

State of Alaska Department of Health

FY2027 Budget Overview
Senate Finance Budget Subcommittee

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



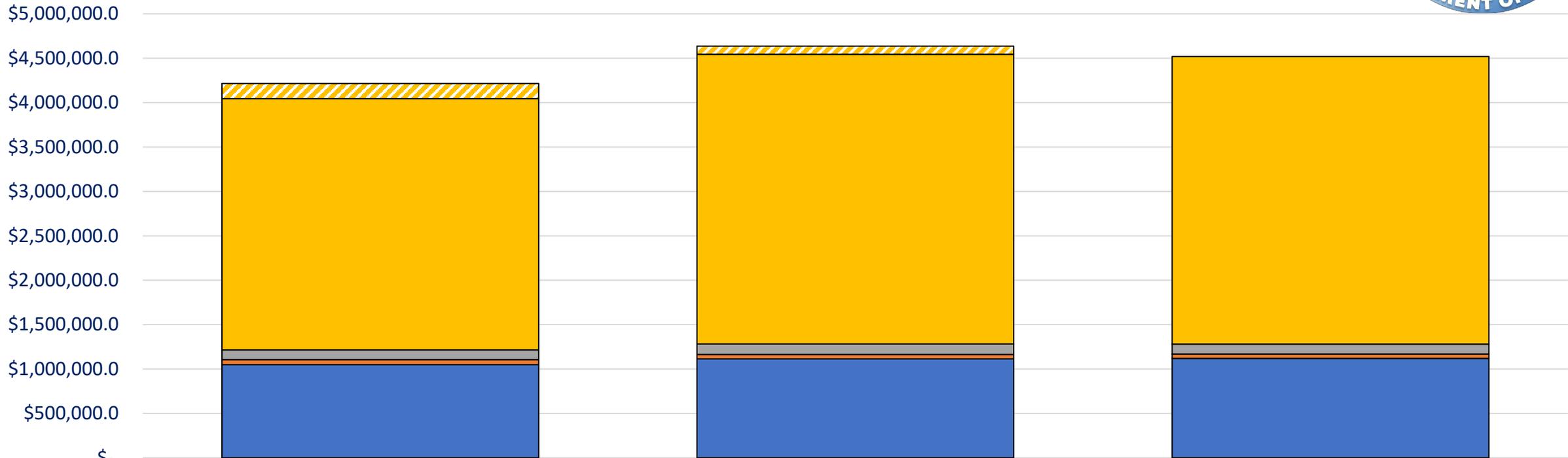
Wednesday, March 4, 2026

Department of Health



Operating Budget (FY2025-FY2027)

Dollars in thousands



	FY2025 Final Authorized	FY2026 Management Plan + Supplemental	FY2027 Governor Amended
UGF	\$ 1,049,747.1	\$ 1,113,915.4	\$ 1,118,725.6
DGF	\$ 54,815.7	\$ 50,508.2	\$ 50,846.7
Other	\$ 110,803.3	\$ 118,786.6	\$ 110,910.4
Federal	\$ 2,829,008.8	\$ 3,261,158.8	\$ 3,238,128.1
Federal (COVID-19)	\$ 170,943.7	\$ 92,578.9	\$ -
Total	\$ 4,215,318.6	\$ 4,636,947.9	\$ 4,518,610.8

