



**House Finance Committee Hearing
Testimony of Jim Roberts, Senior Executive Liaison
Alaska Native Tribal Health Consortium
July 9, 2019**

Members of the Committee, my name is Jim Roberts, I serve as Senior Executive Liaison, in the Intergovernmental Affairs Department for the Alaska Native Tribal Health Consortium (ANTHC).

ANTHC and Southcentral Foundation co-manage the Alaska Native Medical Center, the tertiary care hospital for over 173,000 AN/AI people in Alaska. ANTHC also provides a wide range of statewide public, community and environmental health programs and services throughout the state. ANTHC directly employs over 3,000 employees and contributes indirectly to the employment of many other people throughout the health and other economic sectors of our State.

It is important to note that Congress has established a special statutory framework for the participation of the Tribal health system in Medicaid. Congress created a unique financing arrangement in Medicaid to allow states to claim 100% Federal Medical Assistance Percentage (FMAP) for services provided through tribal facilities in recognition of the federal government's obligation to fund tribal health care.

The important point here is that Congress established this framework to not burden the States with the cost of health care delivered through the Tribal health system. The result of this policy is that Medicaid services delivered through the ATHS are budget neutral to the State; and any type of Medicaid reductions will have an adverse impact on tribal providers as Congress intended Medicaid collections to supplement appropriations provided to the Tribal health system.

After extensive legislative hearings, debate and public input, the Legislature arrived at a painful \$70.2 million cut in Medicaid funding for FY 2020. We are concerned that rather than working with the Legislature to achieve additional cost savings, the Governor has unilaterally cut the Medicaid program by \$50 million and eliminated Adult Dental. The financial impact will be greater when the lost federal matching funds are considered. The \$50 million cut by the Governor, on top of the \$70 million reduction by the Legislature, will have a harmful impact on the ATHS and the rural communities we serve. These reductions will result in less services being provided by the ATHS and result in higher emergency room utilization, more emergency travel being required, the elimination of behavioral health services will result in other costs presenting in law enforcement and court costs.

Tribal health providers have utilized Medicaid resources to increase the capacity to deliver care and provide additional services previously available only through non-tribal providers at reduced FMAP to the State. This increased capacity to deliver care within the tribal health system provides ongoing savings to the State's general fund and will be diminished by the current reductions.

In addition, the increased capacity provides savings to the State for non-Native Medicaid beneficiaries residing in rural areas where few non-tribal providers are available, thereby decreasing costs associated with travel and higher-acuity care that might result due to the lack of locally-available care. This will have a significant impact on the economy of our State. It will result in less employment opportunities and it will reduce the level of goods and services that ANTHC purchases from the private sector when providing health care.

Important to note is that the governor's \$50 million veto does not come with any type of implementation plan on how these reductions would be achieved. It is irresponsible to put forward such significant cuts without a plan or consideration of the consequences of these reductions. A vote to override the governor's vetoes does not signal disagreement with the goal to provide an efficient and cost-effective Medicaid program. On the contrary, a vote to override the \$50 million unallocated Medicaid cut and elimination of adult preventive dental services recognizes the rightful role of the Legislature in the Medicaid program design and structure, restoring its ability to continue working toward sustainable and sensible program improvements.

On behalf of ANTHC, I strongly urge you to consider the negative impact this will have on the health of Alaskans and the overall economy of the State and override the governor's Medicaid vetoes.

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