



STATE OF HAWAII
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In reply, please refer to:
File:

Medicaid I/DD Waiver
Memo No.: FY2021-04
Date: September 29, 2020

TO: Medicaid I/DD Waiver Providers

FROM: Mary Brogan, Administrator
Developmental Disabilities Division

SUBJECT: Temporary Rate Adjustments

We are acutely aware of the impact of the pandemic on service utilization for a number of waiver services. In aggregate, utilization for core in-home, day, and employment services are 40 percent below pre-COVID forecasts. Recognizing that other sources of financial support – such as the Payroll Protection Program and waiver retainer payments – are expiring, we have been exploring options to help maintain a viable waiver provider network while recognizing the state's challenging budget environment.

Based on analysis of service-level spending trends, on September 23, 2020, we requested from the Centers for Medicare and Medicaid Services (CMS) a temporary increase in payment rates for certain services through an additional 1915(c) Appendix K amendment. I am pleased to announce that today we received approval from CMS to temporarily increase rates for certain services provided between **October 1, 2020 and February 28, 2021**, which is the end of the 1915(c) Appendix K authority for Hawaii.

The intent of the temporary rate increase is to help providers cover fixed costs (e.g., building costs, infrastructure, etc.) and cope with increased costs arising from the pandemic (e.g., PPE expenses, investments in infrastructure to support telehealth models, staff time to redesign curriculum to accommodate new service delivery models, wage enhancements for staff, etc.).

The following services were approved for temporary rate increases of 12.5 percent (12.5%):

- Personal Assistance Habilitation (PAB)
- Community Learning Services – Individual (CLS-I)

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The following services were approved for temporary rate increases of 25 percent (25.0%) for the time period specified above:

- Adult Day Health (ADH)
- Community Learning Services – Group (CLS-G)
- Individual Employment Supports (IES) – Job Development and Job Coaching

Note again that these are temporary rate adjustments that are only effective for services provided between October 1, 2020 and February 28, 2021.

We will be issuing detailed billing instructions. In brief, to avoid the need to eliminate existing authorizations and temporarily raise and then reduce rates attached to existing service codes, new service codes that reflect the increased payment amounts will be established. For each unit of service that a provider delivers, they will need to bill both the standard service code at the current rate and the new service code for the increased payment amount.

Thank you very much for your work during these challenging times, and we hope these temporary rate adjustments will be helpful. If there are any questions, please feel free to call the Community Resources Branch at (808) 733-2135.

c: Jon Fujii, DHS-MQD
Aileen Manuel, DHS-MQD
DDD Management Team