

Alaska Workers' Compensation Division
Medical Services Review Committee
Meeting Minutes
August 7, 2026

I. CALL TO ORDER

Director Charles Collins called the meeting to order at 9:00 a.m. in Juneau, Alaska. Participation was available via Zoom videoconference.

II. ROLL CALL

The following members were present, constituting a quorum:

Dr. Alan Swenson	Dr. Mason McCloskey	Dr. Mary Ann Foland	
Seanne Popp	Kimberley Dean	Jeff Gilbert	Valerie Mittelstead

Member Misty Steed was excused and Member Swenson arrived after roll call.

III. APPROVAL OF AGENDA

Member Foland moved to approve the agenda; Member McCloskey seconded. The motion passed unanimously.

IV. APPROVAL OF July 17, 2026 MEETING MINUTES

Member Foland moved to approve the July 17, 2026 minutes; Member McCloskey seconded. The motion passed unanimously.

V. FEE SCHEDULE DEVELOPMENT DISCUSSION

Pharmacy, Physician Dispensing, and Compounded Medications

Ms. Tedford reviewed revisions to the pharmacy and physician-dispensing provisions, including recommendations received from pharmacy reviewers. The Committee discussed over-the-counter medications that are directed by a physician and dispensed or billed by a pharmacy. Members agreed that medically necessary over-the-counter medications may appropriately be covered, but reimbursement should not include unnecessary additional costs solely because the product is dispensed through a pharmacy.

The Committee agreed to clarify reimbursement using the lowest-cost applicable methodology and that over-the-counter medications would not receive an additional pharmacy dispensing fee. The Committee also supported language requiring identification of the dispensing physician when a third party bills for physician-dispensed medications and additional clarification of reimbursement limits for topical and compounded medications.

The Committee also addressed pharmacy compounding fees. Members agreed that a separate compounding fee is reasonable because preparing an individualized compound requires additional professional expertise and handling beyond ordinary dispensing. The Committee agreed to allow one compounding fee per prescription: \$10 for compounds containing three or fewer ingredients and \$20 for compounds containing more than three ingredients. The fee would apply only when the medication is compounded for the individual prescription and not to manufacturer-compounded, prepackaged products.

Ms. Tedford will incorporate the revisions into the pharmacy and physician-dispensing provisions for final Committee review.

Hearing Aids and Audiology Services

Ms. Tedford reviewed revised hearing aid provisions clarifying reimbursement when hearing aids are obtained from a source other than the treating audiologist. The proposed language provides that hearing tests, evaluations, fittings, programming, adjustments, and other medically necessary audiology services may be separately reimbursed when the audiologist does not both procure and dispense the hearing aids.

The Committee confirmed its previous direction to reduce the allowance associated with hearing aid procurement from 30 percent to 20 percent. Members noted that the revised schedule separately recognizes additional audiology services that were previously bundled, supporting the lower percentage allowance.

Fee Schedule Organization and Remote Therapeutic Monitoring

Ms. Tedford reviewed organizational changes developed from the Committee's prior discussions. Multiple-procedure payment reduction provisions were moved from their prior location under modifier 51 into the substantive sections where the rules apply, including Radiology and Physical Medicine. Brief references will remain under modifier 51, while the detailed instructions will appear in the applicable sections so the requirements are easier for providers and payers to locate.

Ms. Tedford also reviewed the new Remote Therapeutic Monitoring provisions. The information previously considered by the Committee was reformatted to fit within the existing Medical Fee Schedule and present the billing and reimbursement requirements in a clearer, step-by-step format.

The Committee supported the revised organization and asked members to complete a final review for clarity before the draft is finalized.

Durable Medical Equipment

Ms. Tedford reviewed revisions to the Durable Medical Equipment (DME) provisions intended to clarify reimbursement and address areas that have resulted in inconsistent billing or payment.

The revisions clarify that reimbursement for purchased or rented DME is not calculated at 85 percent of billed charges and identify when an original manufacturer or supplier invoice is required for items without an established fee schedule value.

The draft also provides that cumulative rental payments may not exceed the purchase price of the equipment. Additional language distinguishes reusable rental equipment from batteries, disposable supplies, and other expendable items that are not appropriately treated as rentals.

The Committee generally supported the revisions and agreed to conduct an additional review of the section before finalization.

Pending CMS Changes

The Committee discussed a proposed 2027 outpatient status indicator that had not yet been finalized by CMS. Members considered whether the proposed indicator should be omitted until finalized or included in anticipation of the CMS change.

The Committee agreed to retain the indicator in the draft with a notation that its application is contingent upon final CMS approval. This approach is intended to avoid uncertainty if the proposal is adopted while making clear that the provision will not apply if CMS does not finalize the change.

Director Collins noted that if significant CMS changes occur after Alaska's fee schedule is adopted, the Division may issue a bulletin providing reimbursement guidance when necessary.

Break 10:10 a.m. – 10:15 a.m.

VI. PUBLIC COMMENT PERIOD 10:15 AM - 11:15 AM

Adam Fowler, Director of Regulatory Affairs for MyMatrixx

- Provided clarification regarding compounded medications, recommending that the fee schedule expressly state that only one compounding fee may be reimbursed per compounded prescription. The Committee incorporated the clarification into its direction for the revised pharmacy language.

VII. ADJOURNMENT

Director Collins advised that Ms. Tedford will incorporate the revisions discussed during the meeting and circulate an updated draft. Committee members were assigned specific portions of the fee schedule for focused review to identify any remaining substantive or technical corrections.

The next meeting is scheduled for August 28, 2026, at 9:00 a.m. in Anchorage and by Zoom. The meeting will be held jointly with the Alaska Workers' Compensation Board for consideration of the proposed 2027 Medical Fee Schedule and related regulation changes.

Member Foland moved to adjourn; Member Dean seconded. The motion passed unanimously.

Adjourn 11:19 a.m.

**Alaska Workers' Compensation Division
Medical Services Review Committee
Addendum to August 7, 2026 Meeting Minutes**

While reviewing minutes from prior MSRC meetings, Member Steed identified a discrepancy concerning the Committee's prior decision regarding reimbursement for hearing aid procurement. The Committee had previously agreed to allow reimbursement at 30 percent above the manufacturer's invoice; however, the draft approved at the August 7, 2026, meeting reflected a 20 percent allowance.

On August 13, 2026, the Chair conducted an email poll of all Committee members to confirm the Committee's prior decision. A majority of the members confirmed that the Committee's prior decision was to allow reimbursement at 30 percent above the manufacturer's invoice.