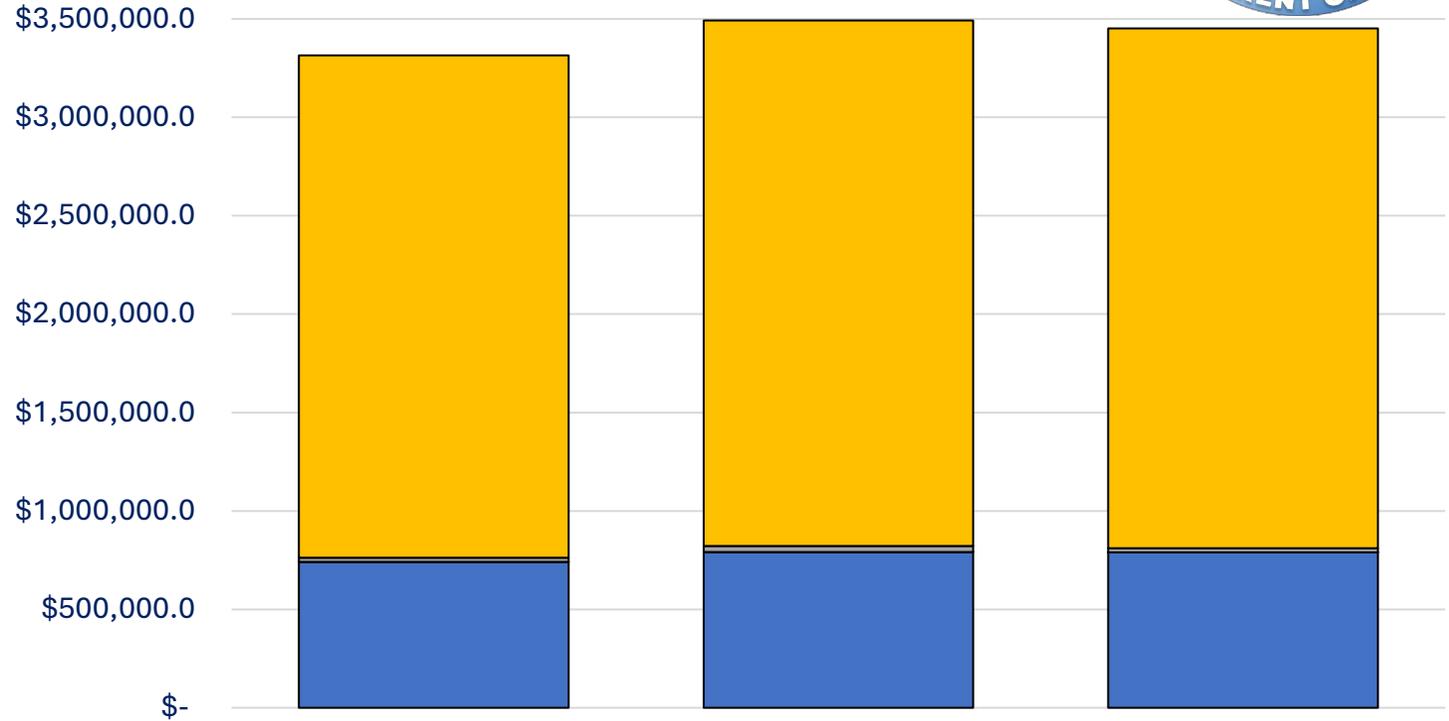
Medicaid Services



Governor's FY2027 Amended Budget	Amount
Align Authority for Medicaid Payments to Service Providers (Increment) - <i>Corresponding Supplemental</i>	\$377,298.2 \$334,010.1 Federal \$43,288.1 GF/Match

Operating Budget (FY2025-FY2027)

