

State of Alaska Department of Health

FY2027 Budget Overview
House Health & Social Services
Finance Subcommittee

Heidi Hedberg, Commissioner
Emily Ricci, Deputy Commissioner
Pam Halloran, Assistant Commissioner



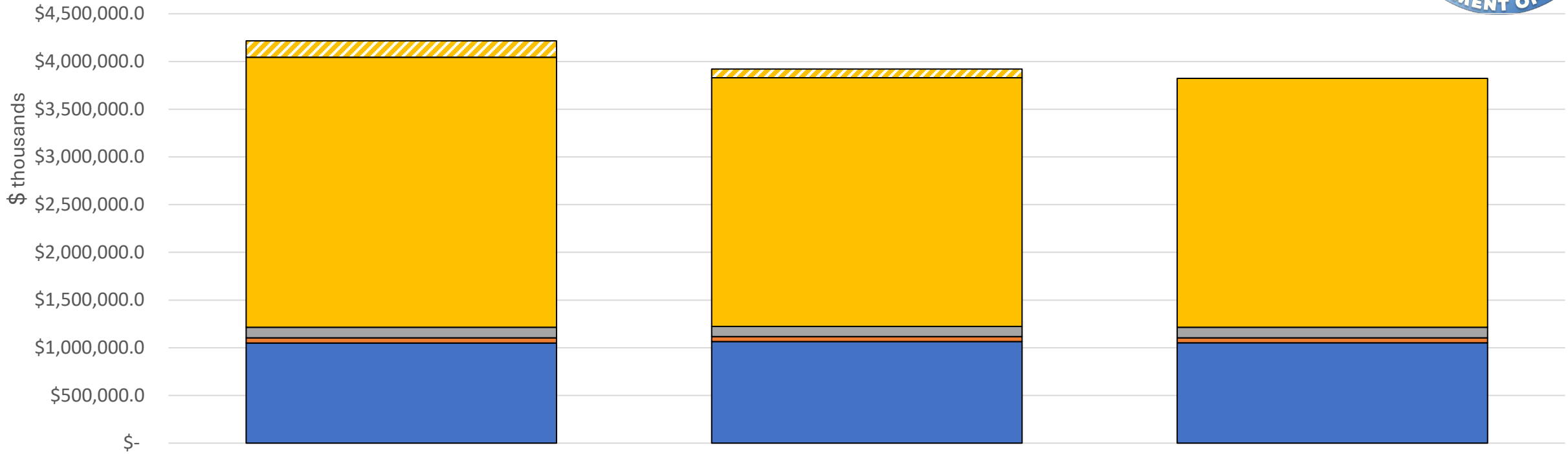
Tuesday, January 27, 2026

Department of Health



Operating Budget (FY2025-FY2027)

Dollars in thousands



	FY2025 Final Authorized	FY2026 Management Plan	FY2027 Governor
UGF	\$ 1,049,747.1	\$ 1,065,526.8	\$ 1,052,446.8
DGF	\$ 54,815.7	\$ 50,330.6	\$ 50,632.9
Other	\$ 110,803.3	\$ 108,286.6	\$ 110,410.4
Federal	\$ 2,829,008.8	\$ 2,604,938.8	\$ 2,609,515.5
Federal (COVID-19)	\$ 170,943.7	\$ 92,578.9	\$ -
Total	\$ 4,215,318.6	\$ 3,921,661.7	\$ 3,823,005.6

Medicaid Services



Mission: To provide health coverage to Alaskans in need

Medicaid Services

- Medicaid is joint federal formula grant program
- Health coverage for more than 1 in 4 Alaskans
- Over \$3B for over 10 million claims
- \$59M in average weekly claims payment
- Enrollees as of December 2025: 210,870
- Blended federal medical assistance percentage (FMAP): 76%

FY2027 Budget Changes

- FMAP decrease by -0.73% to 51.37%
- Language: appropriation of federal receipts received during FY 2027
- Reverse one-time funding to support behavioral health services (\$10,000.0)
- Reverse multi-year appropriation (FY24-FY26) for modernizing assessments for home & community-based service waivers (interRAI)

