

QUEST-Net and QUEST-ACE: Phase-Out Plan for Adults Age 19 Years and Older With Gross Monthly Income Exceeding 133% of the Federal Poverty Level

Effective January 1, 2012 (Proposed)

1. Programs Affected by the Phase-Out Plan

The QUEST-Net and QUEST-ACE programs will be affected by this Phase-Out plan. Both programs, components of the QUEST Expanded (QEx) Medicaid Section 1115 demonstration, are the only source of medical assistance coverage in the State for adults 19 years or older who are not categorically needy. Summaries of both programs are outlined below:

- **QUEST-Net:** QUEST-Net, established in April 1996 as a safety-net program, is for people who no longer qualified for another QEx program or Medicaid Fee-For-Service (FFS). Thus, to be eligible and enroll for QUEST-Net, uninsured adults must have been enrolled in another QEx program or Medicaid FFS when their income or assets rise above those programs' eligibility limits. Adults age 19, but less than 21 years old receive EPSDT benefits; adults age 21 and older receive a limited benefits package.

QUEST-ACE (Adult Coverage Expansion): This program, no longer has limitations. It was established in May 2007 initially to provide health care to adults who were unable to enroll in QUEST due to the program's statewide enrollment cap. Currently, any adult who meets the program's eligibility requirements is allowed to participate in QUEST-ACE. Benefits are identical to QUEST-Net.

The Department of Human Services (Department), Med-QUEST Division (MQD), Eligibility Branch (EB), i.e., Eligibility Workers (EW), determine eligibility for the QUEST-Net and QUEST-ACE programs. The EWs determines eligibility for **all** medical assistance programs, including Medicaid, CHIP, and State-funded programs.

Hawaii is not approved through State Plan as an Express Lane state.

2. Affected Adults

Adults age 19 years and older in QUEST-Net or QUEST-ACE who **have been determined ineligible for a Medicaid categorically needy group** (families and children, aged, blind, or disabled individuals, pregnant women, poverty-related/CHIP children under 19 years old, or Medically Needy) are then determined for QUEST-Net or QUEST-ACE eligibility.

Currently, QUEST-Net and QUEST-ACE adults: 1) must not be insured; 2) must not have income exceeding 200% of the Federal Poverty Level (FPL) (300% FPL for a previously approved "grandfathered" group); 3) are subject to an asset test; and 4) are redetermined every 12 months. QUEST-Net or QUEST-ACE adults may be living with a spouse, and/or may be a parent or a caretaker relative of a child who is currently eligible for and receiving Medicaid or CHIP coverage.

While enrolled in the QUEST-Net or QUEST-ACE program, redeterminations are routinely conducted should circumstances change that may affect continued eligibility. They include, but are not limited to income, household composition, health status, or the receipt of mandated Income Eligibility Verification System (IEVS) information. This is received for eligibility under other QEx and Medicaid FFS programs, i.e., coverage under a mandatory or optional eligibility group.

As of November 8, 2011, there were a total 469 and 4,720 adults age 19 and older enrolled in QUEST-Net and QUEST-ACE, respectively, with incomes greater than 133% FPL, for a total of 5,189 individuals who may be impacted.

Program	Income Limits		
	>133% - ≤200%	>200% - ≤300%	Total
QUEST-Net	261	208	469
QUEST-ACE	4,720	0	4,720
Total	4,981	208	5,189

Source: DHS/OIT: Run date 11/08/11.

Prior to implementation of the reduction, MQD shall identify all affected adults age 19 and older, who according to current income information known to the Department, have incomes greater than 133% FPL for a current redetermination of eligibility (see Item #7).

3. QUEST-Net – Enrollment prior to and after 01/01/12 (Proposed)

The State will continue to determine QUEST-Net eligibility for beneficiaries who are disenrolled from QEx or Medicaid FFS prior to January 1, 2012, even if an eligibility determination cannot be completed until after January 1, 2012. Adults who meet all QUEST-Net eligibility requirements for the month(s) prior to January 1, 2012, will be allowed to participate in QUEST-Net up to December 31, 2011, even if the determination cannot be made until after January 1, 2012. Adults who do not meet the eligibility requirements beginning January 1, 2012, will not be allowed to participate in QUEST-Net.

