ALASKA DEPARTMENT OF LABOR
& WORKFORCE DEVELOPMENT

Workers' Compensation Medical Services Review Committee

Medical Services Review Committee Members

Charles Collins, Chair
Alan Swenson, MD
Mason McCloskey, DC
Mary Ann Foland, MD
Jeff Gilbert
Misty Steed
Seanne Popp
Valerie Mittelstead
Kimberley Dean

Proposed Schedule for 2027

The Medical Services Review Committee (MSRC) meeting dates for 2027 are as follows:

The committee will begin the year with an in-person meeting on **June 4 at 9:00 a.m.** at the Eagle Street building. Additional meetings will be held virtually via Zoom on **June 25**, **July 16, and August 6 at 9:00 a.m.**

All meetings, including the June 4 meeting, will also be accessible via Zoom. A quorum is required for each meeting. Public comment will be accepted at each meeting and will be summarized in the official minutes.

A joint **AWCB/MSRC** meeting will be held **in person on August 20, 2027,** at the Eagle Street location. The Committee's recommendations will be presented during this meeting.

Meeting Location:
Department of Labor and Workforce Development
3301 Eagle Street, Suite 208
Anchorage, AK 99503

Medical Services Committee Authority and Composition

Alaska Statute 23.30.095(j)

The commissioner shall appoint a medical services review committee to assist and advise the department and the board in matters involving the appropriateness, necessity, and cost of medical and related services provided under this chapter. The medical services review committee shall consist of nine members to be appointed by the commissioner as follows:

(1) one member who is a member of the Alaska State Medical Association;

(2) one member who is a member of the Alaska Chiropractic Society;

(3) one member who is a member of the Alaska State Hospital and Nursing Home Association;

(4) one member who is a health care provider, as defined in AS 09.55.560;

(5) four public members who are not within the definition of "health care provider" in AS 09.55.560; and

(6) one member who is the designee of the commissioner and who shall serve as chair.

Charles Collins, Director of the Division of Workers' Compensation, serves as the commissioner's designee and chair.

Dr. Alan Swenson, an orthopedic surgeon with Orthopedic Physicians Alaska, represents the Alaska State Medical Association.

Dr. Mason McCloskey represents the Alaska Chiropractic Society. Dr. McCloskey has been a member of the MSRC since 2021.

Jeff Gilbert is the CFO of St. Elias Specialty Hospital, affiliated with the Providence Hospital System, and represents the Alaska State Hospital and Nursing Home Association.

Dr. Mary Ann Foland, a general practitioner with Primary Care Associates, holds the health care seat. Dr. Foland has served on the MSRC since inception in 2014.

Misty Steed serves as a public member. She joined the MSRC in 2017 and is affiliated with PACBLU as a bill reviewer.

Kimberley Dean, a claims manager with Alaska Public Risk Alliance and joined the MSRC as a public member in 2026. This risk pool entity is new but made up of very established programs that have recently merged, Alaska Public Entity Insurance and Alaska Municipal League Joint Insurance Association.

Seanne Popp, a Senior Claims Adjuster for Northern Adjusters, Inc., serves as a public member.

Valerie Mittelstead joined the MSRC in 2022 and serves as a public member. She is a retired medical billing professional and union member.

Fee Schedule Issues Considered

During its 2026 review of the Alaska Workers' Compensation Medical Fee Schedule, the Committee considered the following questions and concerns raised by Fee Schedule users:

- Which DMEPOS items should qualify for rental when CMS has not assigned an RR designation?
- Should Alaska regulate reimbursement discounts between providers and payors when negotiated contract prices fall within the Fee Schedule limits?
- Does physician dispensing of drugs require further regulation?
- Which CMS file or application should be used to establish annual reimbursement rates, and should those rates change when CMS files are updated quarterly?
- The Fee Schedule directs Maximum Allowable Reimbursement, MAR, to be limited to 85 percent for services provided by "other providers". A question about who other providers consist of.
- The Fee Schedule limits reimbursement to 85 percent of the maximum allowable reimbursement (MAR) for services provided by 'other providers.' Which providers fall within that category?