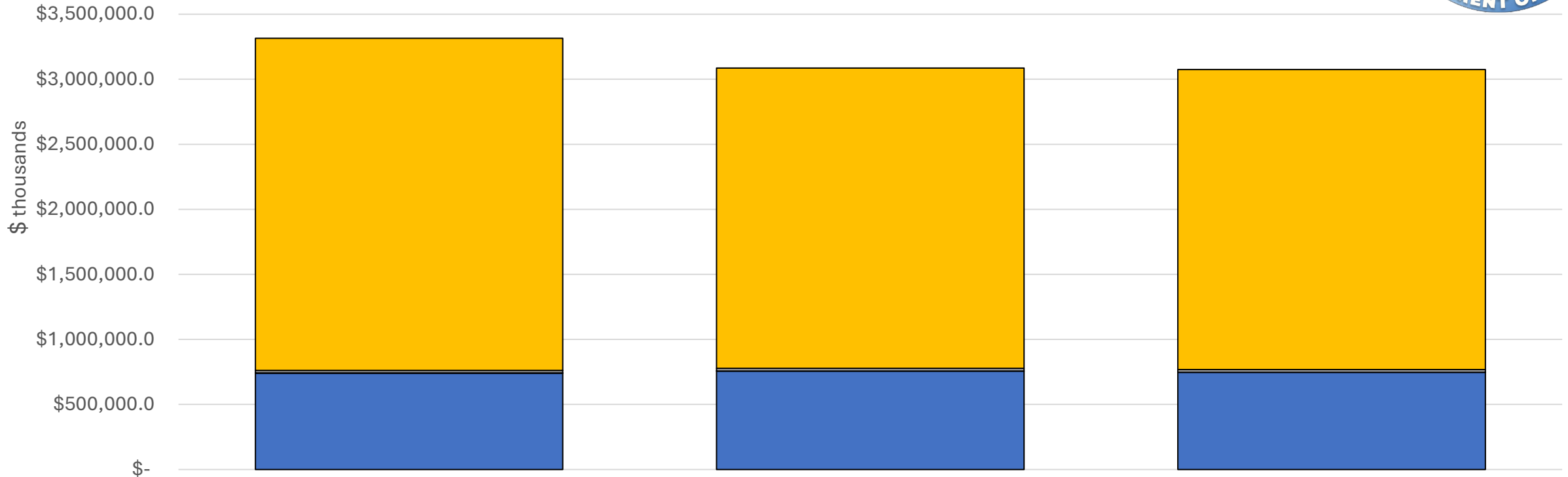
Note: Medicaid projections will be updated and submitted to the legislature by February 17, 2026

Medicaid Services



Operating Budget (FY2025-FY2027)

Dollars in thousands



	FY2025 Final Authorized	FY2026 Management Plan	FY2027 Governor
UGF	\$ 741,507.9	\$ 756,855.9	\$ 746,628.6
DGF	\$ 429.8	\$ 429.8	\$ 429.8
Other	\$ 20,714.1	\$ 20,714.1	\$ 20,714.1
Federal	\$ 2,552,394.4	\$ 2,308,634.0	\$ 2,306,588.0
Federal (COVID-19)	\$ -	\$ -	\$ -
Total	\$ 3,315,046.2	\$ 3,086,633.8	\$ 3,074,360.5

Health Care Services | 133 perm full time



Mission: To provide health coverage to Alaskans in need

Budget Updates

- Federal funding shift for health facility inspections
- Align authority to current expenditures for inspections of long-term care facilities

FY2027 Budget Changes

- Conditional language to carry forward general fund program receipts for biennial license fees issued under AS 47.32.050
- FY2027 AlaskaCare rate adjustment & salary adjustments

