

State of Alaska Department of Health

FY2027 Budget Overview
House Finance Committee

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



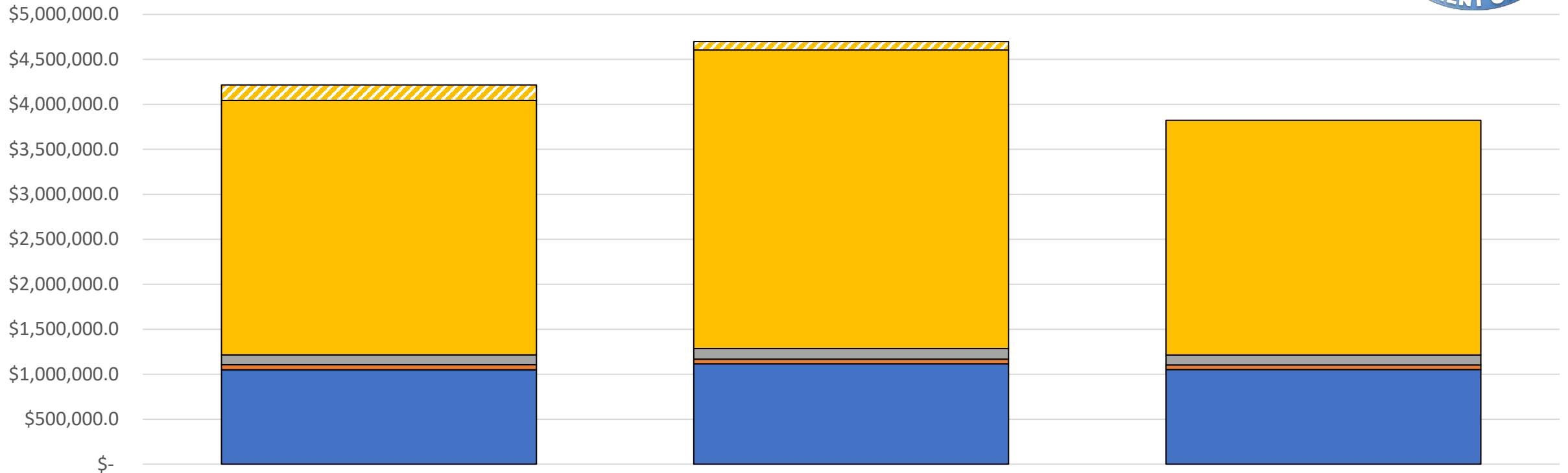
Wednesday, February 18, 2026

Department of Health



Operating Budget (FY2025-FY2027)

Dollars in thousands



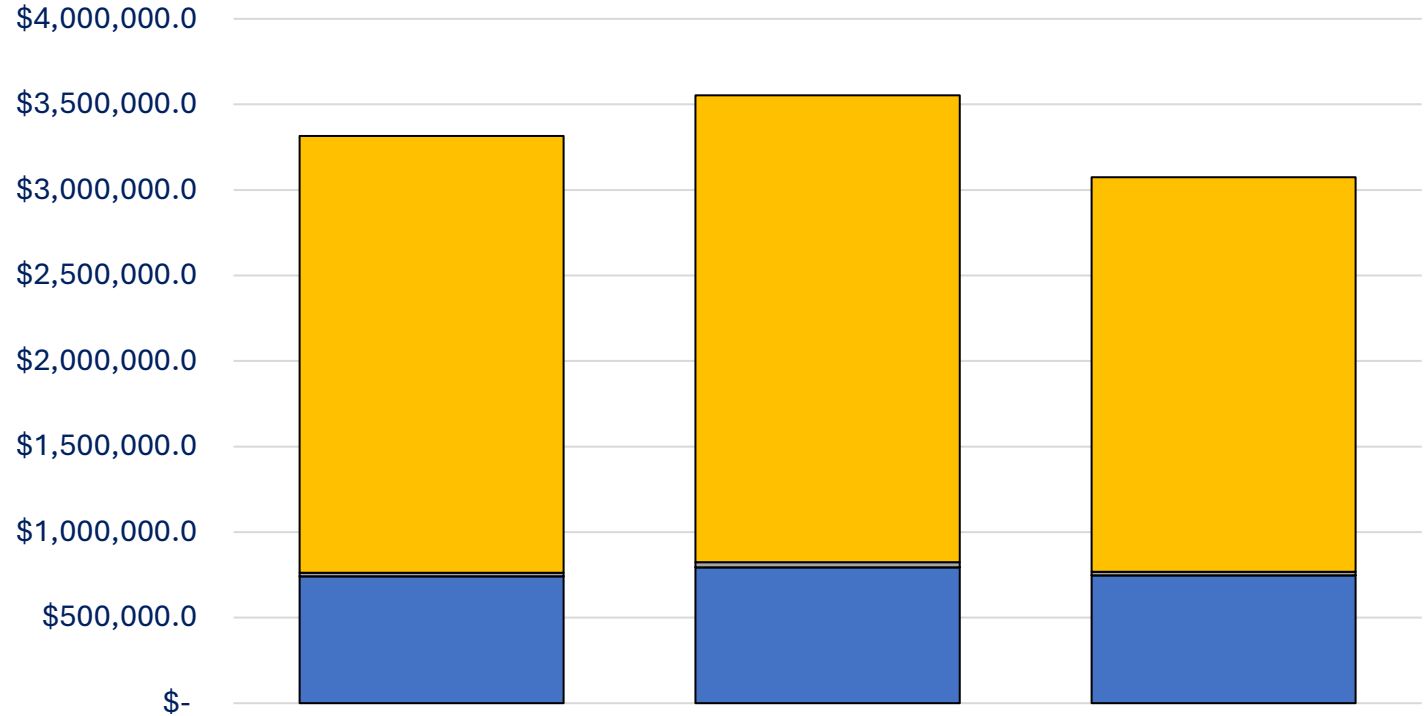
	FY2025 Final Authorized	FY2026 Management Plan + Supplemental	FY2027 Governor
UGF	\$ 1,049,747.1	\$ 1,115,915.5	\$ 1,052,446.8
DGF	\$ 54,815.7	\$ 50,508.2	\$ 50,632.9
Other	\$ 110,803.3	\$ 118,786.6	\$ 110,410.4
Federal	\$ 2,829,008.8	\$ 3,320,080.4	\$ 2,609,515.5
Federal (COVID-19)	\$ 170,943.7	\$ 92,578.9	\$ -
Total	\$ 4,215,318.6	\$ 4,697,869.6	\$ 3,823,005.6

