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## **Table of Contents**

**State/Territory Name: Alaska**

**State Plan Amendment (SPA) #: 16-0005**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Seattle Regional Office  
701 Fifth Avenue, Suite 1600, MS/RX-200  
Seattle, WA 98104



Division of Medicaid & Children's Health Operations

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November 29, 2016

Valerie Davidson, Commissioner  
Department of Health and Social Services  
3601 C Street, Suite 902  
Anchorage, AK 99503-7167

**RE: Alaska State Plan Amendment (SPA) Transmittal Number 16-0005**

Dear Ms. Davidson:

The Centers for Medicare & Medicaid Services (CMS) has completed its review of Alaska State Plan Amendment (SPA) Transmittal Number 16-0005. This SPA adds freestanding birth centers as a new provider type eligible for Medicaid reimbursement.

This SPA is approved effective July 1, 2016.

If there are additional questions, please contact me, or your staff may contact Bill Vehrs at [bill.vehrs@cms.hhs.gov](mailto:bill.vehrs@cms.hhs.gov) or (503) 399-5682.

Sincerely,



Digitally signed by David L. Meacham -S  
DN: c=US, o=U.S. Government, ou=HHS,  
ou=CMS, ou=People,  
0.9.2342.19200300.100.1.1=2000041858,  
cn=David L. Meacham -S  
Date: 2016.12.01 13:58:50 -08'00'

David L. Meacham  
Associate Regional Administrator

cc:  
Jon Sherwood, DHSS

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:  
16-0005

2. STATE  
Alaska

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE  
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
July 1, 2016

5. TYPE OF PLAN MATERIAL (*Check One*):

- NEW STATE PLAN
  AMENDMENT TO BE CONSIDERED AS NEW PLAN
  AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate Transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION:  
Section 2301 of the Affordable Care Act

7. FEDERAL BUDGET IMPACT:  
a. FFY 2016 \$0  
b. FFY 2017 \$0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 3.1A, page 10a  
Attachment 4.19B, page 1.1

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (*If Applicable*):  
Attachment 4.19B, page 1.1

10. SUBJECT OF AMENDMENT:

Adding free standing birth centers as a new provider type eligible for Medicaid reimbursement.

11. GOVERNOR'S REVIEW (*Check One*):

- GOVERNOR'S OFFICE REPORTED NO COMMENT  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:  
Does not wish to comment

12. SIGNATURE:

16. RETURN TO:

Alaska Department of Health and Social Services  
4501 Business Park Blvd., Suite 24, Bldg. L  
Anchorage, Alaska 99503-7167

14. TITLE: Deputy Commissioner,  
Department of Health and Social Services, State of Alaska

15. DATE SUBMITTED: September 26, 2016

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:  
September 27, 2016

18. DATE APPROVED:  
November 29, 2016

**PLAN APPROVED – ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:  
July 1, 2016

20. SIGNATURE OF REGIONAL OFFICIAL:  
*David L. Meacham*

Digitally signed by David L. Meacham -S  
DN: c=US, o=U.S. Government, ou=HHS, ou=CMS,  
ou=People,  
0.9.2342.19200300.100.1.1=2000041858, cn=David  
L. Meacham -S  
Date: 2016.11.14 00:52 -0800

21. TYPED NAME: David L. Meacham

22. TITLE:  
Associate Regional Administrator

23. REMARKS:

26. Licensed or otherwise state-approved freestanding birth centers.

Provided with:  No limitations  
 Limitations

Not Provided:

Please describe any limitations:

N/A

27. Licensed or otherwise state-recognized covered professionals providing services in the freestanding birth center

Provided:  No limitations  
 Limitations

Please describe any limitations:

N/A

Please check all that apply:

- a. Practitioners furnishing mandatory services described in another benefit category and otherwise covered under the State plan (i.e., physicians and certified nurse midwives).
- b. Other licensed practitioners furnishing prenatal, labor and delivery, or postpartum care in a freestanding birth center within the scope of practice under State law whose services are otherwise covered under 42 CFR 440.60 (e.g., lay midwives, certified professional midwives (CPMs), and any other type of licensed midwife).\*
- c. Other health care professionals licensed or otherwise recognized by the State to provide these birth attendant services (e.g., doulas, lactation consultant, etc.).\*

\*For (b) and (c) above, please list and identify below each type of professional who will be providing birth center services: licensed direct-entry midwives.

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Methods and Standards for  
Establishing Payment Rates: Other Types of Care

Community Health Aides Payment for the services of community health aides III and IV or a community health practitioner certified by the state is made at the lesser of billed charges, 85 percent of the Resource Based Relative Value Scale methodology, the provider's lowest charge, or the state maximum allowable for the procedures that do not have an RVU. For EPSDT screening services paid at 100 percent of the Resource Based Relative Value Scale methodology used for physicians. Payment rates are set using the Medicare Physician RBRVS payment rates and Alaska's state-specific conversion factor and inflation adjustments. The Medicare Physician RBRVS payment rates are published in the federal register as described under the Physician reimbursement section of this attachment (4.19B). Alaska's state-specific conversion factor and inflation adjustments are published in the Alaska Administrative Code. Changes to the Medicaid rates will only occur when Medicare updates the RBRVS payment rates each year and the department incorporates those changes with its Alaska-specific conversion factor and inflation adjustments the following July 1.

Dental Services

Payment is made at the lesser of billed charges, the Resource Based Relative Value Scale methodology used for physicians, or the provider's lowest charge. State developed fee schedule rates are the same for both public and private providers. Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers. The fee schedule and its effective dates are published at

<http://manuals.medicaidalaska.com/medicaidalaska/providers/FeeSchedule.asp>

The fee schedule was last updated, to be effective for services on or after 7/1/2015.

Direct Entry Midwife Services

Payment is made at the lesser of billed charges, 85 percent of the Resource Based Relative Value Scale methodology used for physicians, or the provider's lowest charge, State developed fee schedule rates are the same for both public and private providers. Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers. The fee schedule and its effective dates are published at

<http://manuals.medicaidalaska.com/medicaidalaska/providers/FeeSchedule.asp>

The fee schedule was last updated to be effective for services on or after 7/1/2015.

EPSDT Screening Services

Payment is made at the lesser of billed charges, the Resource Based Relative Value Scale methodology for physicians or the provider's lowest charge. State developed fee schedule rates are the same for both public and private providers, Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers. The fee schedule and its effective dates are published at

<http://manuals.medicaidalaska.com/medicaidalaska/providers/FeeSchedule.asp>

The fee schedule was last updated to be effective for services on or after 7/1/2015.

Freestanding Birthing Center Services

Facility rates for freestanding birthing centers are based on 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 with a one day length of stay designated by a primary diagnosis code of 080 as described in the *International Classification of Diseases – 10th Revision, Clinical Modification* (ICD-10-CM, adopted by reference in 7 AAC 160.900; 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.