



MEMORANDUM

Date: June 7, 2022

From: Marcey Bish, Executive Director *MAB 6/3/22*
Office of Rate Review

To: Sherri Larue, Health Program Manager
Division of Healthcare Services

Subject: Medicaid Payment Rate SFY23 for Licensed Free Standing Birthing Center

Per 7 AAC 145.680, the department will reimburse a facility for a normal vaginal delivery performed at a free-standing birth center licensed under AS 47.32, the lesser of

- (1) billed charges for free-standing birth center services; in this paragraph, "billed charges" includes charges for the birth center use, nursing, other facility support staff, medication, and supplies related to the normal uncomplicated delivery; or
- (2) 75 percent of the weighted average of the Medicaid hospital inpatient rates paid to the general acute care hospitals in Anchorage, Fairbanks, Juneau, Palmer and Soldotna under 7 AAC 145 for a normal vaginal hospital delivery with a one day length of stay designated by a primary diagnosis code of O80 as describe in the *International Classification of Diseases – 10th Revision, Clinical Modification (ICD-10-CM)*, published by the American Medical Association, as amended from time to time, and adopted by reference; this amount is calculated each state fiscal year using the units of services from the most recent 12 month period starting at the beginning of the state fiscal year's fourth quarter and for which timely filing has already passed and the Medicaid hospital inpatient rates for each facility that are in effect at the start of the fourth quarter of the state fiscal year preceding the July 1 effective date.

Our office has calculated the amount related to the 75% statewide average as described in paragraph two above.

In accordance with 7 AAC 145.680, the portion of the payment rate for Medicaid services related to the 75% statewide average is established at \$2,765.73 for the period commencing July 1, 2022, through June 30, 2023.

If you have any questions, please call Trena Rairdon at 907-334-2644.

cc: Jamie Walker, Division Operations Manager, Division of Health Care Services