Medicaid Services



Operating Budget (FY2025-FY2027)

Dollars in thousands



FY2026 Supplemental

- Reappropriate funding to support clinic behavioral health services (FY26-FY27)
- Align Medicaid budget with December 15 projections
- Extend interRAI (FY24-FY31)

FY2027 Significant Budget Changes

- Language: Appropriation of federal receipts FY27

	FY2025 Final Authorized	FY2026 Management Plan + Supplemental	FY2027 Governor
UGF	\$ 741,507.9	\$ 793,292.7	\$ 746,628.6
DGF	\$ 429.8	\$ 429.8	\$ 429.8
Other	\$ 20,714.1	\$ 30,714.1	\$ 20,714.1
Federal	\$ 2,552,394.4	\$ 2,728,635.7	\$ 2,306,588.0
Federal (COVID-19)	\$ -	\$ -	\$ -
Total	\$ 3,315,046.2	\$ 3,553,072.3	\$ 3,074,360.5

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

Pharmacy Rebates & Tribal Reclaiming

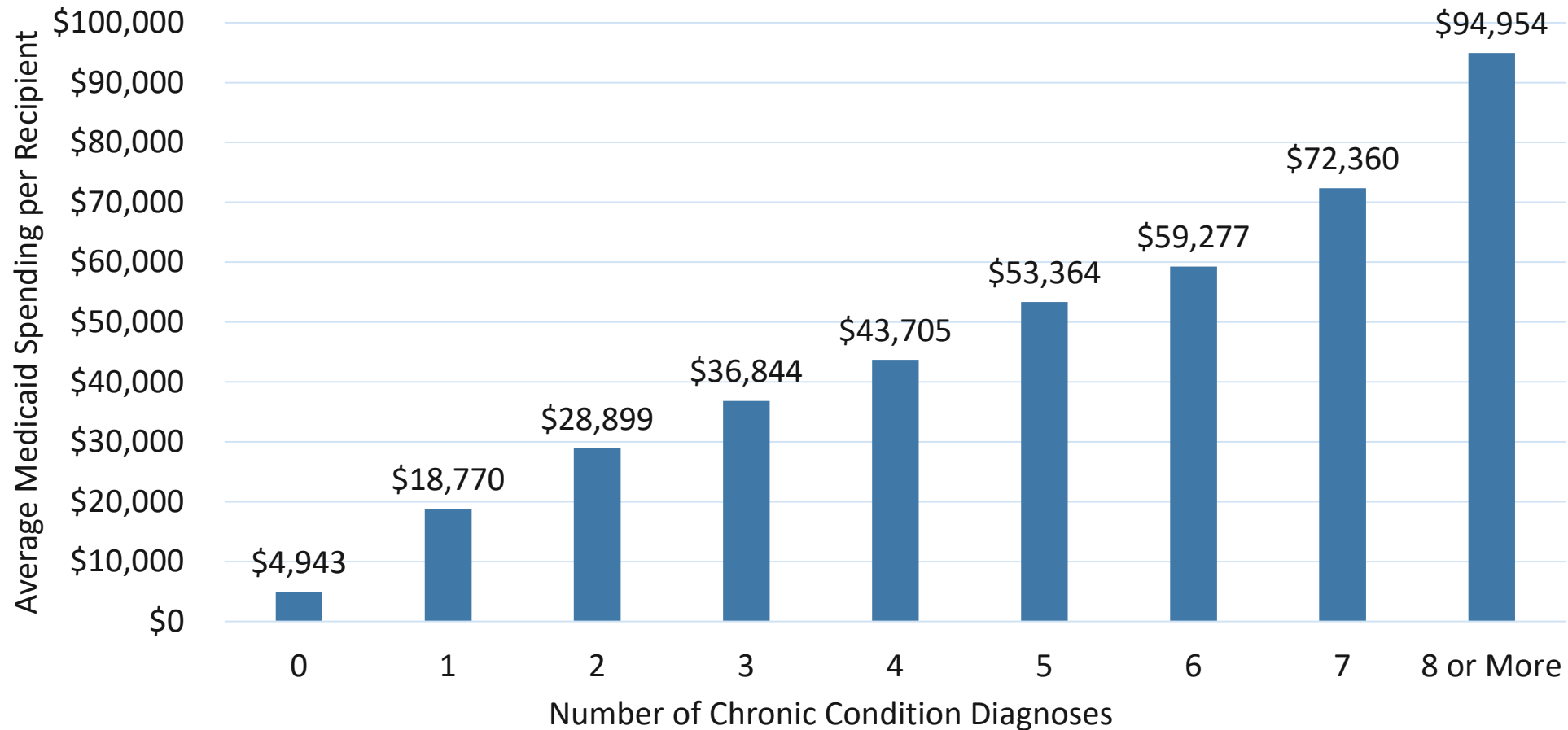


Fiscal Year (FY)	Total Tribal Reclaiming Savings (UGF)	Drug Rebate Recoveries (UGF/FED)
FY2017	\$34,781.8	\$82,720.9
FY2018	\$45,187.0	\$81,353.8
FY2019	\$69,346.2	\$104,252.7
FY2020	\$94,111.2	\$105,723.3
FY2021	\$57,467.9	\$123,752.0
FY2022	\$74,412.3	\$132,185.0
FY2023	\$124,551.8	\$154,354.0
FY2024	\$138,468.3	\$134,780.7
FY2025	\$126,575.0	\$140,133.1
Total	\$764,901.5	\$1,059,255.5

