

# State of Alaska

## Department of Health

### FY2027 H.R.1 Overview

House Health and Social Services Subcommittee

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Emily Ricci, Deputy Commissioner  
Deb Etheridge, Director of Public Assistance



Thursday, February 19, 2026

# Medicaid Changes



Financing Mechanisms

Eligibility and Enrollment

Other

# Medicaid Finance Mechanisms



## Our core Medicaid funding remains stable.

- Alaska will experience different impacts than many other states due to the unique structure of our Medicaid program and the bill's built-in exemptions.
- Alaska does not rely on provider taxes or state-directed payments, which are significantly affected by the bill and drive some of the largest projected funding losses elsewhere.



# Medicaid Community Engagement Requirements



- Most able-bodied adults ages 19–64 will now need to complete 80 hours per month of work or other qualifying activities.
- Other qualifying activities in addition to work include:
  - Job training
  - Education
  - Volunteer service
- Seasonal income flexibility: Averaged income over six months in lieu of 80 hours/month requirement.
- Effective December 31, 2026, but the state may apply to phase in implementation through 2028 under a good faith waiver.



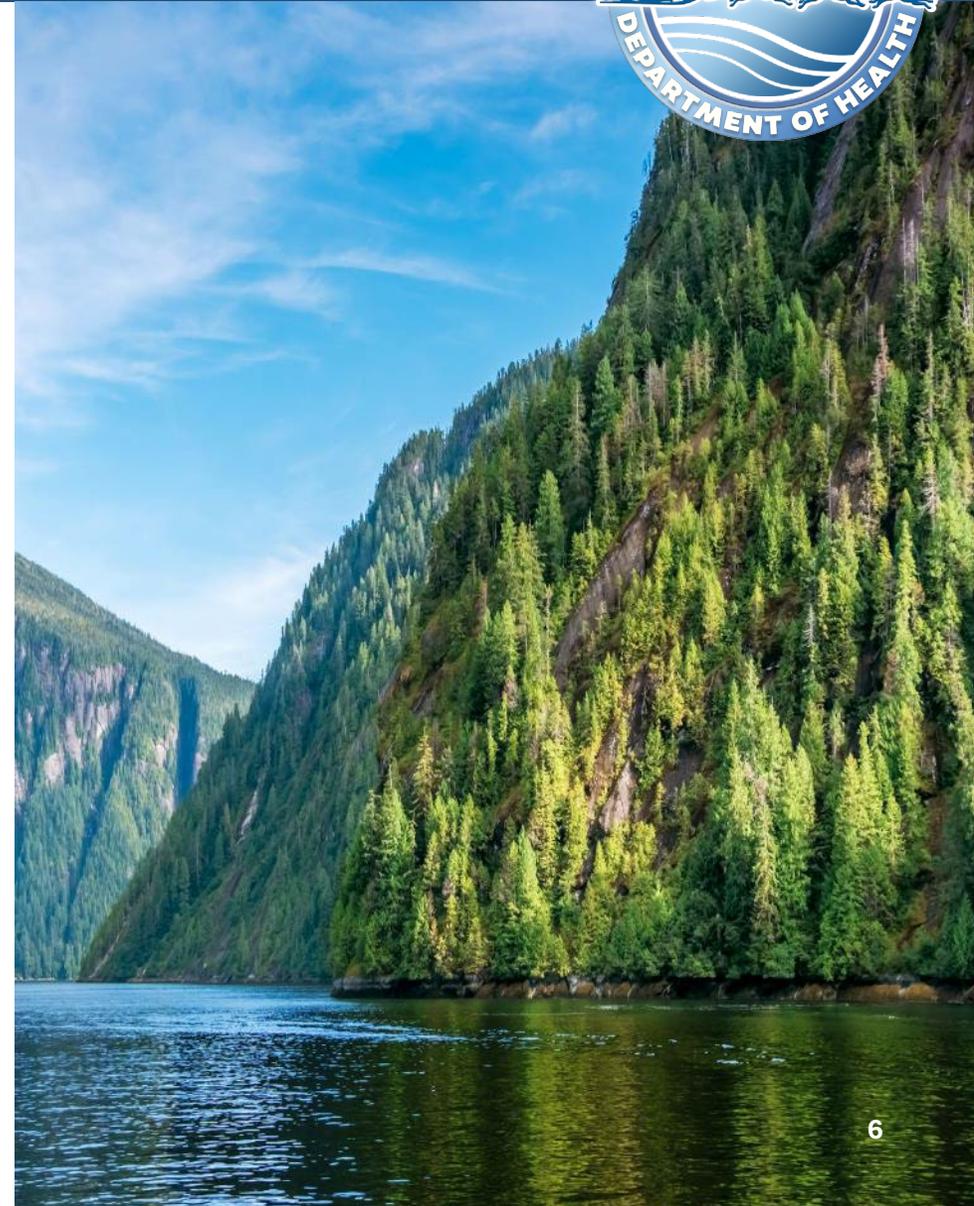
# Medicaid Community Engagement Exemptions

