

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

This MEMORANDUM OF AGREEMENT (MOA) between the Med-QUEST Division (MQD) of the Department of Human Services (DHS) and the Department of Education (DOE) is to provide a defined set of Medicaid services to students who are Title XIX or Title XXI eligible and eligible for school health and school-based services pursuant to the Individuals with Disabilities Education Act (IDEA), Part B. In addition, this MOA is intended to address the Medicaid administrative supports that will be provided by the DOE in connection with its provision of Medicaid allowable health-related services. This MOA covers the period from January 1, 2006 to June 30, 2007. At the end of the contract period, MQD shall have the option to renew the MOA for another year. The above-mentioned state agencies agree to the following provisions specified herein.

**I. THE DEPARTMENT OF EDUCATION SHALL:**

- a) Provide services in the following areas as defined in Attachment I, **SCOPE OF SERVICES**, for Medicaid/IDEA recipients when deemed necessary:
  - 1. PHYSICAL THERAPY, OCCUPATIONAL THERAPY AND SPEECH LANGUAGE THERAPY SERVICES**
    - a) Assistive Technology Device services
    - b) Assistive Technology Device therapy
  - 2. HEARING, AUDIOLOGY AND LANGUAGE SERVICES**
  - 3. NURSING SERVICES**
  - 4. BEHAVIORAL HEALTH SERVICES**
- b) Document and authorize services needed through an Individualized Education Plan (IEP).
- c) Maintain staffing level and proficiency and an adequate provider network to provide the quality and extent of services and activities required by the MQD. Provider qualifications are listed in Attachment III.

- d) Supervise and oversee the delivery of services. Establish monitoring schedules and criteria, and monitor DOE staff and contracted providers of service on a regular basis to ensure compliance with the MQD requirements.
- e) Maintain documentation of DOE staff and contracted providers provision of service to Medicaid/IDEA recipients in accordance with MQD requirements. Maintain confidentiality of such records as required by state and federal law.
- f) At the request of MQD, to the extent that responding to such requests does not violate state and federal law, make medical records of Medicaid/IDEA recipients maintained by DOE staff and contracted providers available for review by DHS staff, the Centers for Medicare and Medicaid Services (CMS) and/or their agents, for quality assurance and to assure compliance with the terms and conditions of this MOA. If necessary, DOE shall use its best efforts to obtain authorizations for release of such records, as required by state or federal law.
- g) Provide 100% of the State share of the funds for services paid by MQD directly to DOE or its contracted provider. The funding for all delivered services covered by this MOA is shared by the Federal and State governments.
- h) Verify Medicaid eligibility of IDEA students before providing services. DOE may request eligibility status of IDEA students via the HIPAA 270 transaction, via the automated voice response system (AVRS), or via DHS Medicaid Online. Utilization of DHS Medicaid Online requires separate enrollment before access is granted.
- i) Develop methodology and receive approval from the Department of Health and Human Services, Division of Cost Allocation for claiming the federal reimbursement for administrative services, if claiming for administrative services.
- j) Provide a claims file to the MQD or its fiscal agent on a regular basis in accordance with instructions and filing requirements established by MQD. The format shall be 837/835 format. Or authorize contracted providers to bill MQD or its fiscal agent directly.
- k) Maintain a current provider manual for the School-Based Services Program. DOE will provide a draft of the manual to MQD for its review and approval. Upon approval DOE will distribute the manual to eligible providers.
- l) Agree to return any federal share that is disallowed by the federal government or determined to be inappropriate for reimbursement by the MQD. Cooperate with the activities of the MQD Fraud Unit and assist in recovering any overpayments or inappropriate payments from DOE providers. DOE shall

monitor DOE providers for fraud and report suspected fraudulent activity in writing to MQD and the Department of the Attorney General, Medicaid Fraud Control Unit within thirty (30) days of discovery.

- m) Comply with the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996, Pub. Law 104-191 (HIPAA), and its implementing regulations at 45 C.F.R. Parts 160 and 164.