Dollars in thousands

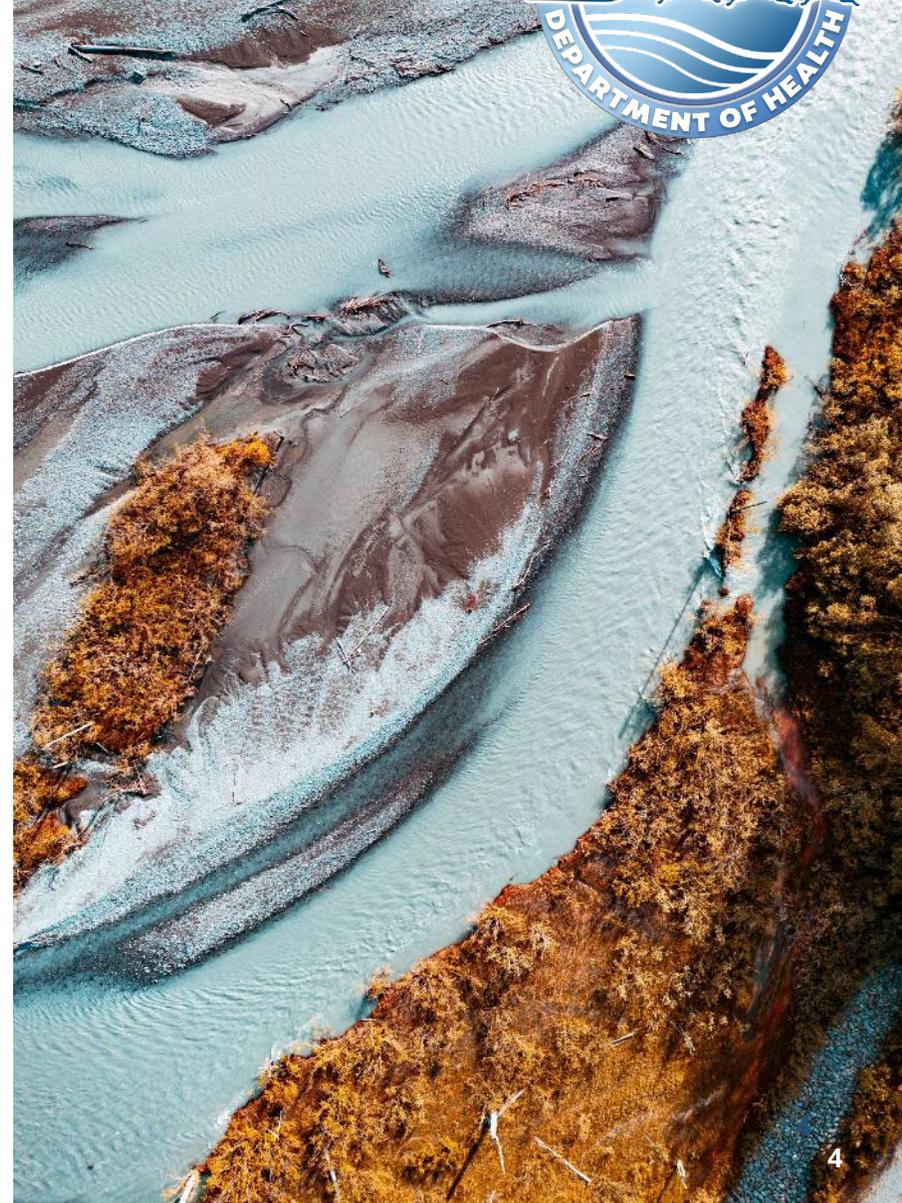


	FY2025 Final Authorized	FY2026 Management Plan + Supplemental	FY2027 Governor Amended
UGF	\$ 741,507.9	\$ 791,292.6	\$ 789,916.7
DGF	\$ 429.8	\$ 429.8	\$ 429.8
Other	\$ 20,714.1	\$ 30,714.1	\$ 20,714.1
Federal	\$ 2,552,394.4	\$ 2,669,714.1	\$ 2,640,598.1
Federal (COVID-19)	\$ -	\$ -	\$ -
Total	\$ 3,315,046.2	\$ 3,492,150.6	\$ 3,451,658.7

Contributing Factors to Medicaid Budget



- FY26: Additional weekly payment
 - Addition of a 53rd Medicaid weekly payment at \$63.7M (\$49.3M Federal / \$14.4M Gen Fund)
 - Occurs every four to five years
- FY2027: Regular Federal Medical Assistance Percentage (FMAP) reduced by 1.05%
 - These are recalculated annually
 - Estimated \$10.8M Gen Fund impact



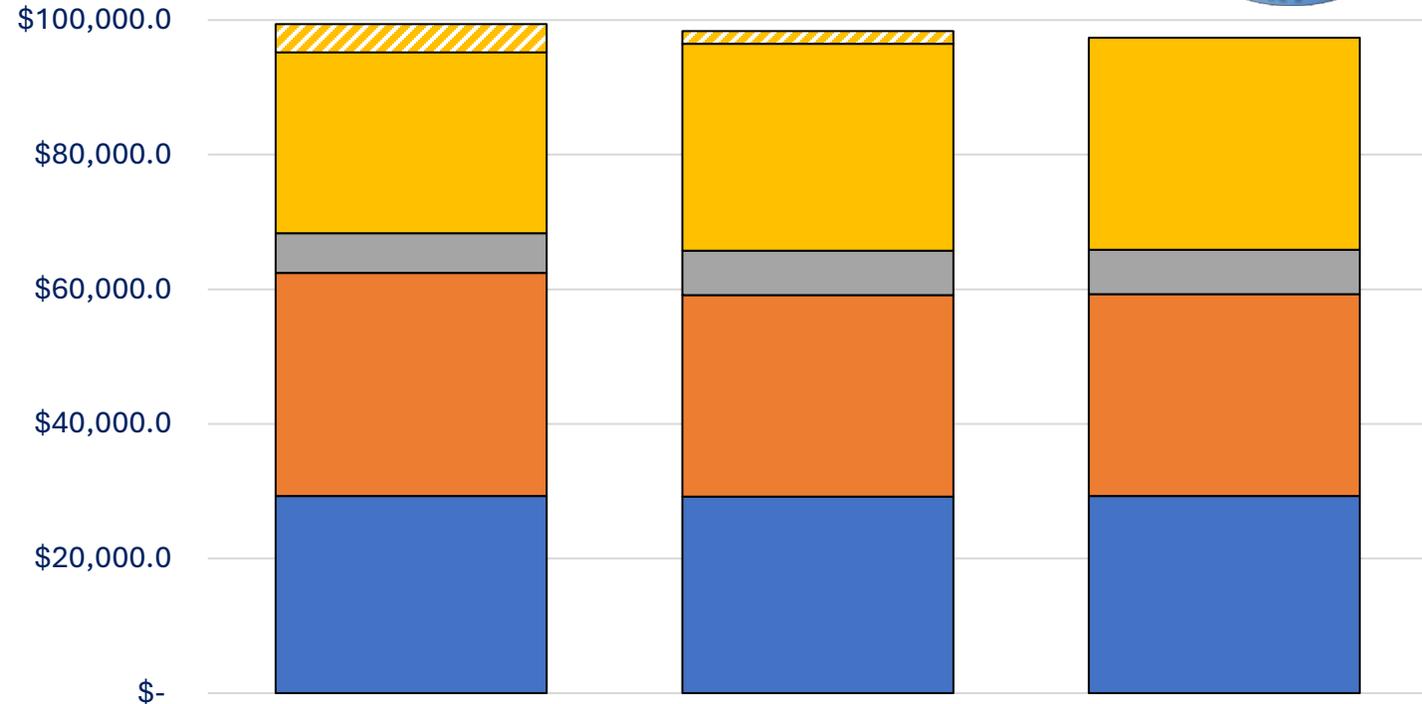
Behavioral Health



Governor's FY2027 Amended Budget	Amount
Replace Funding Source to Align with Statutory Distribution of Restorative Justice Account Funds (Fund Change)	\$169.2 Gen Fund (\$169.2) Rest Just
Increase Federal Receipt Authority for Crisis Contact Center (Increment)	\$585.0 Federal
Add Program Receipt Authority for Behavioral Crisis Services (Increment) - Corresponding Supplemental	\$500.0 Stat Desig