4. QUEST-ACE– Applications submitted prior to and after 01/01/12 (Proposed)

Applications received prior to January 1, 2012, will be processed to determine QUEST-ACE eligibility, even if an eligibility determination cannot be completed until after January 1, 2012. Adults who meet all eligibility requirements for the month(s) prior to January 1, 2012, will be approved for QUEST-ACE up to December 31, 2011, even if the determination cannot be made until after January 1, 2012. Adults who do not meet the eligibility requirements beginning January 1, 2012, will not be approved for QUEST-ACE.

5. Potential Consumer Notices:

All notices will be either automatically generated and sent at the designated time by the Hawaii Automated Welfare Information (HAWI) system, the Department’s eligibility

determination system (Notices #1, #1A, and #2). Formatted HAWI notice must be initiated by the EW and then will be sent by HAWI (Notices #3, and #4). The details of all notices mailed to affected adults will be permanently held and accessible in HAWI.

- Notice #1: In the third week of the third month prior to implementation, MQD will notify all affected adults age 19 years and older of their potential disenrollment from the QUEST-Net or QUEST-ACE program effective on January 1, 2012 (proposed date), because according to current information known to the Department their income exceeds 133% FPL and they do not qualify for other related QEx programs under any other eligibility category or Medicaid FFS. The notice shall contain the family's household size, monthly earned and unearned income, and total countable family income known to the Department on which the proposed termination was based. Should the affected adult age 19 years or older want to retain QUEST-Net or QUEST-ACE coverage, they will be given the opportunity to update their current circumstances and/or information and be redetermined for continued eligibility in QUEST-Net, QUEST-ACE, another QEx programs under any other eligibility category, or Medicaid FFS. In addition, the notice will contain a list of Community Health Centers and information about purchasing private medical insurance coverage.

See Attachment #1

- Notice #1A: When Notice #1 is sent to the affected adults age 19 years or older, Notice #1A will be sent to unaffected adults in QUEST-Net and QUEST-ACE whose income is less than or equal to 133% FPL to inform them of their continued eligibility and coverage as their income is below the new program income limit effective January 1, 2012 (proposed).

See Attachment #1A

- Notice #2: In the third week of the second month prior to implementation, MQD will send a second notice to all affected adults age 19 years and older who have not contacted MQD for a redetermination as instructed in Notice #1. The reminder notice will contain all of the monthly income information contained in Notice #1 and remind the affected adults age 19 years and older to contact MQD for a redetermination of eligibility. This will avert the potential loss of coverage effective January 1, 2012 (proposed) as a result of the new programs' income limits. In addition, the notice will contain the list of Community Health Centers and information about purchasing private medical insurance coverage for the second time.

See Attachment #2

- Notice #3: In the third week of the month prior to implementation, MQD will send a timely (at least 10 days prior to adverse action) and adequate termination notice to all affected adults age 19 years and older who did not respond to both Notices #1 and #2 for a redetermination of eligibility. Similar to Notices #1 and #2, it will clarify the reason they, no longer meet the income eligibility requirements for QUEST-Net and QUEST-

Upon receipt of Notice #3, should the affected adult contact MQD for a redetermination prior to January 1, 2012 (proposed), their eligibility will be continued until the final redetermination is completed. If they are determined eligible for QUEST-Net, QUEST-ACE, or another QEx program, the adult's coverage will continue. If they are determined ineligible for QUEST-Net, QUEST-ACE, another QEx program, or Medicaid FFS, a new timely and adequate termination notice will be issued.

See Attachment #3

Appeal and Hearing rights and other important information is printed on the back of each notice. See attached DHS 1408.