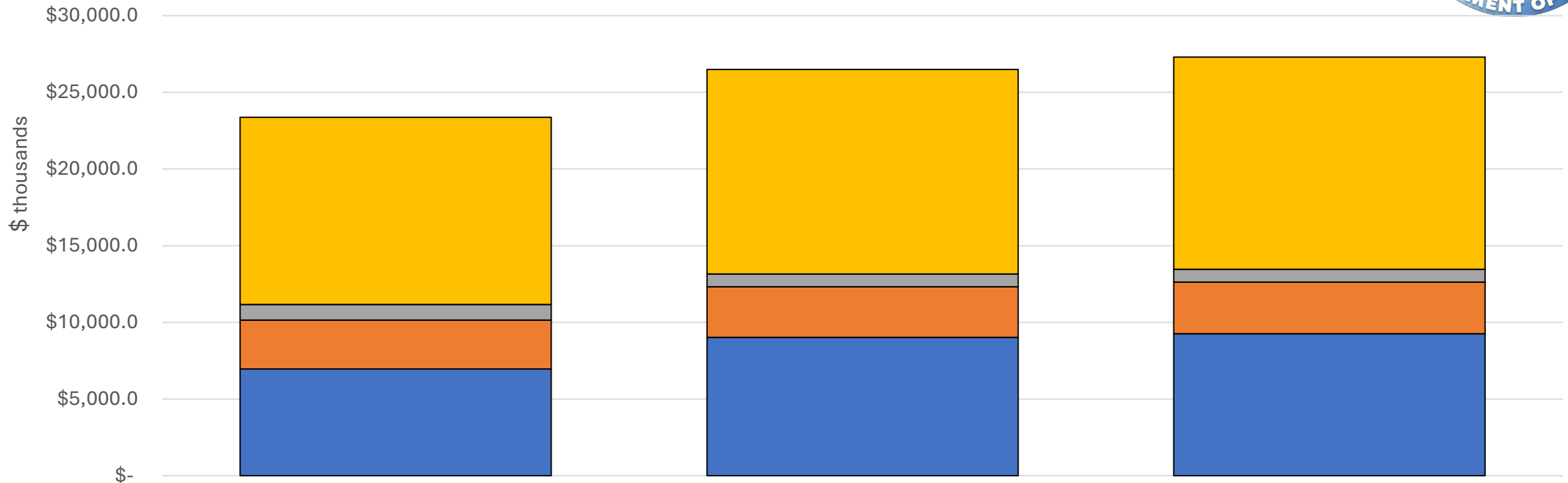


Health Care Services



Operating Budget (FY2025-FY2027)

Dollars in thousands



	FY2025 Final Authorized	FY2026 Management Plan	FY2027 Governor
UGF	\$ 6,964.1	\$ 9,019.0	\$ 9,260.8
DGF	\$ 3,183.8	\$ 3,305.0	\$ 3,364.9
Other	\$ 1,013.6	\$ 837.8	\$ 840.9
Federal	\$ 12,216.3	\$ 13,326.8	\$ 13,834.5
Federal (COVID-19)	\$ -	\$ -	\$ -
Total	\$ 23,377.8	\$ 26,488.6	\$ 27,301.1



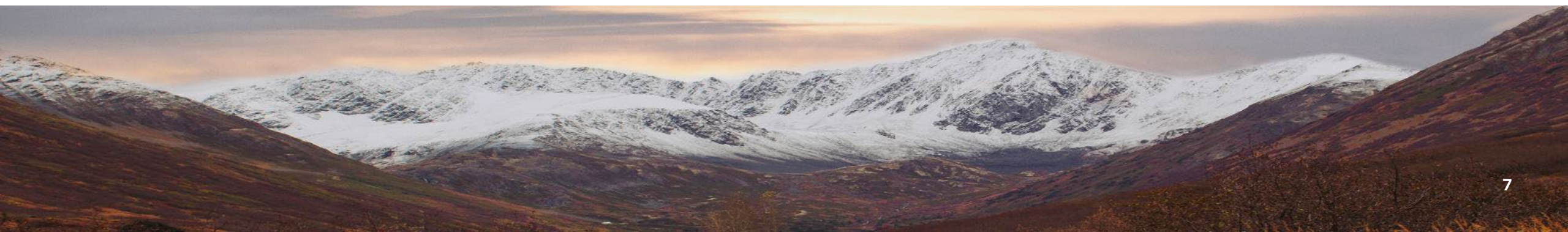
Mission: To promote an integrated and comprehensive behavioral health system based on sound policy, effective practices and open partnerships

