

**MEMORANDUM OF AGREEMENT
BETWEEN
DEPARTMENT OF HUMAN SERVICES
AND
DEPARTMENT OF HEALTH**

This MEMORANDUM OF AGREEMENT (AGREEMENT), by and between the Med-QUEST Division (MQD) and Social Services Division (SSD) of the Department of Human Services (DHS) and the Developmental Disabilities Division (DDD) of the Department of Health (DOH), defines the responsibilities of these respective Departments and Divisions in administering the fiscal-related operations under the State of Hawaii's Medicaid Home and Community Based Services Waiver Program to serve persons with developmental disabilities/mental retardation, including the operation of systems for processing provider claims for payment, the payment of State of Hawaii matching funds, and the claiming and payment of the Federal Medical Assistance Percentage. These above-referenced State agencies agree to the following provisions specified herein.

I. DEFINITIONS

- A. "DD/MR" means developmental disabilities/mental retardation.
- B. "DOHBI" means the DOH's electronic billing interface that is available to its providers for use in billing for most services that are rendered under the Medicaid Home and Community Based Services Waiver Program that serves persons with DD/MR.
- C. "FAMIS" refers to the State's Financial Accounting and Management Information System that is operated by the State of Hawaii Department of Accounting and General Services.
- D. "HAWI" refers to the Hawaii Automated Welfare Information system.
- E. "H&CBS" means Home and Community Based Services.
- F. "H&CBS-DD/MR Waiver Program" refers to the H&CBS Waiver Program to serve persons with DD/MR.
- G. "HIPAA" refers to the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191.
- H. HIPAA's Electronic Transactions Standards are standardized electronic formats adopted by the U.S. Department of Health and Human Services pursuant to its rule making authority under HIPAA for specific types of electronic transactions and include the following transaction standards:

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1. "270 transaction" means a "recipient eligibility inquiry," which is an inquiry into a client's eligibility for coverage.
 2. "271 transaction" means a "recipient eligibility inquiry response," which is a response to the inquiry into a client's eligibility for coverage.
 3. "835 transaction" means a "remittance advice transaction," which is an explanation of claim processing and/or the payment sent in response to a processed claim.
 4. "837 transaction" means an "electronic claim transaction," which is a detailed, itemized record of services performed that is submitted electronically to seek payment (and that was previously submitted as a hard copy claim on a Health Care Financing Administration Form 1500).
- I. "HPMMIS" refers to the Hawaii Prepaid Medicaid Management Information System that is operated by DHS, and includes the following terms:
1. "CL92" refers to a screen in HPMMIS that is a "claim location" where DOHBI claims that need to be resolved by DOH are "pending" for further resolution of the claim.
 2. "PR005" refers to a screen in HPMMIS where a user may "call up" provider information based upon specific search criteria.
 3. "PR076" refers to the screen in HPMMIS where provider specific rate information is loaded.
 4. "ERA FTP server" is DHS' "Electronic Remittance Advice" "File Transfer Protocol" Server that includes a "DDD Folder." The "DDD Folder" is the location on the ERA FTP server where DDD can retrieve their weekly "835 transactions" file (i.e., a remittance advice in a HIPAA compliant electronic format).
- J. "State" refers to the State of Hawaii.

II. GENERAL PROVISIONS

A. DOH-DDD SHALL:

1. Authorize services for eligible H&CBS-DD/MR Waiver Program clients in accordance with chapter 333F, Hawaii Revised Statutes, and with the DDD developed Individualized Service Plans.

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2. Assist SSD in setting the fee schedule for H&CBS-DD/MR Waiver Program services.
 3. Provide sufficient professional staff to coordinate, supervise and implement their responsibilities under this AGREEMENT.
 4. Provide a tax Form 1099 (as applicable) on an annual basis in compliance with Internal Revenue Service (IRS) and Department of Taxation regulations to each H&CBS-DD/MR Waiver Program provider paid directly by DDD in accordance with the procedures set forth below. The Form 1099 shall reflect the total annual amount paid directly by DDD to the H&CBS-DD/MR Waiver Program provider.
 5. Cooperate with the activities of the MQD Fraud Unit and assist in recovering any overpayments or inappropriate payments from H&CBS-DD/MR Waiver Program providers. Monitor H&CBS-DD/MR Waiver Program providers for potential fraud or abuse and report any suspected fraudulent activity to SSD and the Department of Attorney General, Medicaid Fraud Control Unit within thirty (30) days of discovery.
 6. Notify SSD of any client suspensions and discharges.
 7. Return any federal share that is disallowed by the federal government, or determined to be inappropriate for reimbursement by the MQD or SSD.
- B. DHS-MQD SHALL:
1. Provide DDD access to Medicaid eligibility information via the HIPAA compliant 270/271 transactions via DHS HAWI.
 2. Provide a tax Form 1099 (as applicable) on an annual basis in compliance with Internal Revenue Service (IRS) and Department of Taxation regulations to each H&CBS-DD/MR Waiver Program provider paid directly by DHS in accordance with the procedures as set forth below. The Form 1099 shall reflect the total annual amount paid directly by DHS to the H&CBS-DD/MR Waiver Program provider.
 3. Provide DDD access to screen PR076 in HPMMIS.
- C. DHS-SSD SHALL:
1. Set up and maintain provider identification numbers and profiles in HPMMIS for all H&CBS-DD/MR Waiver Program providers and determine fee schedules for all H&CBS-DD/MR Waiver Program services.

