



February 10, 2026

The Honorable Andy Josephson
House Health and Social Services Finance Subcommittee Chair
Capitol Building, Room 505
Juneau, AK 99801

Dear Representative Josephson:

The Department of Health received the following questions during the budget presentation to the House Health and Social Services Finance Subcommittee meeting on January 27, 2026:

How was the \$5.9 million for the Child Care Grant Program broken down?

The increase in funding for the Child Care Grant Program is being used for the following.

- Increasing the base grant amount, effective 11/1/2025, and removing the per child cap. The base grant amount had not been increased since 2012. This represents approximately 25% of the annual increase.
- Implementing a pilot program, beginning 1/1/26, that provides additional monthly funding to providers per infant and toddler in care. This represents approximately 50% of the annual increase.
- Implementing start-up/expansion grants for licensed childcare providers and developing a subsidy pilot program for the children of the childcare workforce subsidy. This represents approximately 25% of the annual increase.

The projected breakdown of this funding may be adjusted based on increases and/or changes to the number of infants and toddlers enrolled in childcare, the number of childcare grant recipients, and the utilization of start-up grants.

Please provide an update on the workforce relating to eligibility technician positions and responding to the SNAP backlog.

The division continues to make progress stabilizing the eligibility technician workforce while prioritizing response to the SNAP backlog. Eligibility technician vacancy rates peaked in May 2025 at approximately 31 percent and have steadily improved. As of January 2026, the vacancy rate has declined to approximately 23 percent, reflecting increased hiring and greater workforce stability.

Eligibility technician positions operate within a career ladder. Workforce data reflects expected internal movement as staff advance within the division. During FY2025, the division onboarded 75 field employees while 61 employees departed, resulting in a net gain of 14 staff. This level of activity is consistent with promotion and advancement within the eligibility workforce.

In FY2026, internal transfers have declined as teams have stabilized, while hiring continues to outpace separations. Based on current trends, the division anticipates a larger net increase in field staff by the end of the fiscal year, which supports increased processing capacity and continued progress in addressing the SNAP backlog.

Do you need \$4.1 million for the virtual call center?

The supplemental budget released on February 3, 2026, includes \$5,900,000 (\$4,345,600 federal and \$1,554,400 general fund match) for the virtual contact center.

How much would it take to restore the benefits for the highest level of the Senior Benefits Payment Program from \$76 per month to \$125 per month?

The supplemental budget released on February 3, 2026, includes \$1,125,000 in general funds that are needed to fully support all payment levels for the Senior Benefits Payment Program at statutory levels.

What is the income threshold for the various tiers of the Senior Benefits Payment Program?

Seniors with income that does not exceed 75% of Alaska Federal Poverty Guidelines receive \$250 per month. Income above 75% but equal to or less than 100% receive \$175 per month. Those with income above 100% but equal to or less than 175% receive \$125 per month. This information can be found in the Senior Benefits policy manual in section 330-1.

http://dpaweb.hss.state.ak.us/manuals/SB/330_income/330-1_income_limits.htm

Senior Household	<ul style="list-style-type: none">Income up to 75% of <i>FPL</i>\$250 monthly payment	<ul style="list-style-type: none">Income between 75% and 100% of <i>FPL</i>\$175 monthly payment	<ul style="list-style-type: none">Income between 100% and 175% of <i>FPL</i>\$125 monthly payment
Individual limits	<ul style="list-style-type: none">\$14,663 per year\$1,222 per month	<ul style="list-style-type: none">\$19,550 per year\$1,630 per month	<ul style="list-style-type: none">\$34,213 per year\$2,852 per month
Couple limits	<ul style="list-style-type: none">\$19,823 per year\$1,652 per month	<ul style="list-style-type: none">\$26,430 per year\$2,203 per month	<ul style="list-style-type: none">\$46,253 per year\$3,855 per month

Can you provide information about Medicaid behavioral health services in schools? Which schools have those? Are they implemented through contractors or district employees?

Behavioral health services can be offered to youth in schools and claims for those services are submitted by the Medicaid provider of those services.