Budget Updates

- Crisis call center
- Reduce designated general funds based on Department of Revenue projections
- Increase federal receipt authority

FY2027 Budget Changes

- Transfer grants to department of family and community services for residential care for children and youth program
- Increase federal receipt authority to crisis call center
- Fund change to align with statutory distribution of restorative justice account

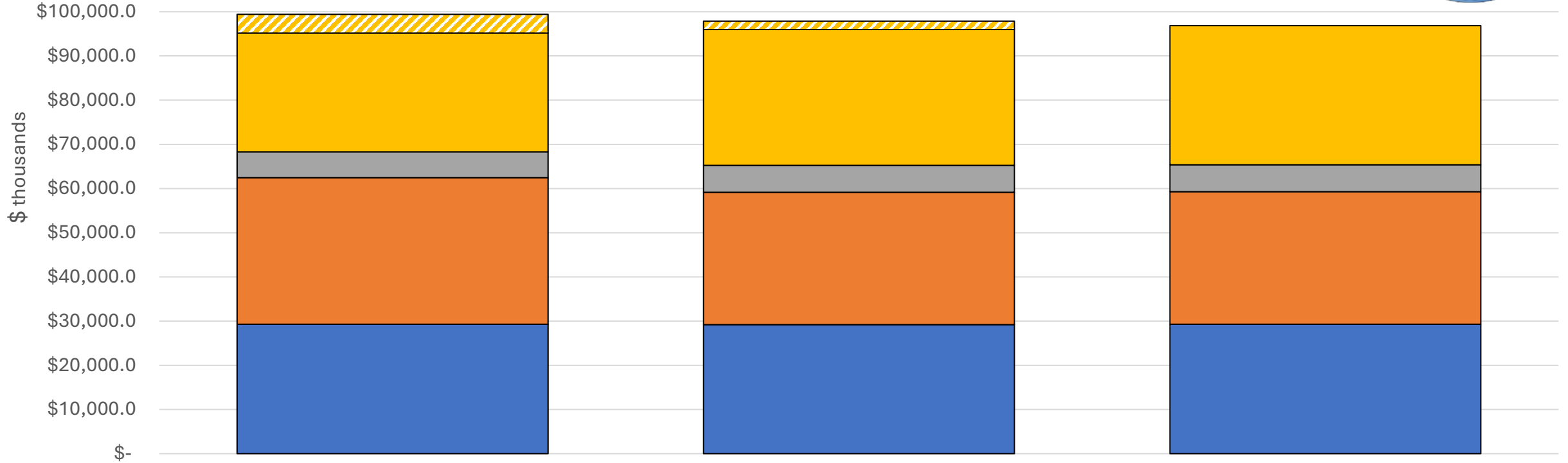


Behavioral Health



Operating Budget (FY2025-FY2027)

Dollars in thousands



	FY2025 Final Authorized	FY2026 Management Plan	FY2027 Governor
UGF	\$ 29,299.7	\$ 29,176.6	\$ 29,281.6
DGF	\$ 33,145.4	\$ 29,963.1	\$ 29,987.0
Other	\$ 5,862.8	\$ 6,082.8	\$ 6,121.2
Federal	\$ 26,880.5	\$ 30,741.4	\$ 31,465.7
Federal (COVID-19)	\$ 4,219.0	\$ 1,908.2	\$ -
Total	\$ 99,407.4	\$ 97,872.1	\$ 96,855.5

Senior & Disabilities Services | 184 perm full time



Mission: To promote health, well-being, and safety for individuals with disabilities, seniors, and vulnerable adults by facilitating access to quality services and supports that foster independence, personal choice and dignity

Budget Updates

- Increase funding to support and stabilize senior centers
- InterRAI implementation

FY2027 Budget Changes

- MH Trust
 - Alaska state plan for senior services
 - Project SEARCH employment program
- FY2027 AlaskaCare rate adjustment and salary adjustments

