



THE STATE  
of **ALASKA**  
GOVERNOR MICHAEL J. DUNLEAVY

**Department of  
Health and Social Services**

DIVISION OF HEALTH CARE SERVICES  
Director's Office

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May 28, 2019

Dear Medicaid Provider,

As the Department of Health and Social Services approaches the end of the state fiscal year, again we are challenged by a budget shortfall. In order to manage this projected deficit between the authorized budget for the current fiscal year ending June 30, 2019 and claims received from enrolled providers, the department has modified the weekly provider payment schedule.

Over the final three weeks of the fiscal year, the department will delay issuance of payments for some claims to 30 days as allowed under federal regulations ([42 C.F.R. 447.45](#)) which require payment of 90 percent of claims within 30 days of receipt and 99 percent of claims within 90 days of receipt.

Providers whose claims are delayed will see affected claims on the weekly remittance advice (RA) with the status of "O", and "Budget Funded". Because billed charges and Medicaid reimbursement amounts often differ, the total of all "O" delayed claims may not equal the cumulative total shown on the summary page.

Please continue to submit claims to expedite payment once payments resume in full. All claims will continue to be processed under standard adjudication rules. Additional information is available at <http://manuals.medicidalaska.com/docs/updates.htm> (see "Budget-Delayed Medicaid Payments FAQs").

I will keep you informed of our progress through additional remittance advice messages. In the interim, please forward any comments, suggestions, or questions you may have to Susan Dunkin at [susan.dunkin@alaska.gov](mailto:susan.dunkin@alaska.gov). Thank you for the services you continue to provide to Alaska's most vulnerable residents, and for your patience and cooperation as we work together to navigate Alaska's fiscal challenges.

Sincerely,

A handwritten signature in blue ink that reads "Renee Gayhart".

Renee Gayhart  
Director