Dollars in thousands

Medicaid Services: Cost per Number of Chronic Condition

Average Medicaid Spending Per Number of Chronic Disease Diagnoses, FY25



Dollars in whole numbers

Source: Analysis by Evergreen Economics of data provided by the Medicaid Budget Group.

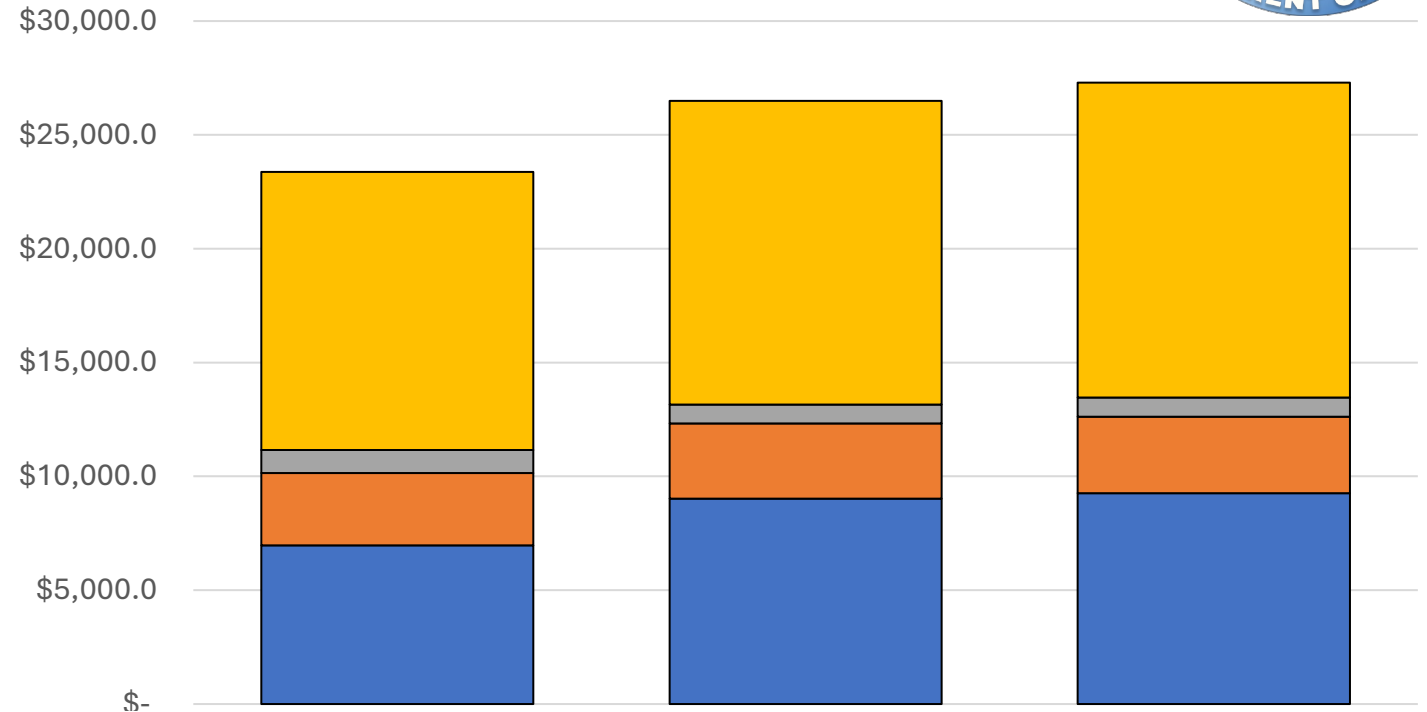
Health Care Services



Operating Budget (FY2025-FY2027)

Dollars in thousands

- FY2027 Significant Budget Changes**
- FY2027 AlaskaCare rate adjustment & salary adjustments
- Budget Updates**
- Align staffing capacity with the rising number of assisted living homes
- Addressing reduced vacancy rates