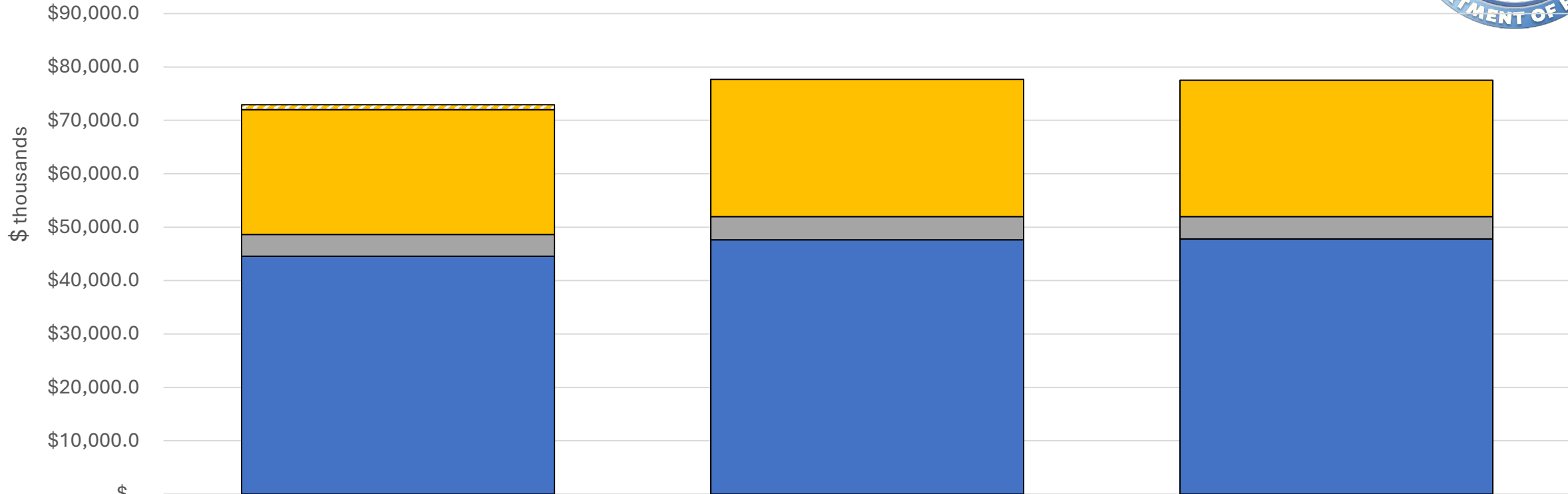


Senior and Disabilities Services



Operating Budget (FY2025-FY2027)

Dollars in thousands



	FY2025 Final Authorized	FY2026 Management Plan	FY2027 Governor
UGF	\$ 44,538.4	\$ 47,639.8	\$ 47,769.2
DGF	\$ -	\$ -	\$ -
Other	\$ 4,097.9	\$ 4,353.9	\$ 4,212.3
Federal	\$ 23,384.3	\$ 25,660.4	\$ 25,511.1
Federal (COVID-19)	\$ 882.3	\$ -	\$ -
Total	\$ 72,902.9	\$ 77,654.1	\$ 77,492.6

Public Assistance | 502 perm full time



Mission: To promote self-sufficiency for basic living expenses to Alaskans in need

Budget Updates

- Child care
- SNAP new investment projects
- Add 15 full-time eligibility technicians
- Virtual Contact Center
- Senior Benefits program participant increase

FY2027 Budget Changes

- Continued implementation of SB95 child care assistance
- New investment projects for SNAP (FY25-FY26)
- FY2027 AlaskaCare rate adjustment and salary adjustments