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2. Load H&CBS-DD/MR Waiver Program fee schedules in HPMMIS screen PR005 for all H&CBS-DD/MR Waiver Program providers.
3. Update client suspension information in HAWI.
4. Conduct post-audits of paid H&CBS-DD/MR Waiver Program services claims on an annual basis or as requested by DDD.
5. Train DDD staff on use of the HPMMIS system as may be necessary.

III. DOH BILLING INTERFACE (DOHBI)

A. DOH-DDD SHALL:

1. Develop and maintain a database of all H&CBS-DD/MR Waiver Program providers in DOHBI. This database will include information on which services the provider is certified to perform and the rate of reimbursement for each service.
2. Enter authorization for H&CBS-DD/MR Waiver Program services for clients into DOHBI to support claims adjudication.
3. Receive the required Medicaid recipient information via the HIPAA compliant 270/271 transactions via HAWI.
4. Except as provided in Sections IV and V below, receive, adjudicate and pay claims for all H&CBS-DD/MR Waiver Program services rendered as follows:
 - a. Ensure that all claims are transmitted electronically via HIPAA-compliant 837 transactions.
 - b. Ensure that claims paid are only for services rendered in accordance with previously authorized, established service limits and for appropriate benefit coverages.
 - c. Ensure that no duplicate claims are paid.
 - d. Check screen PR076 in HPMMIS to determine if a DD/MR provider is currently in "active" status.
5. Except as provided in Section IV below, make direct payments to H&CBS-DD/MR Waiver Program providers through DOHBI with 100% State general funds. Throughout the fiscal year, seek federal matching funds from MQD by submitting a bill of collection to DHS.

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6. Ensure that the DOHBI system continues to function in compliance with HIPAA.
 7. As part of DOH's federal reimbursement efforts through DHS for federal matching funds, DOH will submit HIPAA-compliant 837 transactions files through HPMMIS reflecting all claims paid by DDD with 100% State funds for Medicaid eligible H&CBS-DD/MR Waiver Program services as follows:
 - a. An 837 transactions file will be submitted on a schedule of DDD's choice along with documentation validating H&CBS-DD/MR Waiver Program expenses where paid with State funds via the use of a certified public entity (CPE) form.
 - b. DDD will substitute the DOH federal tax identification number on all 837 transactions file submitted to HPMMIS.
 - c. DDD will conduct annual reconciliation of DOHBI paid claims against HPMMIS.
 8. Resolve any claims that were denied through HPMMIS to receive federal reimbursement.
 9. Submit to HPMMIS all adjustments and voids for claims that were adjudicated through DOHBI in a HIPAA compliant format.
 10. Recoup from H&CBS-DD/MR Waiver Program providers any amounts overpaid or inappropriately paid.
- B. DHS-MQD SHALL:
1. Accept all HIPAA-compliant 837 transactions from DOHBI and process them through HPMMIS to determine eligibility for claiming Federal Matching Assistance Percentage funds.
 2. Provide a weekly HIPAA-compliant 835 transactions file to DDD's folder on the ERA FTP server. Notify DDD of the claims that were paid or denied through HPMMIS, and notify DDD of the reasons for denied claims (i.e., duplicate claims, ineligible recipients, suspended recipients, etc.), if any. The 835 transactions file will reflect the total reimbursement amount (e.g., the federal and State share) due to DDD.
 3. Payment to DDD throughout the fiscal year shall be based on the submission of a bill of collection submitted to DHS by DDD, the Federal

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Medical Assistance Percentage for eligible paid claims will be based on the paid claims file submitted by DDD as follows:

- a. Reimbursement shall be allowed on "clean claims" (e.g., those claims that are deemed payable after adjudication through HPMMIS).
 - b. Reimbursement shall be journal vouchered to DDD based on normal State fiscal timelines.
 - c. Reimbursement shall be determined by the fee schedule amount loaded in screen PR005 for each H&CBS-DD/MR Waiver Program provider.
4. Return claims denied by HPMMIS to DDD for resolution.

C. DHS-SSD SHALL:

Direct any inquiries from providers or clients regarding H&CBS-DD/MR Waiver Program services paid through DOHBI to DDD's provider representatives.