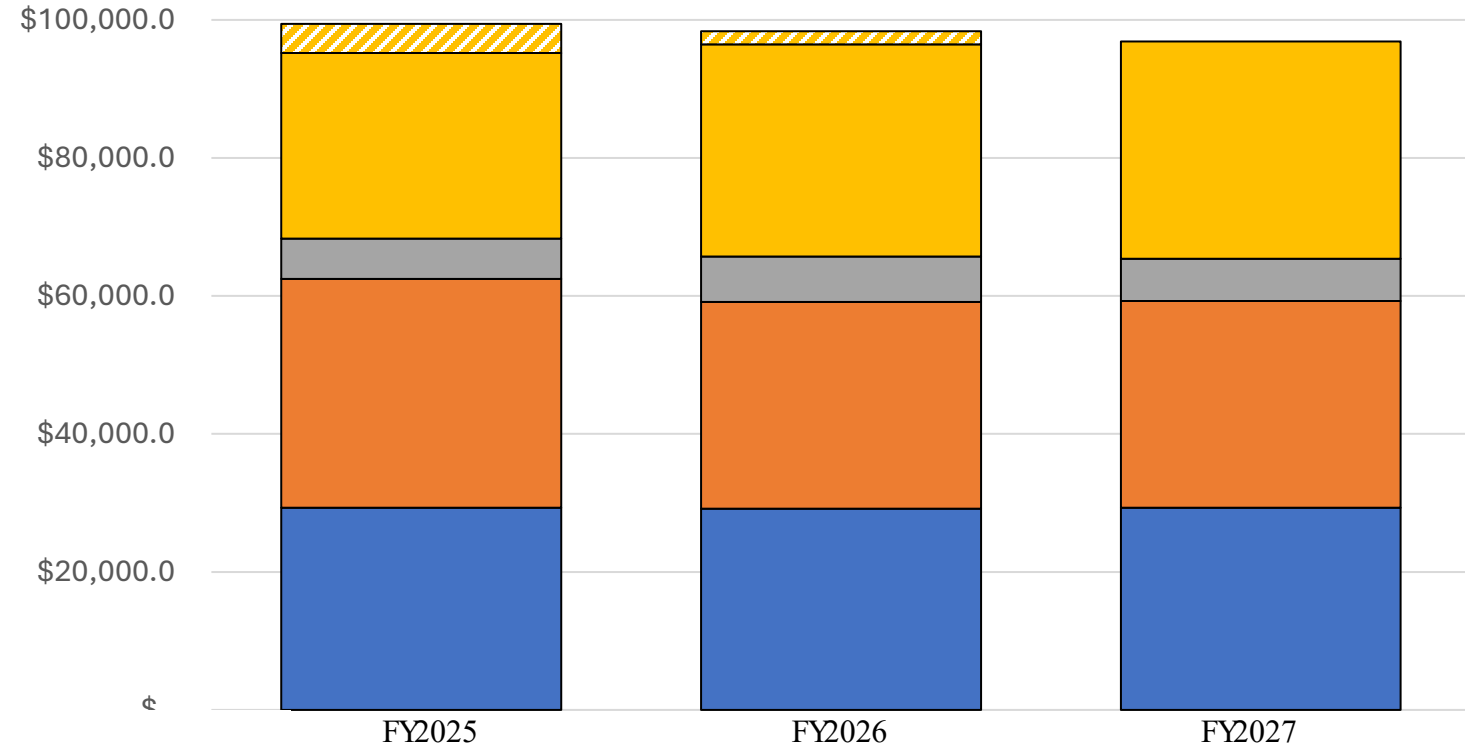
	FY2025 Final Authorized	FY2026 Management Plan + Supplemental	FY2027 Governor
UGF	\$ 6,964.1	\$ 9,019.0	\$ 9,260.8
DGF	\$ 3,183.8	\$ 3,305.0	\$ 3,364.9
Other	\$ 1,013.6	\$ 837.8	\$ 840.9
Federal	\$ 12,216.3	\$ 13,326.8	\$ 13,834.5
Federal (COVID-19)	\$ -	\$ -	\$ -
Total	\$ 23,377.8	\$ 26,488.6	\$ 27,301.1

Behavioral Health



Operating Budget (FY2025-FY2027)

Dollars in thousands



FY2027 Significant Budget Changes

Transfer Community Services for Residential Care grants to Department of Family and Community Services

Increase federal receipt authority for crisis contact center

Budget Updates

Crisis Contact Center

Designated general fund reductions

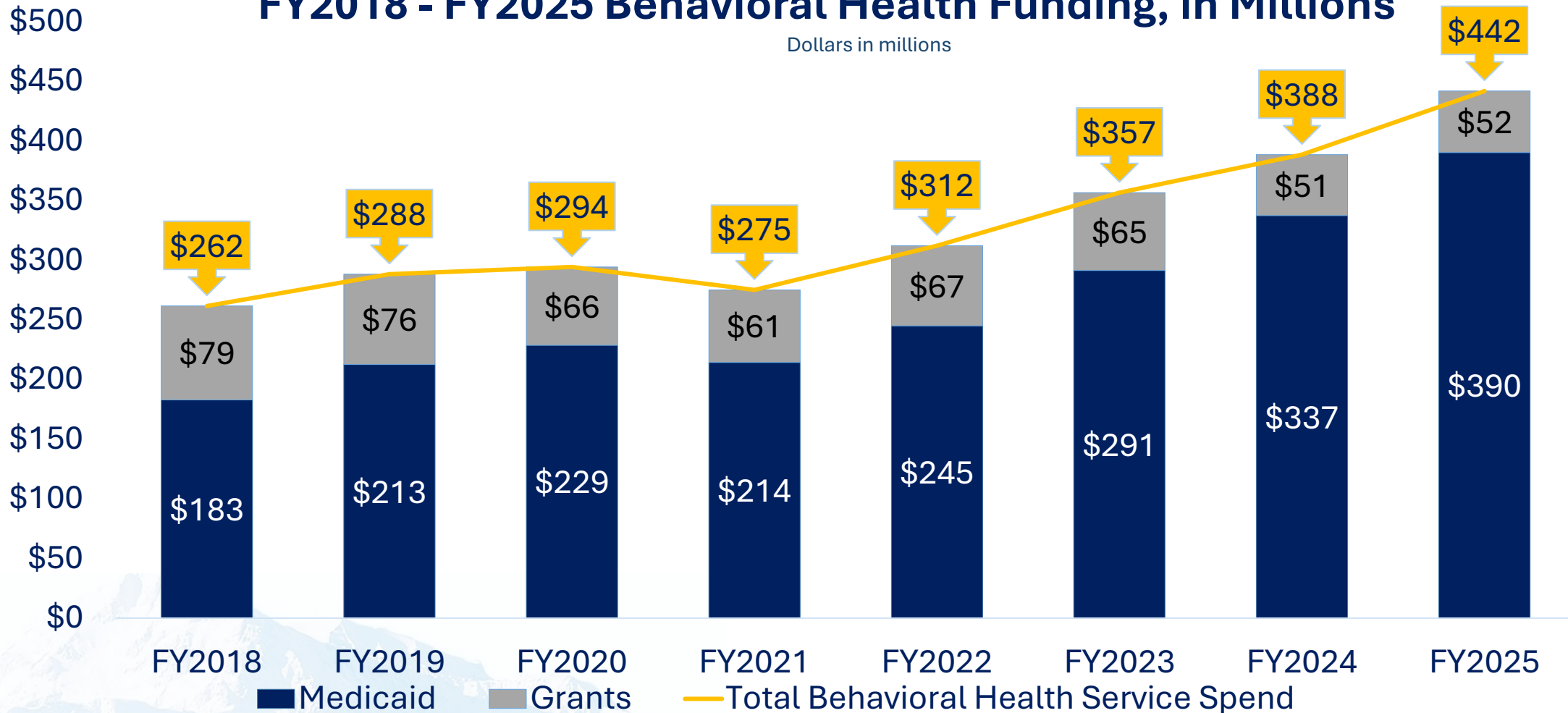
	FY2025	FY2026	FY2027
	Final Authorized	Management Plan + Supplemental	Governor
UGF	\$ 29,299.7	\$ 29,176.6	\$ 29,281.6
DGF	\$ 33,145.4	\$ 29,963.1	\$ 29,987.0
Other	\$ 5,862.8	\$ 6,582.8	\$ 6,121.2
Federal	\$ 26,880.5	\$ 30,741.4	\$ 31,465.7
Federal (COVID-19)	\$ 4,219.0	\$ 1,908.2	\$ -
Total	\$ 99,407.4	\$ 98,372.1	\$ 96,855.5

