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Remittance Advice (RA) Message

Title: **Clarification Regarding Percentage Compensation Agreements with Billing Agents**

Issue Date: 06/03/2019

Run Length: 6 weeks

Provider Type(s): All

Message: The Department offers the following clarification regarding the prohibition of percentage based reimbursement agreements between providers and billing agents under 7 AAC 145.010(b): If a provider uses a billing agent, either the billing agent or the provider can receive payment. However, if payment is made to the provider, that does not remove the requirement that reimbursement to the billing agency cannot be based upon, or related on a percentage or other basis to the amount to be billed or collected. The prohibition against payment in a percentage or other basis strictly prohibited regardless of who the Department pays.