- Should the Fee Schedule be reorganized to make its requirements easier to locate, including the multiple procedure payment reduction (MPPR) provisions in the Medicine section?
- Should repackaged drugs be billed using the original NDC or the NDC assigned to the repackaged drug?
- How should topical and compounded drugs be reimbursed? Should reimbursement be capped?
- Remote Therapeutic Monitoring technology is becoming more prevalent. Should these services be assigned reimbursement rates?
- Audiology codes changed substantially this year. How should those changes be incorporated into the 2027 Fee Schedule?

Synopsis of MSRC Work

The committee devoted substantial time to addressing known concerns raised by Medical Fee Schedule users and aligning updates with CMS changes planned for 2026 and 2027.

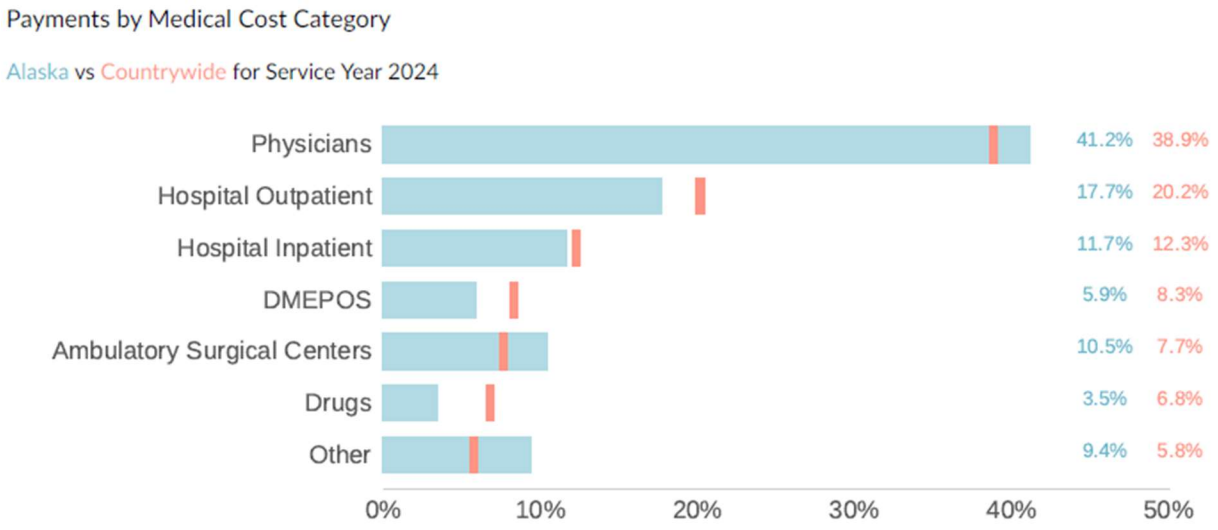
RefMed, the Division's contractor based in Lakeland, Florida, completed a comprehensive section-by-section assessment identifying concerns and proposed revisions. The resulting Fee Schedule provides improved guidance intended to support accurate and timely reimbursement. Several ambiguous references and payment procedures were clarified to reduce billing errors.

The review concentrated on previously identified issues involving repackaged drugs, physician dispensing, topical drugs, and audiology code revisions. The Medicine section was systematically edited and reorganized to improve usability. Standardized language was applied across sections, most notably for the multiple procedure payment reduction (MPPR), to promote consistency. In addition, all GPCI and RVU values were updated and validated, typographical errors were corrected, and applicable dates were updated.

