculated on Attachment A will be effective July 1, 2008.

These rates are based on data from Medicaid cost reports. Costs are updated by inflation and adjusted by an audit adjustment factor. Long term care costs are subject to a routine cost limit and acute costs are subject to lower of cost or charges.

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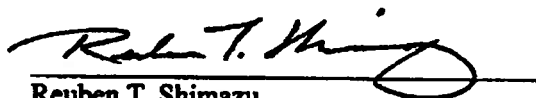
If you have any questions or concerns regarding this notice, please contact me at (808) 536-7059.

Sincerely,

Approved By:



Tom Cordery
Manager
Myers and Stauffer, LC



Reuben T. Shimazu
State of Hawaii
Department of Human Services
Med-QUEST Division

5/23/08

Date

TC:mb

Attachment


Myers and Stauffer LC

Certified Public Accountants

MAY 28 2008

CERTIFIED MAIL

Ms. Annie Yonemoto, Director of Revenue Management
Samuel Mahelona Memorial Hospital
3675 Kilauea Avenue
Honolulu, Hawaii 96816

**SUBJECT: MEDICAID CRITICAL ACCESS HOSPITAL INTERIM RATES EFFECTIVE
JULY 1, 2008**
Provider Name: Samuel Mahelona Memorial Hospital
Provider Number: 578601

Dear Ms. Yonemoto:

This letter is to notify you of your State Fiscal Year 2009 Medicaid Critical Access Hospital (CAH) Interim Rates. Your rates as calculated on Attachment A will be effective July 1, 2008.

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Sincerely,

Approved By:



Tom Cordery
Manager
Myers and Stauffer, LC



Reuben T. Shimazu
State of Hawaii
Department of Human Services
Med-QUEST Division

5/23/08
Date

TC:mb

Attachment

cc: Ms. Llewellyn Wynn, Assistant Administrator