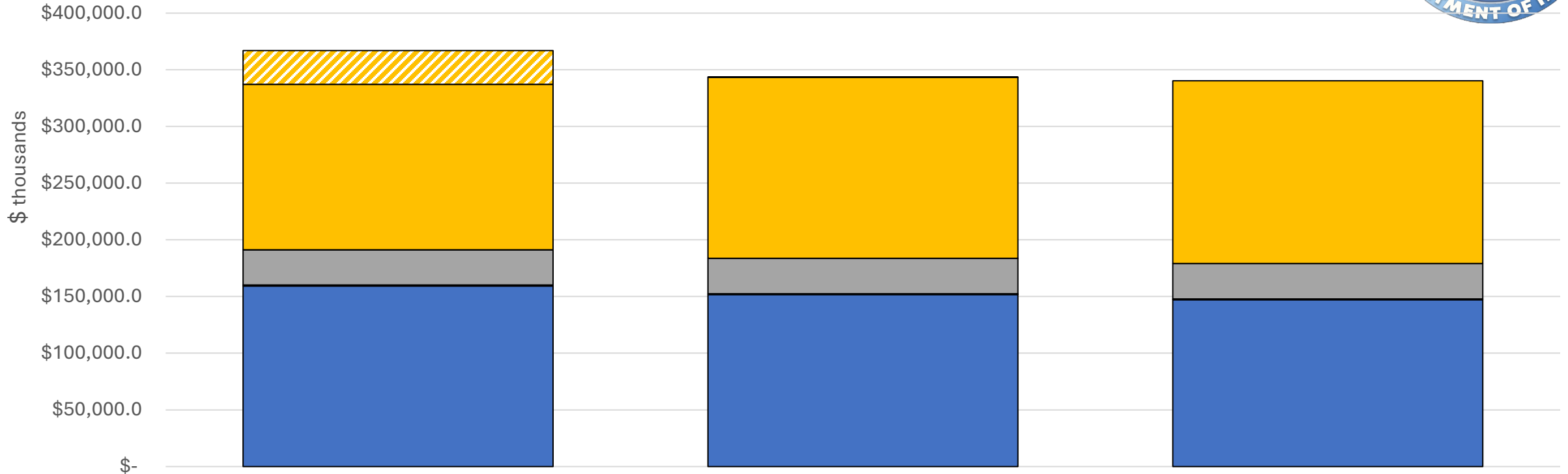


Public Assistance*



Operating Budget (FY2025-FY2027)

Dollars in thousands



	FY2025 Final Authorized	FY2026 Management Plan	FY2027 Governor
UGF	\$ 159,325.0	\$ 151,728.0	\$ 147,157.3
DGF	\$ 814.7	\$ 814.7	\$ 814.7
Other	\$ 31,027.9	\$ 31,137.2	\$ 31,210.5
Federal	\$ 146,110.4	\$ 159,690.7	\$ 161,168.9
Federal (COVID-19)	\$ 29,726.8	\$ 219.6	\$ -
Total	\$ 367,004.8	\$ 343,590.2	\$ 340,351.4

* Including Senior Benefits Payment Program

Public Assistance



Modernize and Innovate

- Alaska Connect
- Moving Medicaid off legacy system
- SNAP modernization module
- Integrated eligibility platform
- Work Assist tool
- Alaska Childcare Information System
- Digital fingerprinting
- DPA in a box
- Eligibility class series study





Mission: To protect and promote the health of Alaskans

Budget Updates

- Reduce designated general funds based on Department of Revenue projections
- General fund program receipt authority to support workforce recruitment (SHARP) for medical and behavioral health provider recruitment program