**II. THE MQD OF THE DEPARTMENT OF HUMAN SERVICES SHALL:**

- a) Reimburse DOE or its contracted providers on a fee-for-service basis for the provision of a defined set of services (Attachment I) to eligible Medicaid/IDEA students in accordance with Medicaid rates (Attachment II).
- b) Review, prior to implementation of this MOA, the operations and policies of DOE to determine if MQD quality assurance (QA) standards have been met. MQD reserves the right to delay implementation of this MOA until assurances are met.
- c) Monitor DOE for compliance with MQD QA standards. MQD reserves the right to withhold and/or deny payments if DOE cannot meet MQD QA standards.
- d) Respond to DOE inquiries of eligibility status of IDEA students. If DOE requests the information via the HIPAA 270 transaction, MQD will respond via the HIPAA 271 transaction.

**III. REIMBURSEMENT FOR SERVICES:**


- a) MQD shall reimburse DOE or its contracted providers for a defined set of services (Attachment I) provided to eligible Medicaid/IDEA students in accordance with established Medicaid rates (Attachment II). No federal reimbursement is available for services provided to children in schools pursuant to section 504 of the Rehabilitation Act of 1973.
- b) MQD shall reimburse DOE for Medicaid allowable administrative expenditures (Attachment IV, to be completed when administrative claiming is implemented by DOE) as defined by the Department of Health and Human Services, Division of Cost Allocation for claiming the federal reimbursement for administrative services.
- c) MQD shall pay DOE the federal share of the claimed amount during MQD or its fiscal agents' regular weekly payment cycle, subject to the availability of federal funds. DOE is responsible for the state share of the expenditures. The payment each week shall include an estimated federal share amount. At the end of each quarter the MQD will reconcile the payments made for the quarter

against the actual federal funds earned for that specific quarter.


- d) DOE shall reimburse MQD any amount disallowed by CMS for services provided under this MOA. Reimbursement shall be made within 60 days of the disallowance notice.
- e) MQD and DOE will determine the need to renegotiate the provision of services and/or the reimbursement rates for covered services, as needed.

This MOA is effective January 1, 2006. It may be terminated for any reason, by either party with thirty (30) calendar days written notice to the other party. Amendments, as mutually agreed upon, may be made, as appropriate, in writing.

**DEPARTMENT OF HUMAN SERVICES**

  
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Lillian B. Koller, Esq.  
Director  
  
MAR 07 2006  
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Date

**DEPARTMENT OF EDUCATION**

  
\_\_\_\_\_  
Patricia Hamamoto  
Superintendent  
  
3.7.06  
\_\_\_\_\_  
Date

## ATTACHMENT I SCOPE OF SERVICES

### **Physical Therapy, Occupational Therapy, and Speech Language Therapy Services**

Physical therapy, Occupational therapy, and Speech language therapy services include evaluations, re-evaluations, assessments, or re-assessments that result in the provision of IEP services.

Physical therapy, Occupational therapy, and Speech language therapy services are provided to facilitate a child's achievement of the goals and objectives delineated in the IEP. Intervention may be delivered through individual and/or group therapy.

### **Other services included under Physical Therapy, Occupational Therapy, and Speech Language Therapy Services are:**

**1. Assistive Technology Device Services:** Only supplies and equipment necessary for the provision of physical therapy, occupational therapy and speech and language services will be covered.

Assessments, evaluations or re-evaluations, re-assessments are included when they result in the provision of IEP services.

**2. Assistive Technology Device Therapy:** Assistive technology device therapy Services are services provided in connection with the physical therapy, occupational therapy, and speech therapy as required by 42 C.F.R. §440.110. Assistive technology device therapy includes:

- ◆ The evaluation of the needs of a student with a disability, including a functional evaluation of the student in the student's customary environment;
- ◆ Assessments, evaluations or re-evaluations, re-assessments are included and results in the provisions of IEP services.
- ◆ Coordinating and using other therapies, interventions, or services with assistive technology devices such as those associated with existing education and rehabilitation plans and programs; and
- ◆ Training or technical assistance for a student with a disability or as appropriate, that student's family.