Operating Budget (FY2025-FY2027)

Dollars in thousands



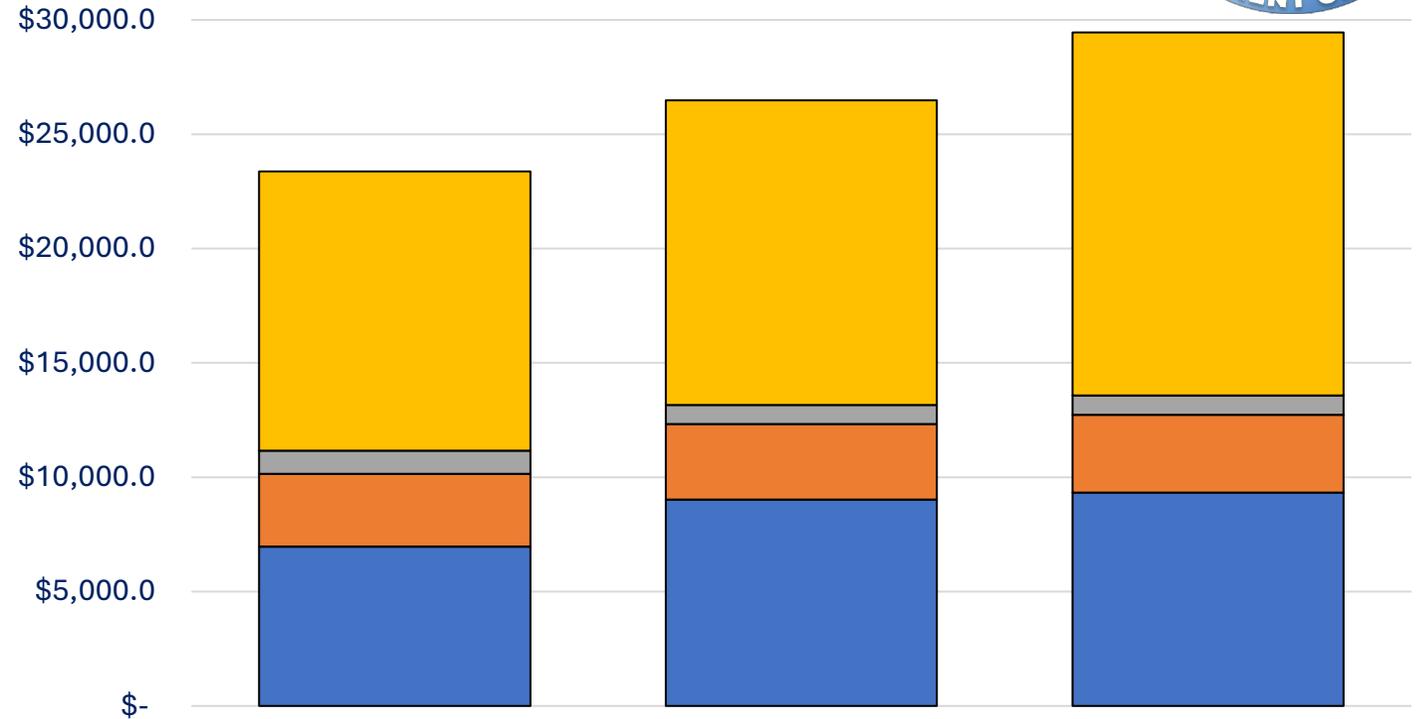
	FY2025 Final Authorized	FY2026 Management Plan + Supplemental	FY2027 Governor Amended
UGF	\$ 29,299.7	\$ 29,176.6	\$ 29,281.6
DGF	\$ 33,145.4	\$ 29,963.1	\$ 29,987.0
Other	\$ 5,862.8	\$ 6,582.8	\$ 6,621.2
Federal	\$ 26,880.5	\$ 30,741.4	\$ 31,465.7
Federal (COVID-19)	\$ 4,219.0	\$ 1,908.2	\$ -
Total	\$ 99,407.4	\$ 98,372.1	\$ 97,355.5

Health Care Services



Operating Budget (FY2025-FY2027)

Dollars in thousands



Governor's FY2027 Amended Budget	Amount
Community Care Licensing Specialist Classification Study Implementation (Increment)	\$181.2 (Federal, GF/Match, Gen Fund, GFPR*)
Support Medicaid Systems Modernization (One-Time Increment)	\$1,970.0 Federal