Mandatory Exemption	Optional Exemption
Pregnant or within the postpartum coverage period	Living in areas with high unemployment
Alaska Native or American Indian	Living in federally declared disaster areas
Have a significant physical, intellectual, or developmental disability	Receiving inpatient or residential care
Are blind or disabled	Traveling for medically necessary care not locally available
Experiencing a substance use disorder or disabling mental health condition	
Have a serious or complex medical condition	
Medically frail individuals	
Veterans with a total disability rating	
Enrolled in Medicare	
A parents/caregiver for a child under age 14 or someone with a disability	
Recently incarcerated (within 90 days)	
Under age 26 and formerly in foster care	
Meet SNAP or TANF work requirements	

# Department Approach to H.R.1



- Appropriately leverage exemptions
- Automate available data to verify exemptions
- Expand redetermination ex parte process
- Utilize ongoing modernization improvements
- Expand external and internal communication
- Cultivate strong stakeholder engagement



# H.R.1 – Fiscal Summary (Cost and Federal Funds)



## One-Time Implementation (90/10 FFP)

Total: \$5,749.0

- Federal: \$5,175.0
- State: \$575.0

## Ongoing Annual Maintenance (75/25 FFP)

Annual Range: \$400.0 – \$1,000.0

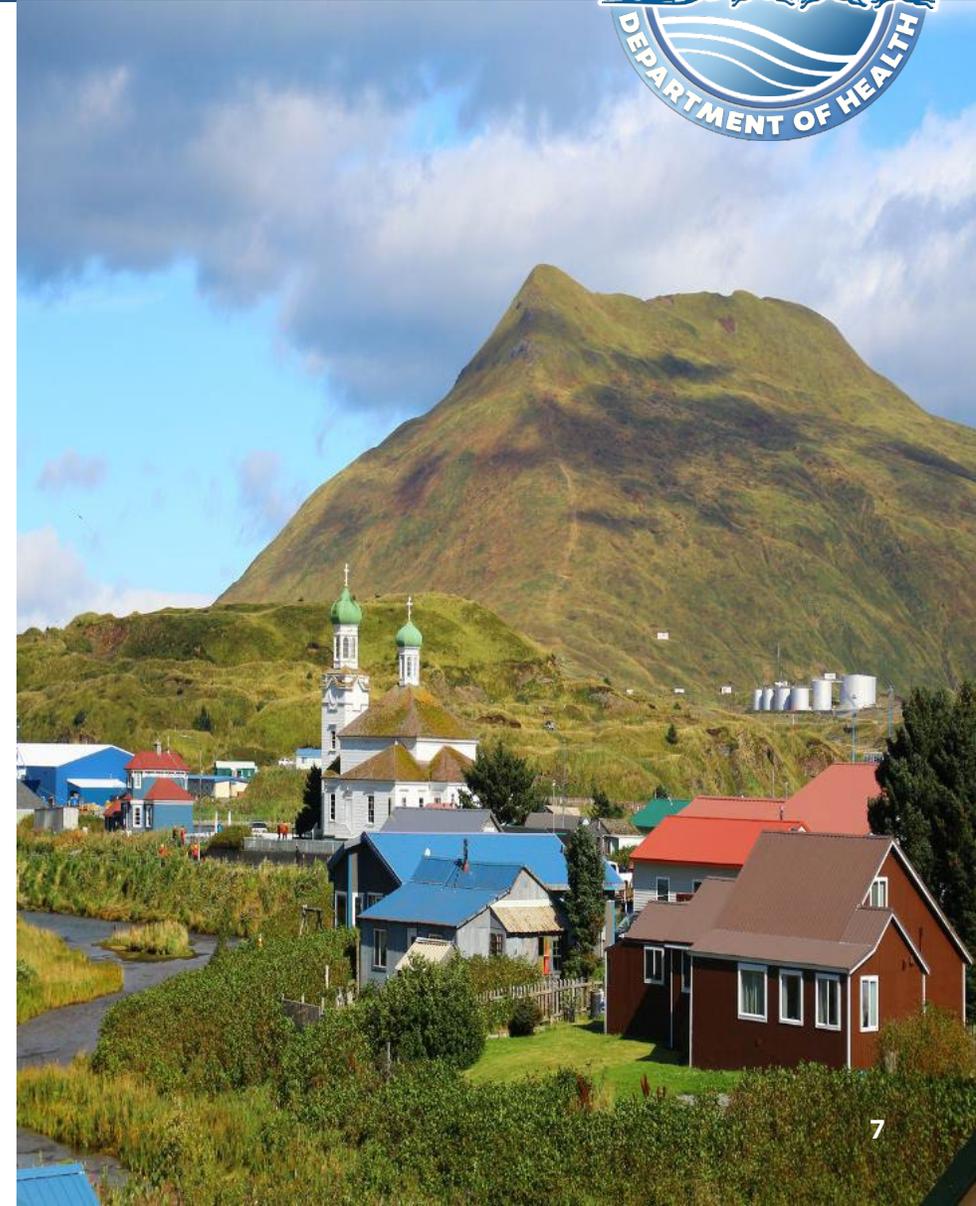
- Federal: \$300.0 – \$750.0
- State: \$100.0 – \$250.0