Behavioral Health



FY2018 - FY2025 Behavioral Health Funding, in Millions

Dollars in millions

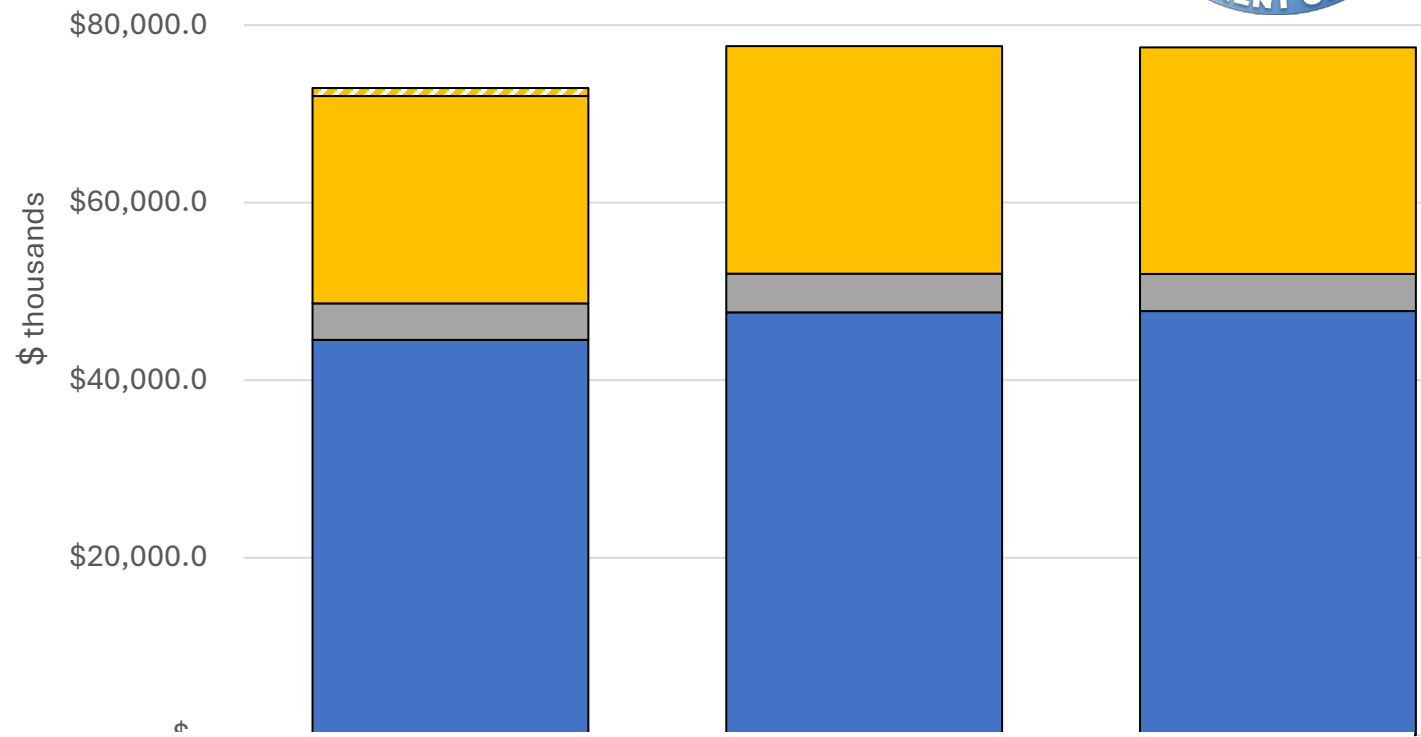


Senior and Disabilities Services



Operating Budget (FY2025-FY2027)

