



## MEMORANDUM

**Date:** June 29, 2026  
**From:** Sheavon Brunelle | Audit Supervisor | Office of Rate Review (ORR)  
**To:** Debra Schlitt | Health Program Manager | Division of Health Care Services (HCS)  
**Subject:** Medicaid Payment Rate SFY27 for Licensed Free Standing Birthing Center

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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 the following 2 options:

- (1) **Billed charges** for free-standing birth center services, including charges for the birth center use, nursing, other facility support staff, medication, and supplies related to the normal uncomplicated delivery.
- (2) **75% 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 – 10<sup>th</sup> 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 service 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 4<sup>th</sup> quarter of the state fiscal year preceding the July 1 effective date.

ORR calculated the lesser amount using the 75% statewide average as described in paragraph two.

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 **\$3,532.06 effective July 1, 2026, - June 30, 2027.**

### Contact information:

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