The detailed change log and the Committee's careful review, particularly its focus on usability, were essential to the process. The draft presented to the AWCB incorporates revisions and reflects the Committee's active discussion throughout the review. I want to thank the MSRC members for their sustained hard work, as well as our partners at RefMed for accommodating late-stage revisions. This was one of the most energized and productive review cycles we have had in many years, and I commend them for their efforts.

NCCI Cost Comparisons

This information is provided annually from National Council on Compensation Insurance, NCCI, as a resource to monitor aggregated medical data reported by market insurance companies in the states NCCI represents. This data does not include self-insured entities, such as the State of Alaska, in those markets.



The payment distribution by cost category in Alaska is generally consistent with national trends. Physician costs in Alaska are modestly higher than the countrywide average, which is expected given the state's rural geography and the unique challenges associated with delivering healthcare across dispersed populations. Ambulatory Surgery Centers (ASCs) in Alaska have continued to demonstrate strong performance and provide cost-effective, high-quality services for the workers' compensation system.

Physician Payments as a Percentage of Medicare

Service Year 2024

Physician Service Category	Alaska	Countrywide
Anesthesia	298%	316%
Evaluation and Management	189%	148%
Physical and General Medicine	167%	142%
Surgery	275%	258%
Radiology	322%	236%
All Physician Services	**205%**	**169%**

Top Procedure Codes by Taxonomy from NCCI Data 2024

Here are the **top-used procedure codes for each provider taxonomy**, based on the highest number of **transactions** in the NCCI dataset. (Analysis performed programmatically.)

Acupuncturist	**97140**	**47**
Anesthesiology	**97140**	**5**
Chiropractor	**97140**	**1718**
Clinic/Center	**97110**	**1544**
Clinical Exercise Physiologist	**97140**	**21**
Durable Medical Equipment & Medical Supplies	**97760**	**11**
Family Medicine	**97140**	**65**
General Practice	**97530**	**558**
Health Maintenance Organization	**97140**	**9**
Internal Medicine	**97110**	**35**
Massage Therapist	**97140**	**359**
Military Health Care Provider	**97112**	**7**
Neuromusculoskeletal Medicine & OMM	**97597**	**23**
Nurse Practitioner	**97140**	**6**
Occupational Therapist	**97530**	**995**
Occupational Therapy Assistant	**97530**	**210**
Orthopedic Surgery	**97110**	**3197**
Physical Medicine & Rehabilitation	**97110**	**45**
Physical Therapist	**97110**	**11383**
Physical Therapy Assistant	**97112**	**6**
Physician Assistant	**97140**	**18**
Prosthetic/Orthotic Supplier	**97799**	**1**
Psychiatry & Neurology	**97130**	**6**
Registered Nurse	**97067**	**2**
Single Specialty	**97140**	**31**
Social Worker	**97110**	**21**
Specialist	**97530**	**31**
Student in an Organized Health Care Education/Training Program	**97530**	**4**
(blank)	**97140**	**446**

Top Medicine Codes by usage 2026 SY 2024				Alaska Conversion Factor
Codes 90281-99199				$80.00
CPT Code	Total Payments	Total Transactions	Cost Each	Description
97110	$ 2,021,963.98	18,246	$ 110.82	Therapeutic treatment to develop strength and range of motion.
97140	$ 1,367,853.36	13,519	$ 101.18	Manual therapy techniques
97530	$ 1,687,472.13	12,643	$ 133.47	Therapeutic activities functional improvement
97112	$ 1,003,819.70	9,452	$ 106.20	Therapeutic procedure reeducation of movement
99199	$ 755,979.37	5,975	$ 126.52	Unlisted / Miscellaneous
98941	$ 255,396.25	2,847	$ 89.71	Chiropractic manipulative treatment Spinal 3-4 regions
97014	$ 35,689.45	1,063	$ 33.57	Electrical Stimulation
98943	$ 68,227.70	1,060	$ 64.37	Chiropractic manipulative treatment extraspinal region
97035	$ 33,152.55	986	$ 33.62	Ultrasound Therapy
97545	$ 211,548.71	976	$ 216.75	2-hour session work hardening program