## Additional One-Time Federal Revenue

- Federal Implementation Payment: \$2,000.0

*(Direct federal funds to the State)*

Dollars in Thousands



# Supplemental Nutrition Assistance Program



## Changes to the Supplemental Nutrition Assistance Program (SNAP):

1. Work Requirements
2. State Penalties for Payment Errors
3. Administrative Cost Sharing for the State



**USDA**  
**Supplemental**  
**Nutrition**  
**Assistance**  
**Program**

# SNAP Work Requirement Exemptions



SNAP work requirements for Able-Bodied Adults Without Dependents will apply to adults ages 18-64.

Restricted or Eliminated Exemptions	Expanding Exemptions
Expands the age range subject to the time limit from 18–54 to 18–64	Alaska Natives and American Indians
Veterans	
Homeless individuals	
Former foster youth (up to age 24)	
Caregiver exemption limited to those caring for children under age 14	



# SNAP Error Rate Penalty



States with exceptionally high error rates can delay cost-sharing until FY 2030 under specific delay provisions, meaning Alaska's current high rates may not trigger financial penalties until FY 2030.

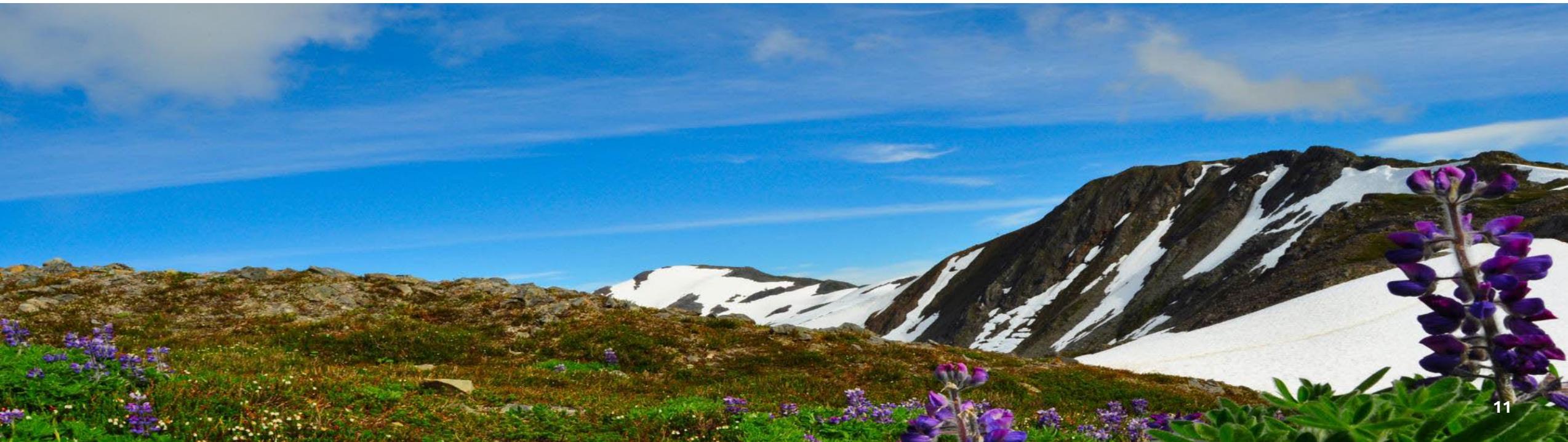
Payment Error Rate	FY 2030 State Cost-Sharing of SNAP Benefits	Estimated Fiscal Impact (Based of FFY 2025 Benefits, Dollars in Thousands)
< 6%	0%	0
≥ 6% and < 8%	6%	\$16,915.0
≥ 8% and < 10%	10%	\$28,191.0
≥ 10%	15%	\$42,287.0