FY2027 Budget Changes

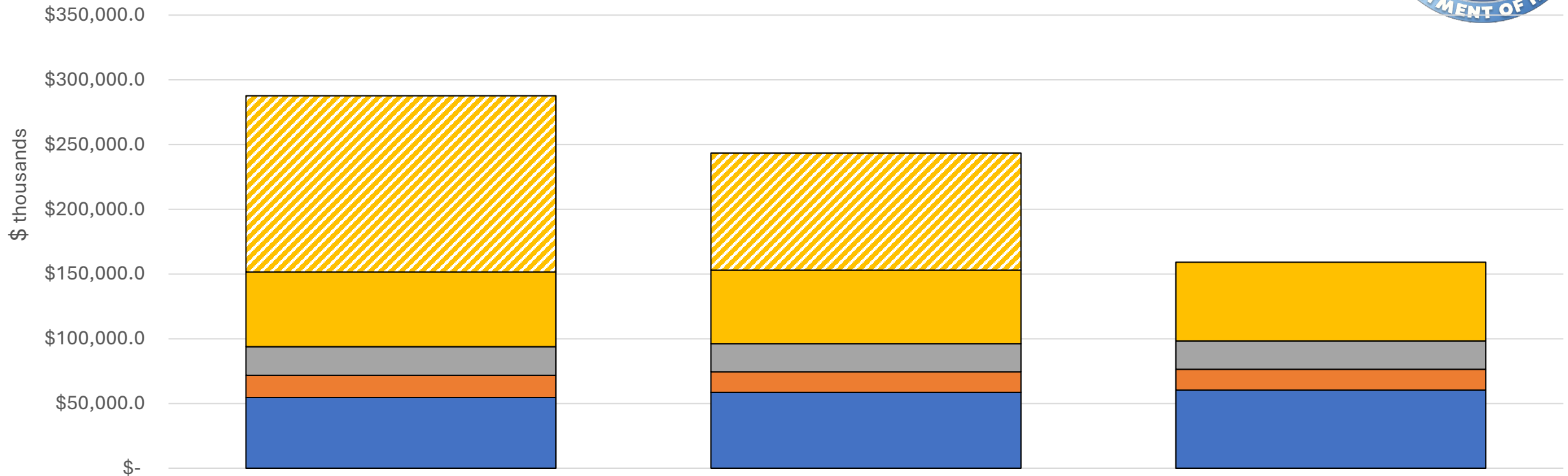
- Federal receipt authority for grant awards
- MH Trust:
 - Early childhood intervention
 - Dementia education and prevention
- Carry forward COVID and American Rescue Plan federal award balances (FY23-FY27/FY28)
- Opioid settlement statutory designated program receipts
- FY2027 AlaskaCare rate adjustment and salary adjustments

Public Health*



Operating Budget (FY2025-FY2027)

Dollars in thousands



	FY2025 Final Authorized	FY2026 Management Plan	FY2027 Governor
UGF	\$ 54,572.3	\$ 58,682.3	\$ 60,367.4
DGF	\$ 17,199.6	\$ 15,775.6	\$ 15,994.1
Other	\$ 22,031.6	\$ 21,725.0	\$ 22,023.8
Federal	\$ 57,727.6	\$ 56,872.9	\$ 60,781.6
Federal (COVID-19)	\$ 136,115.6	\$ 90,451.1	\$ -
Total	\$ 287,646.7	\$ 243,506.9	\$ 159,166.9

* Including Human Services Community Matching Grant and Community Initiative Matching Grants

Department Support Services | 204 perm full time



Mission: Provide quality administrative services in support of the department's mission

Budget Updates

- Developed and secured funding for the Alaska Rural Health Transformation Program

FY2027 Budget Changes

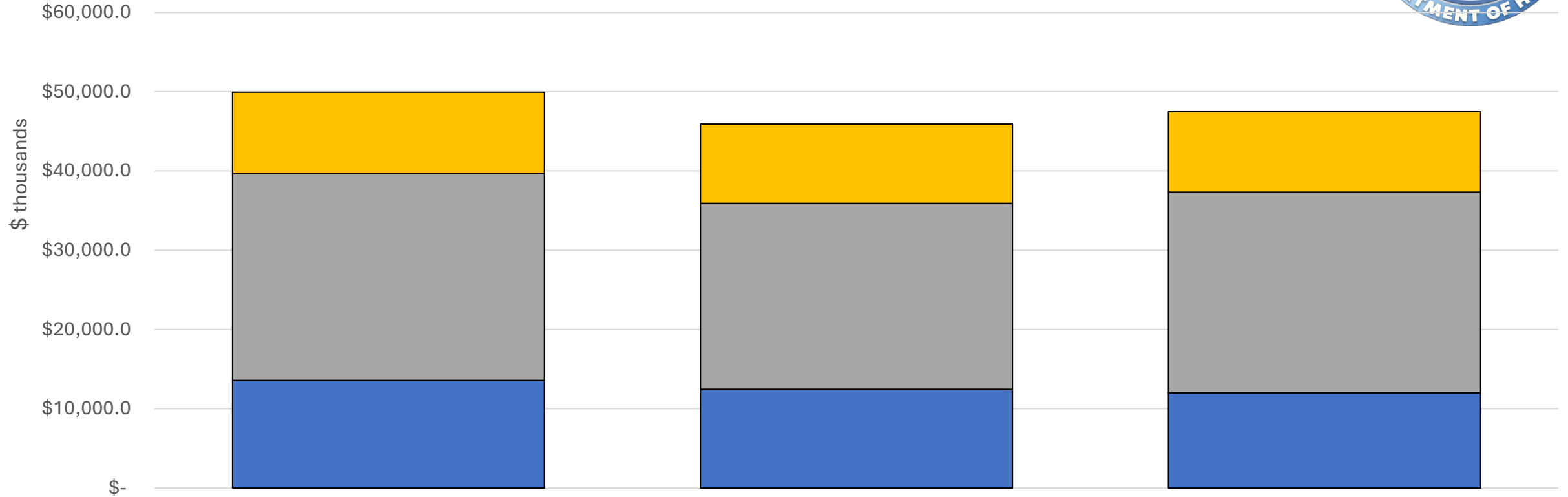
- Transfer five positions from Department of Administration shared services to Department of Health for accounts payable and travel reconciliation
- Information technology classification study implementation