In schools, the Medicaid provider may be:

1. A community behavioral health organization that provides the service at the school and submits the claims to Medicaid. The school is not involved in the Medicaid claim process.
2. A school district that is enrolled as a School-Based Medicaid Services provider. In this instance, the school, their district staff, or contractors provide the services. The school district submits the claims to Medicaid for reimbursement. The relationship between schools and contracted entities can be complicated and is unique for each school district. This is not something that is dictated by or reported to Alaska Medicaid.

School-Based Medicaid Services include speech-language therapy, occupational therapy, physical therapy, audiology, and some behavioral health and nursing services. Prior to House Bill (HB) 344 becoming law, schools could only submit Medicaid claims for youth who had a diagnosed disability and services listed on their Individualized Education Plan (IEP). Currently, six school districts are enrolled to provide School-Based Medicaid services.

- Mat-Su School District
- Ketchikan Gateway Borough
- Delta Greely School District
- Anchorage School District
- Fairbanks Northstar Borough School District
- Juneau School District

At this time, only Mat-Su, Anchorage, and Fairbanks Northstar Borough School Districts are providing behavioral health services as part of their School-Based Medicaid Services Program. The table below only represents claims submitted by districts who are enrolled as Medicaid providers.

Total BH Services Provided in 2025 by School District:

District	Members	Service Units	SBS Payments
Mat-Su School District	18	43	\$14,544.56
Anchorage School District	37	49	\$5791.78
Fairbanks Northstar Borough School District	4	18	\$540.00

The passage of HB344 allows schools to submit claims for all Medicaid enrolled children, creating the opportunity for schools to increase access to services.

The Department of Health received a School Based Services (SBS) grant from the Centers for Medicare and Medicaid Services. Outreach, training, and funding is being made available through the SBS grant to expand the number of school districts enrolled in Alaska Medicaid. This will provide school districts with federal funding to cover costs for behavioral health and health care services being rendered in schools and allow for schools to expand their service array.

The Department of Health is working to streamline Medicaid billing processes to reduce barriers and increase accuracy and improve timeliness of Medicaid payments. It is anticipated that this will allow schools to provide lower cost services and an ability to reinvest these federal dollars back into their SBS programs quickly.

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The following is a response to a follow-up question emailed by Chair Josephson to Assistant Commissioner Halloran on February 2.

Please provide information about cuts to behavioral health grants. Can you explain how and why those cuts occurred? Further, can you let us know which grantees saw reductions in state grants?

Grant award reductions were necessary due to a combination of fiscal constraints and funding priorities.

- **Reduced Ongoing Revenues:** The FY2026 Governor's budget includes a decrement of \$3,736.5 in designated general funds resulting from declining revenue projections issued by the Department of Revenue.
- **Early Termination of Federal Grants:** Three federal COVID-era grants were abruptly terminated in March 2025. For the Division of Behavioral Health (DBH), these terminations resulted in a loss of \$1,865.3.
- **Crisis Call Center Funding Priority:** In the absence of the requested \$750.0 in general funds for FY2026, the Division of Behavioral Health reprioritized limited resources to sustain Crisis Call Center operations. Maintaining continuity of crisis services remains a core public safety priority.
- **Complex Care Support Requirement:** The Division of Behavioral Health prioritized the establishment of a program to fund services for high-needs individuals not covered by Medicaid at an anticipated cost of \$1,500.0.

The following is a summary of grant programs and their reductions. The reductions impacted two primary grant programs including the Treatment and Recovery Program and the Prevention and Early Intervention Program. Total grant reductions were \$4,279.5.

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- Community Behavioral Health Residential and Withdrawal Management (adults) – 18 grants were reduced by 25%.
- Community Behavioral Health Outpatient (adults) – 10 grants were reduced by 20%.
- Community Behavioral Health Outpatient (youth) – 46 grants were reduced by 5%.
- Prevention and Early Intervention – 23 grants were reduced by 15%.
- Rural Human Services – 8 grants were reduced by 15%.
- Bethel Community Services Patrol – 1 grant was reduced by 25%.
- Bethel Sobering Center – 1 grant was reduced by 25%.

If you have additional questions, please contact me at (907) 465-1630.

Sincerely,



Pam Halloran

Assistant Commissioner

cc: Valerie Rose, Fiscal Analyst, Legislative Finance

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