Dollars in thousands



FY2027 Significant Budget Changes

FY2027 AlaskaCare rate adjustment & salary adjustments

Budget Updates

Increase funding to support and stabilize senior centers

InterRAI implementation

	FY2025 Final Authorized	FY2026 Management Plan + Supplemental	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*



FY2026 Supplemental

- Extend new investment projects for SNAP (FY25-FY28)
- Add authority for eligibility systems
- Virtual Contact Center
- Address rising WIC food costs
- Maintain Senior Benefits Payment Program

FY2027 Significant Budget Changes

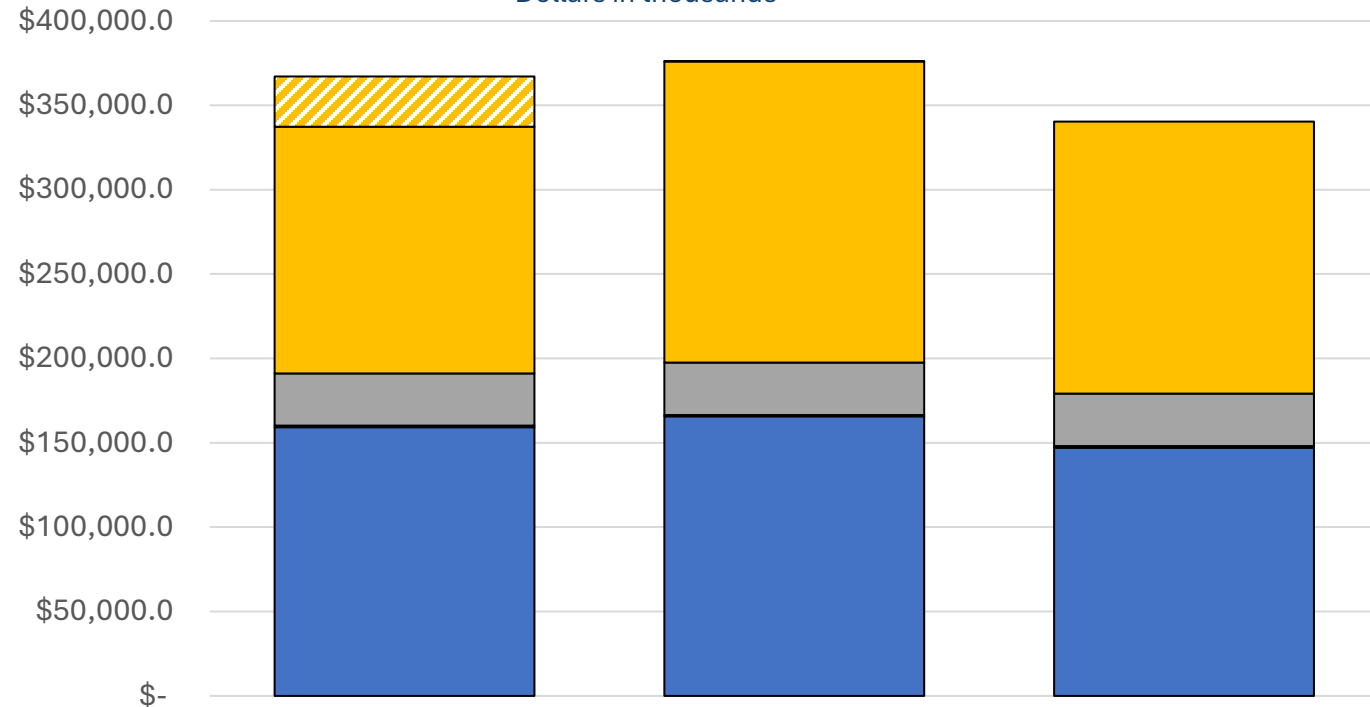
- FY2027 AlaskaCare rate adjustment and salary adjustments

Budget Updates

- Child care, Added 15 full-time eligibility technicians, Virtual Contact Center

Operating Budget (FY2025-FY2027)

Dollars in thousands



	FY2025 Final Authorized	FY2026 Management Plan + Supplemental	FY2027 Governor
UGF	\$ 159,325.0	\$ 165,679.9	\$ 147,157.3
DGF	\$ 814.7	\$ 814.7	\$ 814.7
Other	\$ 31,027.9	\$ 31,137.2	\$ 31,210.5
Federal	\$ 146,110.4	\$ 178,305.7	\$ 161,168.9
Federal (COVID-19)	\$ 29,726.8	\$ 219.6	\$ -
Total	\$ 367,004.8	\$ 376,157.1	\$ 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
- DPA in a Box
- Eligibility class series study