*GFPR = General Fund Program Receipts

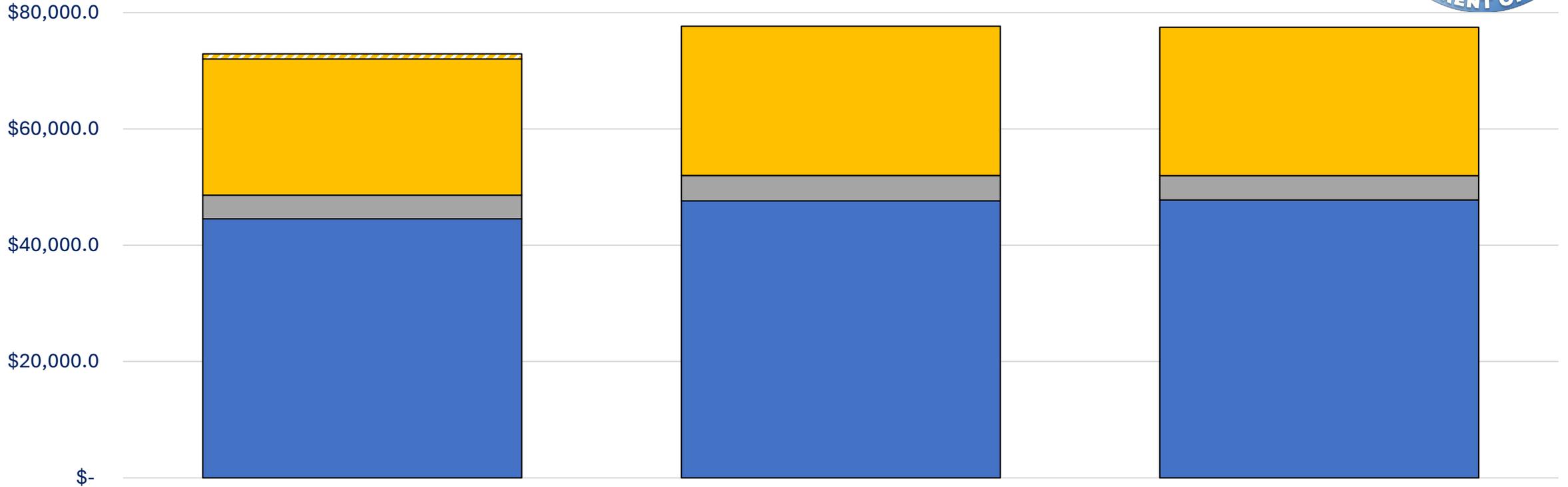
	FY2025 Final Authorized	FY2026 Management Plan + Supplemental	FY2027 Governor Amended
UGF	\$ 6,964.1	\$ 9,019.0	\$ 9,333.3
DGF	\$ 3,183.8	\$ 3,305.0	\$ 3,401.1
Other	\$ 1,013.6	\$ 837.8	\$ 840.9
Federal	\$ 12,216.3	\$ 13,326.8	\$ 15,877.0
Federal (COVID-19)	\$ -	\$ -	\$ -
Total	\$ 23,377.8	\$ 26,488.6	\$ 29,452.3

Senior and Disabilities Services



Operating Budget (FY2025-FY2027)

Dollars in thousands



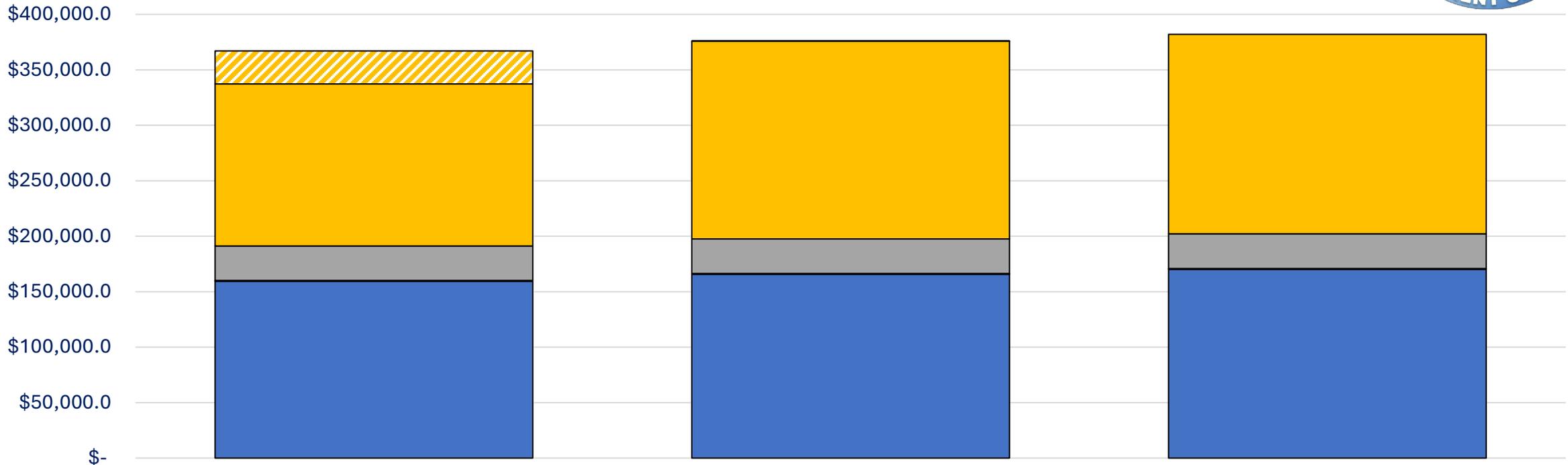
	FY2025 Final Authorized	FY2026 Management Plan + Supplemental	FY2027 Governor Amended
UGF	\$ 44,538.4	\$ 47,639.8	\$ 47,769.2
DGF	\$ -	\$ -	\$ -
Other	\$ 4,097.9	\$ 4,353.9	\$ 4,212.3
Federal	\$ 23,384.3	\$ 25,660.4	\$ 25,511.1
Federal (COVID-19)	\$ 882.3	\$ -	\$ -
Total	\$ 72,902.9	\$ 77,654.1	\$ 77,492.6