Departmental Support Services



Operating Budget (FY2025-FY2027)

Dollars in thousands



	FY2025 Final Authorized	FY2026 Management Plan	FY2027 Governor
UGF	\$ 13,539.7	\$ 12,425.2	\$ 11,981.9
DGF	\$ 42.4	\$ 42.4	\$ 42.4
Other	\$ 26,055.4	\$ 23,435.8	\$ 25,287.6
Federal	\$ 10,295.3	\$ 10,012.6	\$ 10,165.7
Federal (COVID-19)	\$ -	\$ -	\$ -
Total	\$ 49,932.8	\$ 45,916.0	\$ 47,477.6

Department of Health



Tribal reclaiming

Implemented system improvements

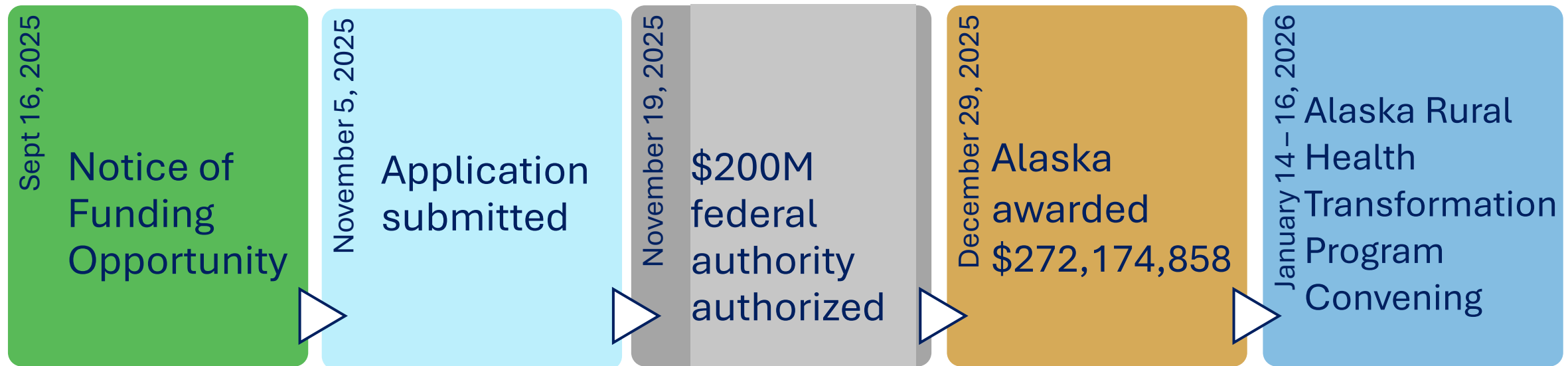
Expanded access in remote communities



Rural Health Transformation Program



Intended to improve access to care, strengthen health system performance, and address long-standing challenges in rural and remote communities.



- DOH aims to open a portal to register and letter of intent in January.
- Funding awards are expected to begin in Spring 2026.
- There will be additional opportunities for applications in each funding year.

Questions?

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