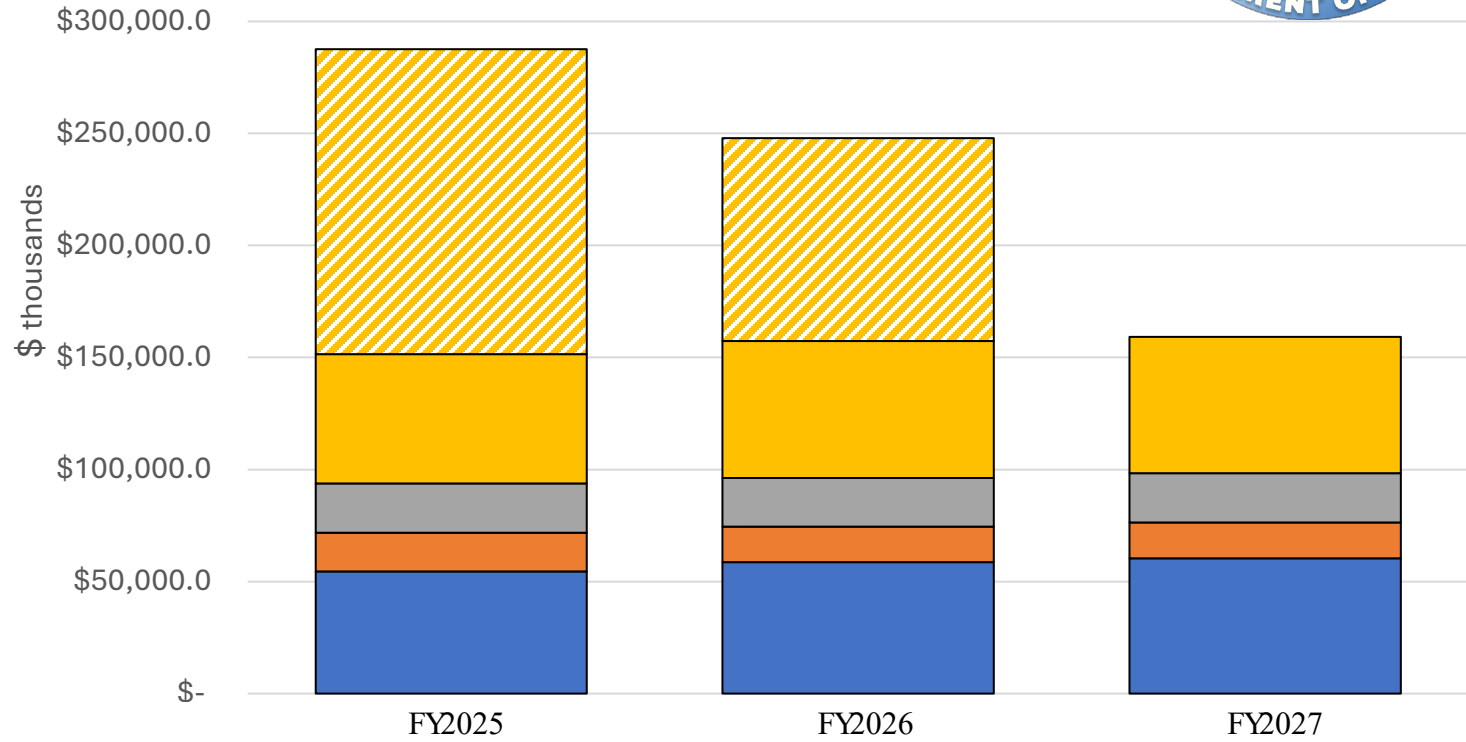


Public Health*



Operating Budget (FY2025-FY2027)

Dollars in thousands



FY2027 Significant Budget Changes

Opioid settlement statutory designated program receipts

FY2027 AlaskaCare rate adjustment and salary adjustments

	FY2025 Final Authorized	FY2026 Management Plan + Supplemental	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	\$ 61,222.9	\$ 60,781.6
Federal (COVID-19)	\$ 136,115.6	\$ 90,451.1	\$ -
Total	\$ 287,646.7	\$ 247,856.9	\$ 159,166.9

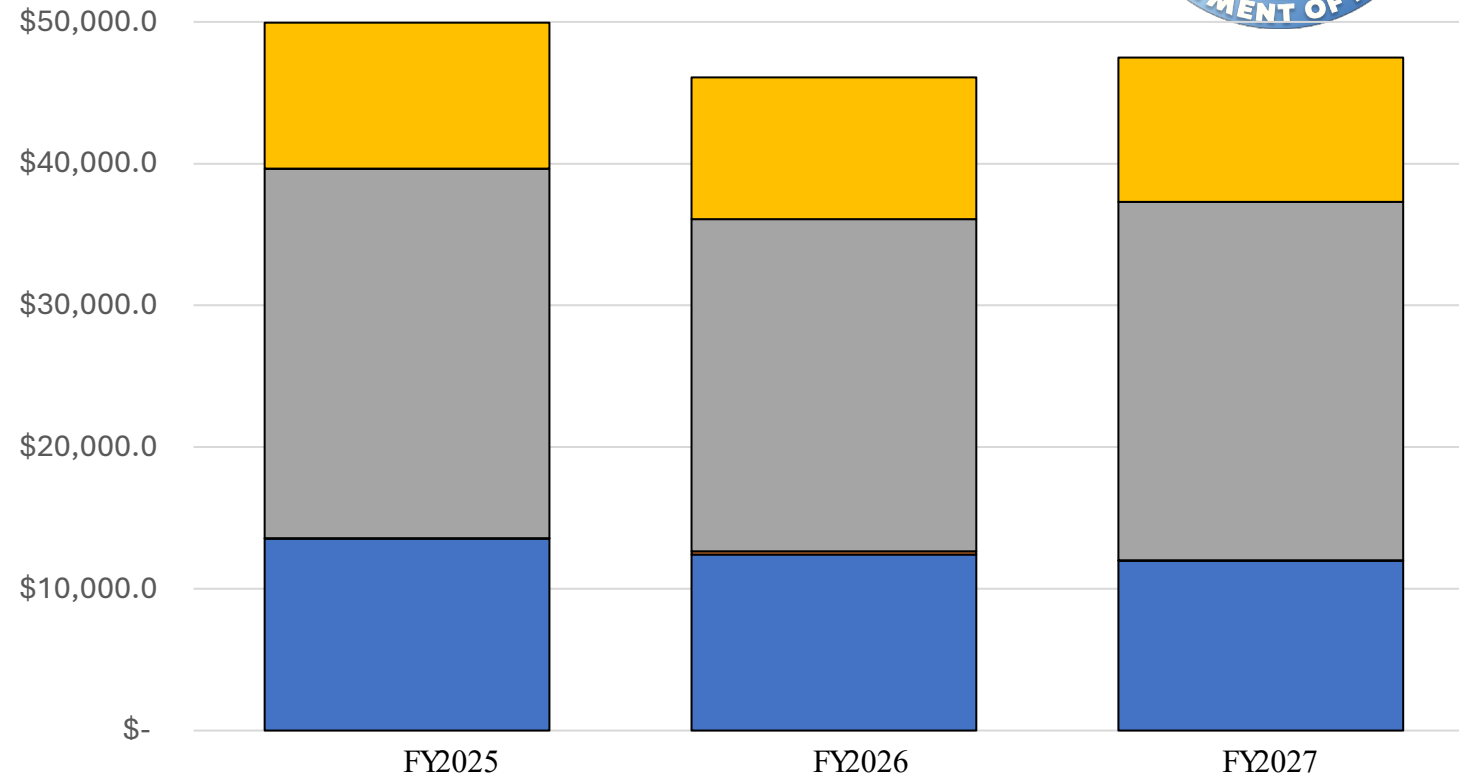
* Including Human Services Community Matching Grant and Community Initiative Matching Grants