6. Eligibility Redetermination Process Details

- a. Affected adult age 19 years or older contacts the Department in response to any of the above MQD notices for a redetermination of eligibility for continued benefits:
 - i. The affected adult will have the opportunity to update current gross monthly income by providing documentation, or through self-declaration.
 - ii. Dependent on which Notice the adult responds to, any prospective notice is suppressed (e.g., adult contacts MQD in response to Notice #1, Notices #2 and #3 are suppressed.)
 - iii. A redetermination of eligibility will be conducted based on the updated information.
 - iv. If the family's income is less than or equal to 133% FPL for the applicable family size and the affected individual does not qualify for another QEx program under any other eligibility category, the affected adult's eligibility for QUEST-Net or QUEST-ACE will continue. A notice will be sent to confirm continued eligibility.

See Attachment #4

- v. If the family's income is greater than 133% FPL for the applicable family size, and the affected individual does not qualify for another QEx program under any other eligibility category or Medicaid FFS, the affected adult will lose coverage effective January 1, 2012 (proposed). A notice will be sent to confirm termination of coverage for the affected adult effective January 1, 2012 (proposed).

See Attachment #3

- b. Affected adult age 19 years or older does not contact the Department in response to any of the above MQD notices for a redetermination of eligibility for continued benefits:
 - i. Adult is sent Notice #1 and does not respond, Notice #2 is sent.
 - ii. Adult responds to Notice #2 and contacts MQD for a redetermination, refer to Item a. above.
 - iii. Adult does not respond to Notice #2 for a redetermination of eligibility, Notice #3 is sent. Notice #3 informs the affected adult of the prospective termination of eligibility through the QUEST-Net or QUEST-ACE program effective January 1, 2012 (proposed). They no longer meet the income eligibility requirements for QUEST-Net or QUEST-ACE, do not qualify for QEx under any other eligibility category, or Medicaid FFS. The timely and adequate notice also contains information about appeal and hearing rights and right to receive aid paid pending the hearing decision.
 - iv. Adult receives Notice #3 and contacts MQD prior to January 1, 2012 for a redetermination, refer to Item a. above.

7. Hawaii Automated Welfare Information (HAWI) System Changes

The HAWI, an eligibility determination system is being modified to apply the 133% FPL threshold for the QUEST-Net and QUEST-ACE programs.

- When the income threshold exceeds 133% FPL for a family of applicable size and eligibility determinations are made on or after January 1, 2012, for benefit months January 2012 and thereafter, HAWI will prohibit adults age 19 years and older from participation in QUEST-Net and QUEST-ACE.
- When the income threshold exceeds 133% FPL, but is less than or equal to 200% FPL for a family of applicable size and eligibility determinations are being made on or after January 1, 2012, for benefit months December 2011 or earlier, HAWI will allow adults age 19 years and older participation in QUEST-Net and QUEST-ACE.

8. Administrative Appeals

The Department of Human Services, Administrative Appeals Office (AAO) provides administrative due process hearings in contested cases for the Department. The AAO receives approximately 1,300 administrative hearing requests and referrals annually. It issues approximately 750 administrative hearing decisions each year.

When a signed written request for a hearing is received on or before the last day of the month preceding the effective month, no adverse action is implemented until a hearing decision is rendered. If the last day of the month falls on a weekend or holiday, the last day is the first business day following the weekend or holiday.

No adverse action is taken until a hearing decision is rendered unless: 1) the claimant withdraws or abandons the request for hearing; 2) a determination is made at the hearing that the sole issue involved is one of State or Federal law or policy, or change in State or Federal law, and not one of incorrect computation; 3) another change affecting the claimant's eligibility occurs during the hearing process and the claimant fails to request a hearing after notice of the change; or 4) the claimant requests not to receive continued assistance pending a hearing decision.

The process begins when the Department receives a written request for hearing on the Department's form or other document signed by a claimant or authorized representative of the claimant. The authorized representative must have power of attorney, guardianship, a legal document, or written authorization signed by the claimant. All hearing requests are sent to the AAO for processing. The AAO will inform the claimant of any irregularities or missing information.