IV. SPECIALIZED BILLING PROCEDURES FOR SPECIFIC H&CBS-DD/MR WAIVER PROGRAM SERVICES & SPECIFIC PROVIDERS

A. DOH-DDD SHALL:

Process provider invoices for the following H&CBS-DD/MR Waiver Program services—Specialized Medical Equipment & Supplies, Environmental Accessibility Adaptations, Vehicular Modifications, Assistive Technology, Personal Emergency Response System (PERS)— as follows:

1. Maintain a listing of all H&CBS-DD/MR Waiver Program for these particular services.
2. Record authorization for these H&CBS-DD/MR Waiver Program services for clients within client file as proof of authorization for these services.
3. Receive the required Medicaid recipient information via the HIPAA-compliant 270/271 transactions via HAWI.
4. Make direct payments to H&CBS-DD/MR Waiver Program providers with 100% State general funds. Throughout the fiscal year, seek federal matching funds from DHS by submitting a bill of collection.

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5. Ensure that, when submitting bill of collection to DHS, all claims for these services have been paid with 100% State Funds and that necessary supporting documents (i.e., certified public entity (CPE) form) attesting to payment and services authorizations are attached.
6. Ensure that claims are paid solely for those services that are rendered in accordance with previously authorized, established service limits and for appropriate benefit coverages.
7. Ensure that no duplicate claims are paid.
8. Resolve any claims that were denied prior to submission of the bill of collection.
9. Recoup from H&CBS-DD/MR Waiver Program providers any amounts inappropriately paid.

B. DHS-SSD SHALL:

1. Process all claims transactions from DOH that are attached for the bill of collection for the above-mentioned services as part of DOH's effort to claim Federal Matching Assistance Percentage funds.
2. Pay to DDD throughout the fiscal year based on the submission of a bill of collection submitted to DHS by DDD the Federal Medical Assistance Percentage for eligible paid claims will be based on the paid claims file submitted by DDD as follows:
 - a. Reimbursement shall be allowed on "clean claims."
 - b. Reimbursement shall be journal vouchered to DDD based on normal State fiscal timelines.
 - c. Reimbursement shall be determined on the fee that is notated on the paid invoices per supporting documentation submitted with the bill of collection for the above-mentioned services.
3. Return claims denied by DHS to DDD for resolution.
4. Return to DDD processed journal vouchers (along with the DDD-generated spreadsheet) with a DHS-generated spreadsheet attached that notifies DDD of DHS' processing of submitted claims and that allows for DDD's use of the DHS-generated spreadsheet for reconciliation purposes.
5. Direct any inquiries from providers or clients regarding these H&CBS-DD/MR Waiver Program services to DDD's provider representatives.

V. BILLING AND PAYMENT OF CLAIMS FOR CONSUMER-DIRECTED H&CBS-DD/MR WAIVER PROGRAM SERVICES

A. DOH-DDD SHALL:

1. Transfer to DHS-SSD the State Match funds for the H&CBS-DD/MR Waiver Program Consumer-Directed (CD) support services.
2. Develop and maintain a listing of all H&CBS-DD/MR Waiver Program clients who select CD support services.
3. Process necessary paperwork required for this particular services.
4. Coordinate meetings and provide training to those clients and their families who have selected CD support services and providers.
5. Review and ensure all vouchers that are submitted for payment by clients or by clients' designated representatives have been authorized in accordance with previously authorized, established service limits for appropriate benefit coverages.
6. Submit vouchers to DHS-SSD.

B. DHS-SSD SHALL:

1. Transmit all vouchers from DOH through DHS' contracted fiscal intermediary for processing and payment. Reimbursement shall be determined on the fee that is notated on the paid vouchers.
2. Return claims denied by DHS to DDD for resolution.
3. The Federal Medical Assistance Percentage for eligible claims will be journal vouchered to DDD based on normal State fiscal timelines.
4. Direct any inquiries from providers or clients regarding H&CBS-DD/MR Waiver Program CD support services to the DDD CD specialist.
5. Ensure that amounts improperly paid for H&CBS-DD/MR Waiver Program CD support services are recouped.

VI. MISCELANEOUS PROVISIONS

- A. This AGREEMENT is for the sole benefit of the parties hereto, and is not for the benefit of any third party beneficiaries.
- B. Once executed, this AGREEMENT shall remain in effect until terminated.

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C. This AGREEMENT may be terminated by either party for any reason with thirty (30) calendar days written notice to the other party.

DEPARTMENT OF HUMAN SERVICES

DEPARTMENT OF HEALTH



LILLIAN B. KOLLER, ESQ.
Director
Department of Human Services



CHIYOME IKENO, M.D.
Director of Health

Date: JUL 31 2006

JUL 26 2006
Date: _____