Departmental Support Services



Operating Budget (FY2025-FY2027)

Dollars in thousands



FY2027 Significant 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

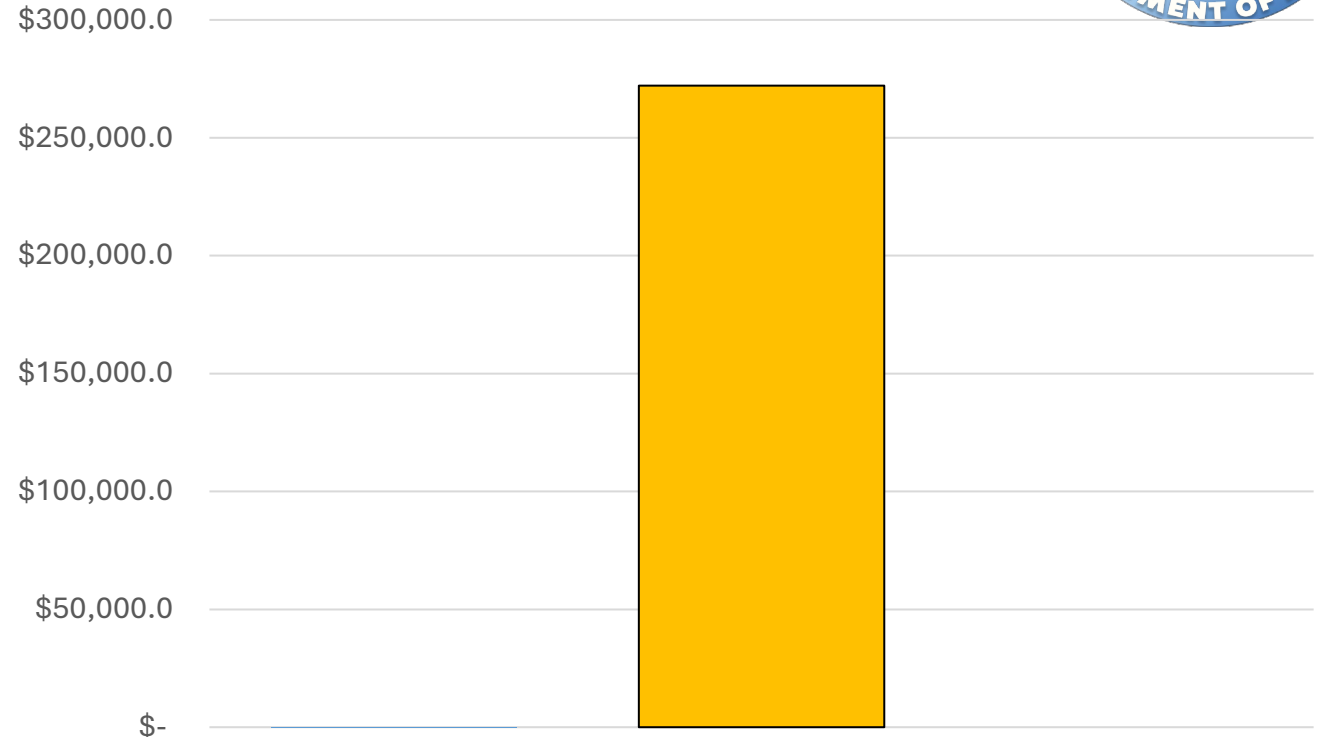
	FY2025	FY2026	FY2027
	Final Authorized	Management Plan + Supplemental	Governor
UGF	\$ 13,539.7	\$ 12,425.2	\$ 11,981.9
DGF	\$ 42.4	\$ 220.0	\$ 42.4
Other	\$ 26,055.4	\$ 23,435.8	\$ 25,287.6
Federal	\$ 10,295.3	\$ 10,012.6	\$ 10,165.7
Federal (COVID-19)	\$ -	\$ -	\$ -
Total	\$ 49,932.8	\$ 46,093.6	\$ 47,477.6

Health Transformation and Innovation



Operating Budget (FY2025-FY2027)

Dollars in thousands



FY2026 Supplemental

Multi-year federal authority for the Rural Health Transformation Program

\$272,174.9 Federal

FY2026, FY2026, FY2028

	FY2025 Final Authorized	FY2026 Management Plan + Supplemental	FY2027 Governor
UGF	\$ -	\$ -	\$ -
DGF	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -
Federal	\$ -	\$ 272,174.9	\$ -
Federal (COVID-19)	\$ -	\$ -	\$ -
Total	\$ -	\$ 272,174.9	\$ -

Questions?

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