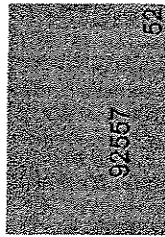
**Hearing, Audiology, and Language Services:** Includes both articulation and language therapy in either individual or group settings. Audiologist or speech pathologist must be licensed to practice in the State of Hawaii and meet the Federal provider requirements at 42 C.F.R. §440.110(c). Assessments, evaluations or re-evaluations, re-assessments are included when they result in the provision of IEP services.

**Nursing Services:** Direct service interventions that are medically based and within the scope of professional practice of a registered nurse or licensed practical nurse, who are licensed to practice in the State of Hawaii, such as catheterization, suctioning, medication management, equipment associated with nursing services, and DME's such as oxygen concentrator suctioning machines. Direct nursing services are provided face-to-face and are generally provided on a one-to-one basis. These services are being provided in accordance with the requirements in 42 C.F.R. § 440.130(d).

**Behavioral Health Services:** A behavioral health service includes the provision of counseling for children. All services must be for the direct benefit of the child and includes individual, group, and family therapy. Assessments, evaluations or re-evaluations, re-assessments are included when they result in the provisions of IEP services. These services are covered in accordance with the requirements in 42 C.F.R § 440.130. Behavioral health services are provided by licensed social workers, psychologist, and psychiatrist licensed to practice in the State of Hawaii.

1/18/07

Code	modifier	Description	Anticipated Payment(9/02)	2003 payment	2005 payment	* = CPT Definition
97001		PT Eval	46.55	46.55	nc	Therapeutic procedure, one or more areas, each 15 minutes; therapeutic exercises to develop strength and endurance, range of motion and flexibility
97002		PT Reeval	21.90	21.90	nc	
97110		PT Therapy*	17.65	17.65	nc	Therapeutic activities, direct (one-on-one patient contact by the provider (use of dynamic activities to improve functional performance), each 15 minutes
	TM	PTA	17.65	17.65		
97150		Group PT/OT (2 or more patients)	14.78	14.78	14.78	
	TM	PTA, COTA	14.78	14.78	14.78	
97003		OT Eval	46.55	<del>46.55</del> nc	44.99	
97004		OT Reeval	22.27*	20.03	nc	
97530		OT Therapy*	17.38	17.38	nc	Evaluation of speech, language, voice, communication, auditory processing, and/or aural rehabilitation status
	TM	COTA			17.38	
92502		Sp. Eval*	78.41	78.41	nc	Treatment of speech, language, voice, communication, and/or auditory processing disorder (includes aural rehabilitation); individual
92507		Individual Speech Therapy*	92.12*	36.32	nc	Treatment of speech, language, voice, communication, and/or auditory processing disorder (includes aural rehabilitation); group, two or more individuals
	TM	Communication aide			<del>96.92</del> 21.05	
92508		Group Speech Therapy*	54.67*	24.56	nc	
	TM	Communication aide			<del>24.56</del> 11.15	



Comprehensive audiometry  
 evaluation including air and bone  
 pure tone audiometry and  
 speech recognition  
 Limited audiometry

40.56 40.56 40.56  
 20.28 20.28 20.28

90801	Psych Assessment	104.43	104.43	nc
90804	Individual therapy			
	Psychologist-20-30 min	46.62	46.62	nc
	APRN		34.97	
	LSW		34.97	
90805	psychiatrist 20-30 min	52.02	52.02	nc
90806	Psychologist 45-50 minutes	71.40	75	nc
	APRN		56.25	
	LSW		56.25	
90807	Psychiatrist 45-50 minutes	75.61	78	nc

APRN and LSW 75% of psychologist  
 APRN and LSW 75% of psychologist

90847	Family psychotherapy (conjoint psychotherapy) (with patient present)	82.73	82.73	
	APRN		62.05	
	LSW		62.05	

for psychologist/psychiatrist; 75% of rate for  
 APRN and LSW

90853	Group	25.69	25.69	27.2
	APRN			20.4
	LSW			20.4

for psychologist/psychiatrist; 75% of rate for  
 APRN and LSW

(\$50 per hr but code says it must be billed in  
 15 min increments

T1002 RN services, up to 15 min

12.5

T1003 LPN/LVN services up to 15 min

7.5

LEGEND:

nc= no change

new codes/modifiers

TM definition is Individualized ED Program (IEP)