Public Assistance*



Operating Budget (FY2025-FY2027)

Dollars in thousands



	FY2025 Final Authorized	FY2026 Management Plan + Supplemental	FY2027 Governor Amended
UGF	\$ 159,325.0	\$ 165,679.9	\$ 170,075.5
DGF	\$ 814.7	\$ 814.7	\$ 814.7
Other	\$ 31,027.9	\$ 31,137.2	\$ 31,210.5
Federal	\$ 146,110.4	\$ 178,305.7	\$ 179,903.9
Federal (COVID-19)	\$ 29,726.8	\$ 219.6	\$ -
Total	\$ 367,004.8	\$ 376,157.1	\$ 382,004.6

* Including Senior Benefits Payment Program

Public Assistance*



Governor's FY2027 Amended Budget	Amount
Community Care Licensing Specialist Classification Study Implementation (Increment)	\$120.0 Federal
Supplemental Nutrition Assistance Program Administrative Cost Shift (Increment)	\$7,991.3 GF/Match
Add Authority for Eligibility Systems Amid Rising Operating Costs (Increment) – <i>Corresponding Supplemental</i>	\$21,041.9 Federal + GF/Match
Maintain the Division of Public Assistance Virtual Contact Center (Increment) – <i>Corresponding Supplemental</i>	\$8,000.0 Federal + GF/Match
Address Rising Women, Infants, and Children Food Costs (Increment) – <i>Corresponding Supplemental</i>	\$4,500.0 Federal
Third Year of Fiscal Note Implementation for Extending Senior Benefits (Ch12 SLA2024 (SB147))	\$480.3 Gen Fund

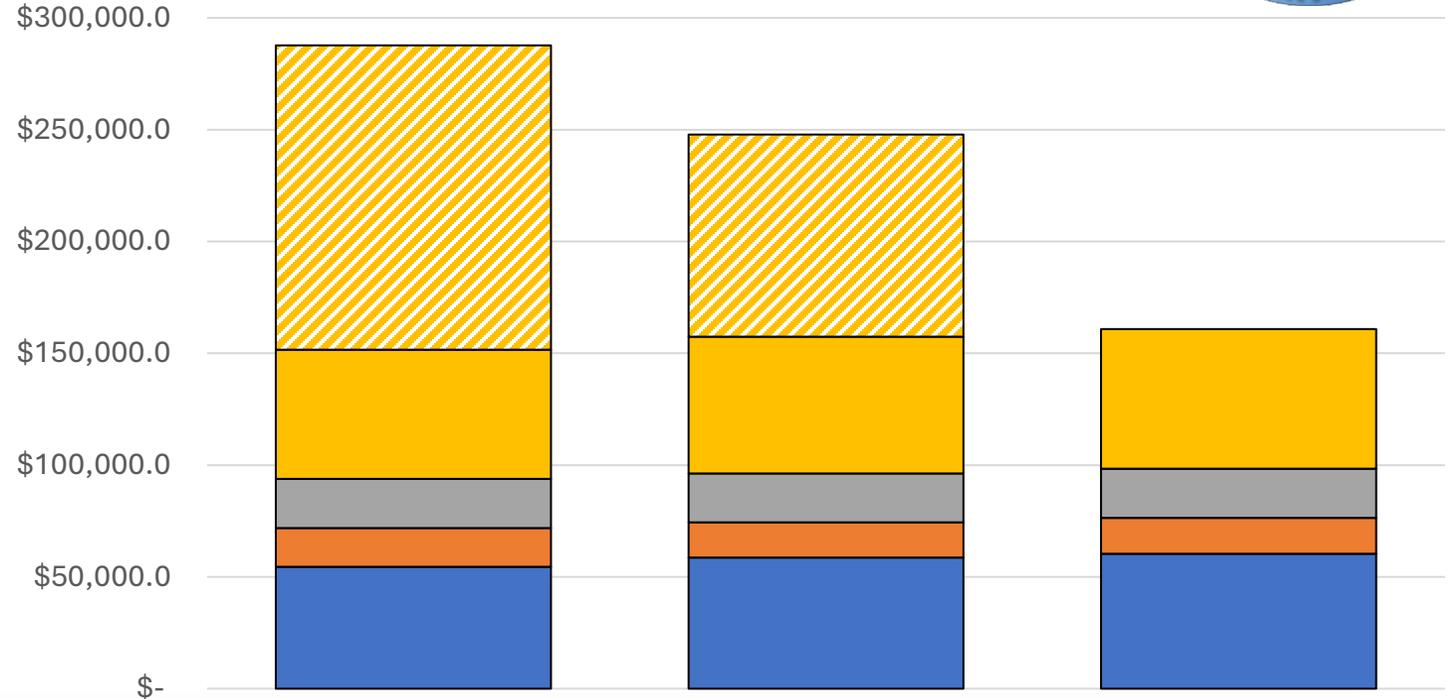
Public Health*



Governor's FY2027 Amended Budget	Amount
Increase Federal Receipt Authority for Grant Awards (Increment) - <i>Corresponding Supplemental</i>	\$2,700.0 Federal
Increase Federal Receipt Authority for Grant Awards (Increment) - <i>Corresponding Supplemental</i>	\$1,650.0 Federal
Information Technology Classification Study Implementation (Increment)	\$47.8 (Federal, GF/Match SDPR**)

