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

December 22, 2009

MEMORANDUM

ACS M09-30

TO: Skilled Nursing and Intermediate Care Facilities

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

SUBJECT: THIRD PARTY LIABILITY REVIEW FOR MEDICAID OVERPAYMENT

In our continuing effort to comply with federal Third Party Liability (TPL) regulations that stipulate Medicaid as the payer of last resort (42 U.S.C. §1396A (a) 25) and 42 C.F.R. §§433.138 and 433.139), the State of Hawaii Department of Human Services has initiated a project to review all Medicaid and other insurance payments made on behalf of Medicaid beneficiaries who have received services in Hawaii skilled nursing facilities.

The purpose of the review is to determine the existence of any potential Medicaid overpayments resulting from situations including, but not limited to, duplicate Medicaid payments, coordination with Medicare or other third party payments, Patient Pay errors or other payment errors. The review has been designed to minimize the disruption to your staff. The review includes provider financial documentation only; it will not involve any medical records, nor will it include any residents with pending Medicaid eligibility. This review will be limited to the financial activity for the five-year period immediately preceding the date of this notification.

We have engaged the services of CDR Associates, an ACS Company (CDR), to perform this review on behalf of the Agency. CDR is a state approved ACS contractor, with whom the Department currently maintains a TPL contract. A representative of CDR will be contacting you in the near future to make arrangements for their review of payments made to your facility.

Your facility will have 30 days to review our results once the review has been completed. For those accounts where overpayments are identified, we will request a refund of the specific amounts overpaid.

If you have questions or need additional information, please contact Stanley J. Kardys, CDR Long-Term Care Operations Manager, at (860) 243-0558 extension 122.

Thank you for your cooperation with this project.