### ATTACHMENT III PROVIDER QUALIFICATIONS

**Physical Therapy, Occupational Therapy, and Speech Language Therapy Services:**  
Therapy services are provided by:

- ◆ A physical therapist (PT) licensed to practice in the state of Hawaii. All physical therapists providing services or supervising the provision of physical therapy services will, at a minimum meet the Federal requirements of 42 C.F.R. §440.110(a)(2);
- ◆ Physical therapy assistant (PTA) with an associate degree in a two-year, American physical therapy association approved, college program for physical therapist and working under the supervision of a licensed and Federally qualified physical therapist;
- ◆ Occupational therapist registered (OTR) who is registered and licensed to practice in the State of Hawaii. Occupational therapist will meet the Federal requirements at 42 C.F.R. §440.110(b)(2);
- ◆ Certified occupational therapy assistant (COTA) who is a graduate of an accredited occupational therapy assistance program recognized by the American Medical Association and American Occupational Therapy Association with an Associate.

Degree of Science in Occupational therapy, successfully completed supervised fieldwork, has certification from the National Board for Certification in Occupational Therapy (NBCOT), and works under the supervision of a licensed and Federally qualified OTR;

- ◆ Speech pathologist Licensed to practice in the State of Hawaii and meets the Federal provider requirements at 42 C.F.R. §440.110(c). Providers or speech language therapy services will meet the Federal provider requirements at 42 C.F.R. §440.110(c)(2);
- ◆ Communication aide to meet the specific needs of an eligible student. Communication aides are paraprofessional equivalents of speech pathologists. The communication aide must have a high school degree and general and special experience recognized by the DOE. All or part of general experience may be substituted for by education in programs of Associate of Science in Teacher's Aid or possession of an Associate of Science degree in Teacher's Aid from an accredited community college or possession of a bachelor's degree in education or equivalent from an accredited college or university or possession of a bachelor's degree in speech pathology as specified by the DOE and working under the supervision of a licensed and Federally qualified speech pathologist that meets the requirements of 42 C.F.R. §440.110. Communication aides do therapy under the supervision of the speech pathologist. They are not hired to do audiology services. They do not teach Braille or sign language. The qualified speech pathologist must see the student initially, prescribe the type of care provided, review the need for continued services throughout treatment, and see the student at least annually. The speech pathologist must assume professional responsibility for the

services provided and ensure that the services are medically necessary. The qualified speech pathologist must spend as much time as necessary directly supervising services to ensure the student is receiving services in a safe and efficient manner in accordance with accepted standards of medical practice. Documentation must be kept supporting the speech pathologist's supervision of services and ongoing involvement in the treatment.

**Assistive Technology Device Therapy:**

Services must be provided by or under the direction of: speech therapist or audiologist licensed to practice in the State of Hawaii who meet the Federal requirements at 42 CFR 440.110(c); physical therapists licensed to practice in the State of Hawaii who meet the Federal provider requirements at 42 C.F.R. 440.110(a); and occupational therapists licensed in the State who meet the Federal requirements of 42 C.F.R. §440.110(b).

**Hearing, Audiology, and Language Services:**

Audiologist or speech pathologist must be licensed to practice in the State of Hawaii and meet the Federal provider requirements at 42 C.F.R. §440.110(c).

**Nursing Services:**

Registered nurse or licensed practical nurse, who are licensed to practice in the State of Hawaii. These services are being provided in accordance with the requirements in 42 C.F.R. § 440.130(d).

**Behavioral Health Services:**

These services are covered in accordance with the requirements in 42 C.F.R § 440.130. Behavioral health services are provided by licensed social workers, psychologist, and psychiatrist licensed to practice in the State of Hawaii.

**ATTACHMENT IV  
ADMINISTRATIVE CLAIMING SERVICES**

Attachment to be completed when DOE begins process to implement administrative claiming.