

**BEFORE THE ALASKA OFFICE OF ADMINISTRATIVE HEARINGS ON REFERRAL
BY THE COMMISSIONER OF HEALTH**

In the Matter of)	
)	
R. Z.)	OAH No. 24-0526-MDX
_____)	

DECISION

I. Introduction

R. Z. challenged Alaska Medicaid including a co-pay when approving payment for a thoracic echocardiogram. A five percent co-pay is required by law, with few exceptions not applicable here. The agency does not have discretion to waive the co-pay, as Ms. Z. requested. Accordingly, the imposition of a co-pay is affirmed.

II. Facts

R. Z. had a thoracic echocardiogram on June 12, 2024.¹ The provider, Providence Alaska Medical Center, submitted a claim for this service to Alaska Medicaid, who approved \$1,042.58 for the procedure with a five percent co-pay for Ms. Z. of \$52.13.² Ms. Z. challenged there being a co-pay, noting that it was because the provider billed the procedure as an outpatient hospital service, which was something outside her control.³

A hearing was held on October 2, 2024.

III. Discussion

The Alaska Medicaid program is required by state statute to impose co-pay requirements on recipients.⁴ An implementing regulation requires a co-pay of five percent of allowable charges for outpatient hospital services.⁵ There are limited exceptions, such as for emergency and adult preventive care services, but none of these exceptions apply to Ms. Z.⁶

Ms. Z.'s provider requested Medicaid coverage for her thoracic echocardiogram as an outpatient hospital service.⁷ At the hearing, an agency representative stated that this designation was correct and that the provider should have designated other services Ms. Z. received that day

¹ Ex. D; Carrie Silvers testimony.

² Ex. D.

³ Ex. C at 2.

⁴ AS 47.07.042 (the state Medicaid program "shall impose deductible, coinsurance, and copayment requirements on persons eligible for assistance").

⁵ 7 AAC 105.610(a)(2).

⁶ 7 AAC 105.610(b).

⁷ Ex. D.

as outpatient services as well. Regardless, it was the provider who submitted Ms. Z.'s echocardiogram as an outpatient hospital service. Alaska Medicaid thus processed it as an outpatient hospital service and included the five percent co-pay required by law.

In her hearing request, Ms. Z. stated that she would seek services in the future from providers who do not provide outpatient hospital services and thus requested the co-pay for this service be waived. How Ms. Z. might seek services in the future does not change the fact that this service was provided as an outpatient hospital service. As such, the agency must include a co-pay. There are limited exceptions to the services subject to a co-pay and Ms. Z. does not fall within any of those exceptions. The agency does not have discretion to waive a co-pay, as Ms. Z. has requested.

IV. Conclusion

Ms. Z.'s provider sought Medicaid coverage for an outpatient hospital service. The agency is required by law to impose a five percent co-pay for outpatient hospital services. There are a handful of exceptions, but none of them apply to Ms. Z., and the agency does not have discretion to waive the co-pay. Accordingly, the agency's imposition of a co-pay here is affirmed.

Dated: October 3, 2024

By: Signed
Signature
Kristin S. Knudsen
Name
Administrative Law Judge
Title

[This document has been modified to conform to the technical standards for publication. Names may have been changed to protect privacy.]

Adoption

The undersigned, by delegation from the Commissioner of Health, adopts this Decision, under the authority of AS 44.64.060(e)(1), as the final administrative determination in this matter.

Judicial review of this decision may be obtained by filing an appeal in the Alaska Superior Court in accordance with Alaska R. App. P. 602(a)(2) within 30 days after the date of this decision.

DATED this 17th day of October, 2024.

By: Signed
Signature
Kristin S. Knudsen
Name
Administrative Law Judge
Title

[This document has been modified to conform to the technical standards for publication. Names may have been changed to protect privacy.]