Durable Medical Equipment

As the medical industry evolves with new technology and methodology it has been a challenge to keep pace with proper reimbursement. The main issue faced by regulators is the frequent use of catch all or miscellaneous codes which have no relative value and can become quite controversial on the pricing. Language in the Alaskan Fee Schedule has been strengthened to control the costs by requiring a manufacturer's invoice for the product in question when an unvalued code is applied for reimbursement. Below is an excerpt from Workers' Compensation Research Institute on the issue and following that is a table with the most common HCPCS codes, (used for DME and other non-physician services), in Alaska.

The most common DME code without fee schedule rates, E1399, contributed to the growth in frequency and payments for DME outside fee schedule coverage. In nearly 80 percent of jurisdictions with fee schedules, E1399 represented a bigger share of DME services without assigned fee schedule rates in 2025 compared with 2019 (Table 9). In two-thirds of jurisdictions with fee schedules, E1399 accounted for a larger share of DME payments in 2025 than in 2019 (Table 8). In the median state, the frequency and payment shares for E1399 increased 9 percentage points and 8 percentage points, respectively, from 2019 to 2025 (Figure 2).

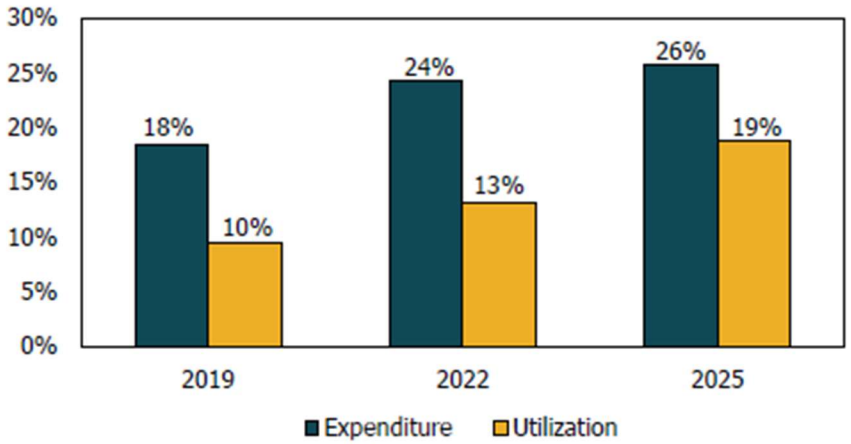


Figure 2 Expenditure and Utilization Shares for Most Common DME Code (E1399) without Established Fee Schedule Rates for Median State over Time

Notes: Services in calendar year 2019, 2022, and 2025 (January through June).
Code E1399 is for durable medical equipment, miscellaneous.

Top HCPCS Codes by Usage 2026 SY 2024				
HCPCS Codes Level II A0000 - V9999				
HCPCS Multiplier 32.3465, Drug ASP 3.375, DME 1.66				
HCPCS Code	**Total Payments**	**Total Transactions**	**Cost Each**	**Description**
G0283	$ 45,702.64	1067	$ 42.83	Electric Stimulation other than wound care
S9122	$ 405,386.68	732	$ 553.81	in home Health Aide hourly
A0425	$ 48,199.36	365	$ 132.05	Ambulance Ground Mileage
E1399	$ 223,019.50	287	$ 777.07	DME Misc.
S9124	$ 259,219.93	263	$ 985.63	in home Nursing care hourly
T1013	$ 28,001.28	222	$ 126.13	sign language or oral interpretive services
T2021	$ 52,211.89	207	$ 252.23	community-based day habilitation services
S9123	$ 208,260.20	196	$ 1,062.55	in home Nursing care (RN) hourly
E0114	$ 13,254.20	189	$ 70.13	Crutch underarm non-wood

Work Document
Joint AWCB / MSRC meeting
August 28, 2026