Operating Budget (FY2025-FY2027)

Dollars in thousands



	FY2025 Final Authorized	FY2026 Management Plan + Supplemental	FY2027 Governor Amended
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	\$ 62,431.6
Federal (COVID-19)	\$ 136,115.6	\$ 90,451.1	\$ -
Total	\$ 287,646.7	\$ 247,856.9	\$ 160,816.9

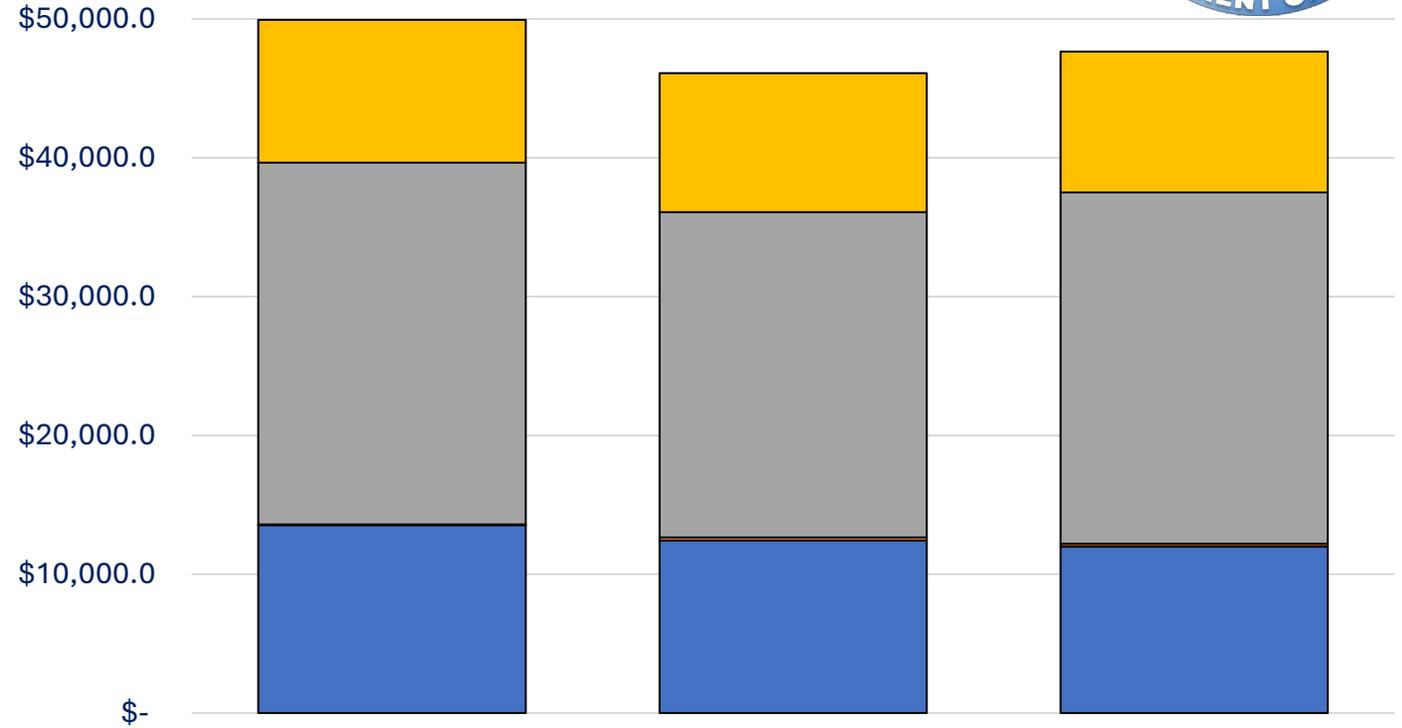
* Including Human Services Community Matching Grant and Community Initiative Matching Grants
 **SDPR = Statutory Designated Program Receipts

Departmental Support Services



Operating Budget (FY2025-FY2027)

Dollars in thousands



	FY2025 Final Authorized	FY2026 Management Plan + Supplemental	FY2027 Governor Amended
UGF	\$ 13,539.7	\$ 12,425.2	\$ 11,981.9
DGF	\$ 42.4	\$ 220.0	\$ 220.0
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	\$ 47,655.2