Aid Paid Pending:

If the hearing request is received no later than the last day of the month of timely adverse notice, or within ten calendar days from the date an adequate notice was mailed, continued benefit issuance pending the hearing decision can be provided. If the tenth day falls on a weekend or holiday, the tenth day shall be the next business day.

Informal Review:

A claimant may request from the EW, unit supervisor, or EB administrator an informal review before or after filing a formal hearing request. The MQD will honor the request, and schedule a review with the claimant (face-to-face or via telephone). During the informal review, the claimant may discuss and present information to proclaim why the proposed action is incorrect. Corrective action is made as necessary. If the informal review resolves the claimant's reason for the hearing, the Department will ask the claimant to rescind the hearing request. If the individual remains dissatisfied after the review is completed and the individual had not filed a request for a hearing, the individual may request a hearing subject to the policies described above.

Group Hearings:

A series of individual requests for a hearing may be consolidated into a single group hearing when the sole issue involved is one of State or Federal law or policy, or changes in State or Federal law. Each individual is permitted to present the individual's own case or be represented by an authorized representative.

Event and Timeline:

Event	Timeline
Hearing Request Received by the MQD	Received by the MQD before or on the 90 th day since adverse notice mailed. (If the 90 th day falls on weekend or holiday, the 90 th day shall be the next business day).
Hearing Request to AAO	Sent two days from the date a request for a hearing is received.
Branch Report to AAO	Sent two weeks from the date a request for a hearing is

(a report from the MQD to the AAO that explains the adverse action taken and reason)

Hearing Date

received.

A date at least 15 days after the mailing of the Notice of Hearing.

Hearing Decision

On or before the 90th day from the date a request for a hearing is received.

Hearing decision not issued by 90th day:

- Agency caused delay – EW is verbally notified on the 91st day then a written confirmation is sent by the AAO within three business days to the claimant and MQD.
- Claimant caused delay – The date is extended only for the period of the delay. Only aid paid pending from the date of request to the 90th day is recovered if the MQD’s action is upheld.
- MQD’s action:
 - Medical coverage denial – Health care is authorized from 91st day.
 - Applicant – Presumptive eligibility from 91st day until a hearing decision is rendered.
 - Recipient – If no aid paid pending and when appropriate, spenddown amount is restored to an amount that existed prior to the hearing request until a decision is rendered.
 - Ineligible for reason independent of hearing issue –MQD will terminate or deny the assistance by providing adequate and timely notice and the reasons for not restoring benefits pending the final hearing decision.
- Compliance of Hearing Decision:
 - MQD’s action is upheld:
 - The proposed adverse action is final and will be implemented.
 - The case is closed and the claimant is sent timely and adequate notice of no longer being eligible for a benefit currently being received.
 - When appropriate, the claimant is sent a notice to recover misspent funds while receiving aid paid pending.
 - The MQD’s action is rescinded:
 - Necessary corrections are made promptly, retroactive to the date the incorrect action was taken, and claimant is notified.
 - The AAO will provide a “Report on Compliance,” form DHS 030, to MQD. All actions taken to comply with the hearing decision must be documented on the report and returned to AAO immediately.
 - Both the claimant and the MQD have the right to appeal the AAO’s decision in a court of law within 30 days from the date the hearing decision is recorded.

9. Education, Public Information, and Outreach Plan

❖ Community Partners

- Providers / Health Plans

- The MQD will distribute information regarding program changes to all contracted health plans.
- Electronic Sortable files will be made available to contracted health plans identifying the adults 19 years or older affected by the proposed income eligibility program changes for whom a redetermination of eligibility may be conducted. Health plans will be requested to notify MQD if any of the individuals is known to be pregnant or has a pending disability determination with MQD. Upon receiving such information from the health plans, MQD will conduct a redetermination of eligibility. For other individuals, the health plans are encouraged to provide referral to other resources available in the community and/or private insurance plans.
- General Public/Community Agencies / Professional Organizations
 - MQD will send mass emails to community agencies and professional associations relevant to healthcare to notify them of the proposed program changes as well as how to access updated program information on the DHS and Hawaii Med-QUEST websites. MQD will arrange for six (6) public information outreach sessions with members of the public, community agencies, and other stakeholders associated with the QUEST population. The sessions will ensure the community is appropriately informed of the proposed program changes and will include the specific program changes proposed, the dates that program changes will go into effect, as well as options and alternatives available to affected members. The locations of the training sessions will be as follows:
 - Two (2) sessions will be held in the City & County of Oahu
 - Two (2) sessions will be held in Hawaii County
 - One (1) session will be held in Maui County
 - One (1) session will be held in Kauai County
- Outstationed Eligibility Workers