Alaska's FY 2030 state cost-sharing amount will be based on the FY 2028 error rate.

# SNAP Administrative Cost Shift



- The administrative cost shift is unrelated to SNAP payment error rates  
This impacts all 50 states
- Effective October 2027, SNAP administrative cost will shift from 50-50 to 75-25
- This will increase the annual state costs by an estimated \$10.7 million
  - The FY2027 estimate reflects three quarters



# Rural Health Transformation Program (RHTP) Basics



The RHTP is a one-time, five-year, \$50 billion federal initiative to catalyze rural health care delivery transformation and improve access and health outcomes across the country



The Centers for Medicare and Medicaid Services (CMS) awarded Alaska **\$272 million** to allocate between January and October 2026



This is a cooperative agreement; CMS and DOH work together to administer the program

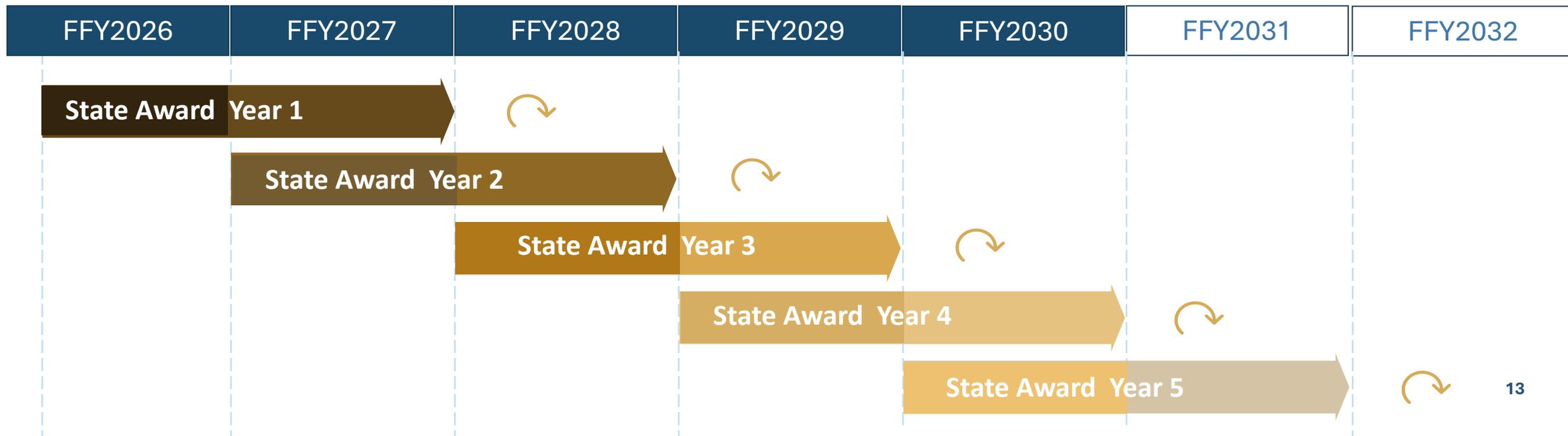
# RHTP Funding Timeline

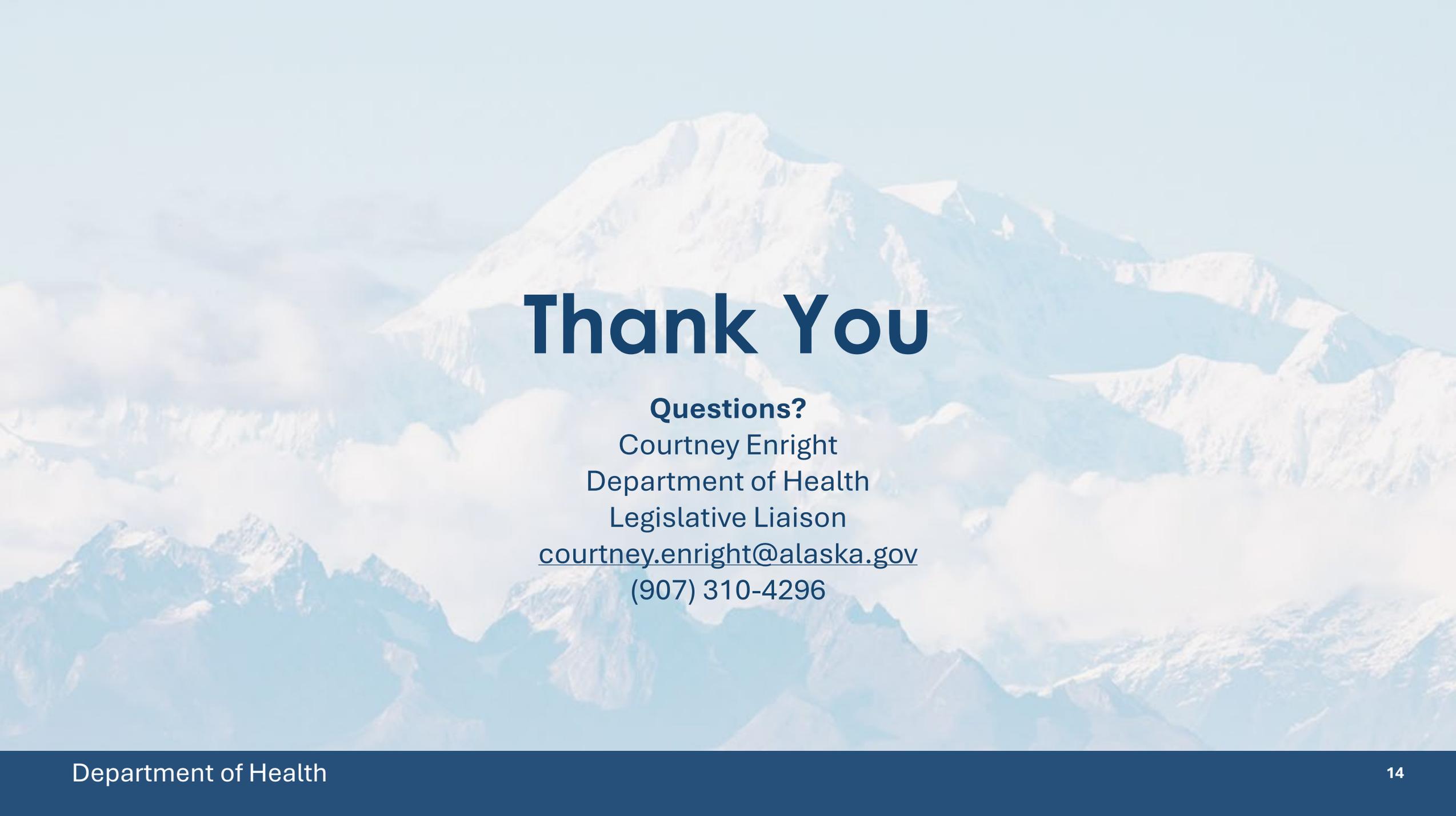


CMS will make annual awards to states.

- States have one year to incur costs (obligate funds) and an additional year to finish spending them
- Beginning March 31, 2028, CMS will start annually redistributing unspent funds. Any final reallocated funds must be spent by the end of federal fiscal year (FFY) 2032

**REMINDER: This is one-time, five-year funding. Investments must be sustainable after RHTP funding concludes**





# Thank You

## Questions?

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