

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



Children and Adults Health Programs Group

April 18, 2013

Mr. Kenneth Fink
Administrator
Medquest Division
601 Kamokila Blvd, Room 518
P.O. Box 700190
Kapolei, HI 96709-0190

Dear Mr. Fink:

This letter is to inform you that the Centers for Medicare & Medicaid Services (CMS) has reviewed and approved the change to the Certified Public Expenditure (CPE)/ Government-Owned Hospital Uncompensated Care Cost (UCC) Protocol (Attachment D) to Hawaii's section 1115 demonstration entitled, QUEST Expanded Medicaid section 1115 demonstration (project number 11-W-00001/9).

Under Special Term and Condition (STC) 41, the state is authorized to make payments to government-owned hospitals for uncompensated care costs, provided that the payment amount is determined using the methodology in Attachment D. The inpatient and outpatient cost to charge ratios in Attachment D have been revised to better reflect the actual uncompensated care costs of the government-owned hospitals.

Written acceptance of the new STCs is needed for our administrative records within 30 days of the date of this letter. Please send the acceptance letter to your project officer, Ms. Megan Renfrew. Ms. Renfrew's contact information is as follows:

Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
7500 Security Boulevard
Mail Stop: S2-01-16
Baltimore, MD 21244-1850
Telephone: (202) 690-5413
Email: Megan.Renfrew@cms.hhs.gov

Official communications regarding program matters should be sent simultaneously to Ms. Renfrew and to Ms. Gloria Nagle, Associate Regional Administrator for the Division of Medicaid and

Page 2 – Mr. Kenneth Fink

Children's Health in our San Francisco Regional Office. Ms. Nagle's contact information is as follows:

Ms. Gloria Nagle
Associate Regional Administrator
Division of Medicaid and Children Health Operations
90 Seventh Street, Suite 5-300 (5W)
San Francisco, CA 94103 -6706

We look forward to continuing to work with your staff on the administration of this demonstration.

Sincerely,

/s/

Diane T. Gerrits
Director
Division of State Demonstrations and Waivers

Enclosures

Cc: Jennifer Ryan, CMCS
Jessica Schubel, CMCS
Gloria Nagel, ARA, San Francisco Regional Office