



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

Med-QUEST Division
Health Care Services Branch
Contract Monitoring and Compliance Section
P.O. Box 700190
Kapolei, Hawaii 96709-0190

May 30, 2014

MEMORANDUM

MEMO NOS.

FFS-M1409

ADMX-1409 [QExA]

TO: Hawaii Long-Term Care Association
Healthcare Association of Hawaii
Case Management Agencies
Community Care Foster Family Homes
Expanded Adult Residential Care Homes
QUEST Expanded Access (QExA) Health Plans

FROM: Kenneth S. Fink, MD, MGA, MPH *KF*
Med-QUEST Division Administrator

SUBJECT: LONG-TERM CARE DETERMINATION LETTERS

This letter is regarding notices that were sent May 16- 30, 2014 to approximately 4,500 beneficiaries who are receiving long-term care services in a facility, their own home, or a community based setting. Please be reassured that there have been no changes to eligibility for aged, blind or disabled individuals or for long-term care. The notices were generated as a result of adding new long-term care functionality to our eligibility system.

Our new eligibility system, KOLEA, allows for greater transparency, efficiency, and program integrity. Earlier this month, the Med-QUEST Division (MQD) implemented long-term care determinations in its eligibility system. The system automatically loads information on level of care (LOC) determinations from the Health Services Advisory Group (HSAG) system, and in combination with a recipient's living arrangement and financial information, enables our workers to more easily, accurately, and quickly make long-term care determinations and calculate cost-share amounts.

LOC is communicated through the DHS Form 1147 which can be approved for a maximum 12 month period, and needs to be renewed annually. This has been and continues to be the requirement. Typically the long-term care provider completes and submits the DHS Form 1147 for the determination/redetermination, often times requesting retroactive approval to cover periods when the approved DHS Form 1147 had lapsed. Beneficiaries have largely not been responsible for this process.

MQD received and processed the initial file in early May of all beneficiaries receiving long-term care and generated notices based on current information. Because all approved DHS Form 1147s have an end date, this information was included in the notices. Because beneficiaries have not previously received this information, beneficiaries may be concerned that they will lose or have lost long-term care coverage as of the noted end date.

For beneficiaries who continue to meet financial eligibility and LOC, their long-term care coverage will continue. Many of the notices have an end date with expiration in several months or may have already expired. In the case of an expired DHS Form 1147, providers should ensure that new 1147s are submitted as soon as possible, and they should remain diligent in renewing DHS Form 1147s before their end dates. MQD will prioritize the processing of submitted DHS Form 1147s based on the end date. Long-term care services will not end until after a beneficiary is notified by his or her health plan, or the individual loses Medicaid eligibility altogether.

We are addressing the situation as follows:

- Suspending the system generated notices and returning to manually generated notices effective June 2, 2014;
- Revising the notices to be generated only for new applications for long-term care or when there is a change in cost-share amount; including a start date if approved but will no longer include an end date for new approvals; listing the cost-share amount and calculation for any approved retroactive month; and listing the cost-share amount for the current month indicated as the projected monthly cost-share amount prospectively, unless circumstances change; and
- Returning to system generated revised notices in July 2014.

The living arrangement code in our system for individuals receiving home and community based services was also affected. This code indicates if an individual is receiving care in his or her home or in the community, i.e. a Community Care Foster Family Home (CCFFH) or an Expanded Adult Residential Care Home (EARCH). The cost-share amount is being calculated as if all individuals with this living arrangement code are living at home. We are working as quickly as possible to change the living arrangement code for those in a CCFFH or E-ARCH to correctly calculate the cost-share amount.

We previously had a cost-share data transfer issue between our eligibility system and our Medicaid management information system (HPMMIS), which we are working to resolve. We believe, with the exception of a few cases that require a manual determination and the aforementioned adjustment for the living arrangement code, the cost-share information in HPMMIS is correct prospectively. The retroactive months are nearly complete, and we anticipate completing by mid-June.

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We apologize for any confusion the notices might have caused. We will also be sending a letter to beneficiaries who received the prior notice to provide clarification, but we would appreciate your assistance in communicating the information in this letter and reassuring your medical assistance clients. Thank you very much for your service to our beneficiaries.

Please contact Patti Bazin via e-mail at pbazin@medicaid.dhs.state.hi.us or call her at 692-8083 should you have any questions.