MQD maintains a contract with the Hawaii Primary Care Association (HPCA) to employ outstationed eligibility workers (OEWs) to provide education, application support, and other outreach services through federally qualified health care centers (FQHCs). The OEWs will be mobilized to outreach and refer affected adults 19 years or older for services at the nearest FQHCs to their residence. MQD also maintains contracts with area hospitals to employ OEWs for their facility who also perform educational, application support and other outreach services to indigent patients who may be eligible for QUEST. Information about the proposed program changes will be disseminated to these OEWs for the purposes of public education.

❖ Media

- Radio, Television, Newspapers
 - Informational news releases explaining the proposed program changes and effective dates will be disseminated to all local media outlets and to the public

- A Public Notice will be published in the newspaper with highest circulation for each county at least thirty (30) days prior to the effective date of the proposed program changes. The Public Notice will explain the proposed program changes and the dates when changes will take effect.
 - The Public Notice will be translated and published in the four (4) languages most commonly spoken by our Limited English Proficiency community. These languages are:
 - Chinese (Cantonese)
 - Filipino (Ilocano)
 - Korean
 - Vietnamese

- Web:
 - The Hawaii Med-QUEST Website, www.med-quest.us will be updated continually to reflect benefits and eligibility changes at least thirty (30) days prior to the effective date of the changes.
 - The DHS website, www.hawaii.gov/dhs will be similarly updated continually to reflect benefits and eligibility changes at least thirty (30) days prior to the effective dates and will include:
 - A frequently asked questions (FAQ) guide to provide information and answers to frequently asked questions.
 - A PDF version of the FAQ guide that may be printed for posting by healthcare providers, hospitals, and other healthcare-related facilities (e.g., long-term care facilities, nursing homes, public benefits offices, etc.) will also be available on the website. The PDF version of the FAQ will be translated and published in the four (4) languages most commonly spoken by our Limited English Proficiency community. These languages are:
 - Chinese (Cantonese)
 - Filipino (Ilocano)
 - Korean
 - Vietnamese
 - A video recording of the most recent community forum – held May 10, 2011 - addressing proposed program changes.
 - The PowerPoint slide presentations of the community forums held by the Department addressing the proposed program changes.
 - The opportunity for the public to electronically submit comments and questions about the proposed changes. All comments received will be reviewed for incorporation and/or adjustment of the Phase-Out Plan.
 - Public comments will be compiled and published on the DHS website.
 - The comment period will continue up until the proposed effective date of January 1, 2012 (proposed).

10. Reports:

The MQD will submit monthly status reports to CMS that will document the following:

- The date the Phase-Out Plan was posted on the aforementioned websites.
- The number of public comments submitted electronically.
- The dates of publication of the public notices and the names of the periodicals where the notices were published.
- The dates, times, and specific locations of the public information outreach sessions.
- The number of attendees at the public information outreach sessions.
- All changes or modifications made to the proposed program changes and/or their implementation resulting from public comments received.
- The number of beneficiaries who contacted the MQD to report changes for MQD to redetermine eligibility under the QUEST-Net, QUEST-ACE or QEx programs.
- The number of beneficiaries who were transferred to another eligibility category as a result of an eligibility redetermination.
- The number of beneficiaries who maintained QUEST-Net or QUEST-ACE coverage as a result an eligibility redetermination due to changes reported to MQD.
- The number of beneficiaries who request a fair hearing, including outcome and whether benefits were continued.