Governor's FY2027 Amended Budget	Amount
Information Technology Classification Study Implementation (Increment)	\$1,207.7 (Federal, GF/Match, I/A, CIP*)
General Fund Program Receipts for Certificate of Need and Emergency Medical Transport Program (Increment) – <i>Corresponding Supplemental</i>	\$177.6 GFPR

* CIP = Capital Improvement Project

Health Innovation and Transformation



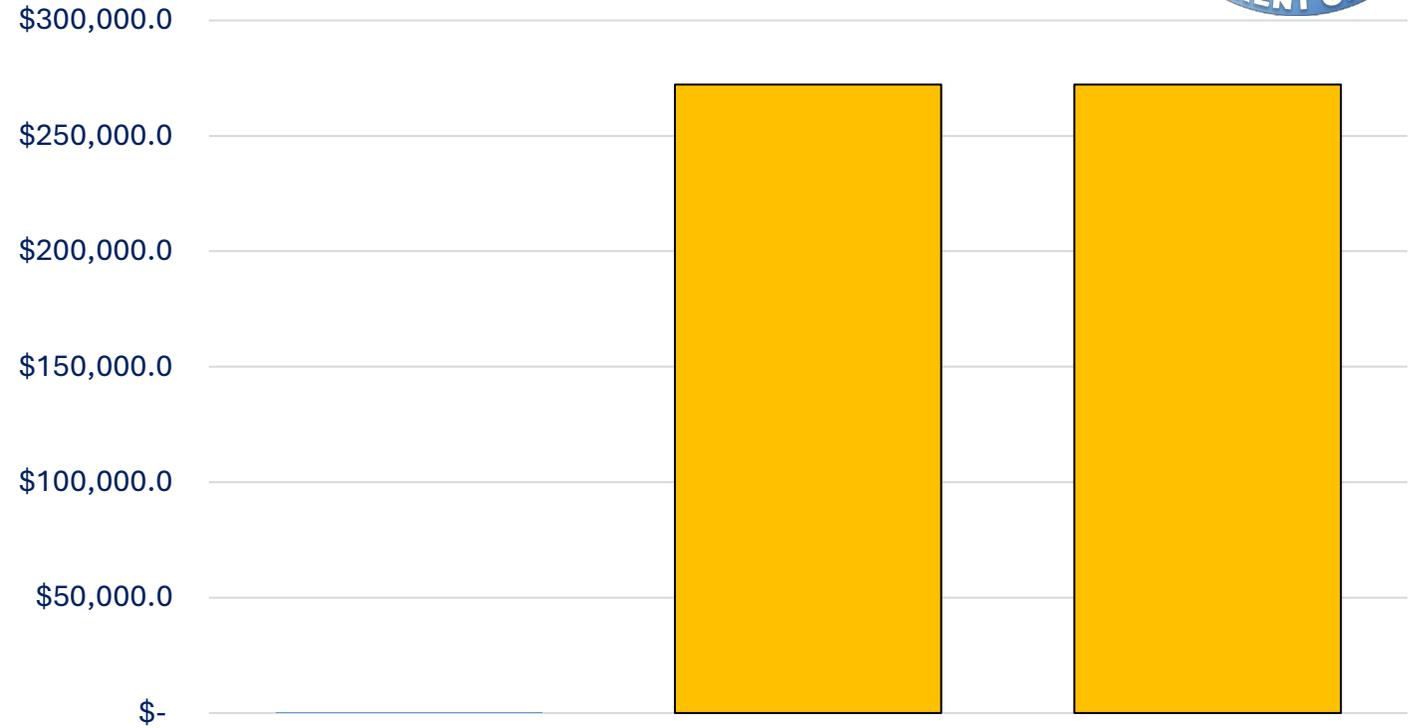
Operating Budget (FY2025-FY2027)

Dollars in thousands

Governor's FY2027 Amended Budget

Rural Health Transformation
(FY27-FY29)

\$272,175.0 Multi-Year Appropriation
(Federal) - *Corresponding Supplemental*
(FY26-FY28)



	FY2025	FY2026	FY2027
	Final Authorized	Management Plan + Supplemental	Governor Amended
UGF	\$ -	\$ -	\$ -
DGF	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -
Federal	\$ -	\$ 272,174.9	\$ 272,175.0
Federal (COVID-19)	\$ -	\$ -	\$ -
Total	\$ -	\$ 272,174.9	\$ 272,175.0

FY2026 Budget Updates



Description	Type	Division and Amount
Reduce Uncollectible Designated General Fund Sources to Align with Anticipated Revenue (DGF)	Dec	Behavioral Health \$3,736.5 Public Health \$1,738.0
MH Trust: Crisis Call Center (FY2026-FY2027) (MHTAAR*)	IncT	Behavioral Health \$750.0
Add Federal Receipt Authority for New and Prior-Year Grants for New and Existing Behavioral Health Programs (FED)	Inc	Behavioral Health \$6,656.0
Add Funding and Authority to Comply with Changes to Federal Requirements for Health Facility Inspections	Inc	Health Care Services \$481.2 \$147.5 FED \$333.7 GF/Match
Increase General Funds to Maintain Current Medicaid Operations (GF/Match)	Inc	Health Care Services \$424.5
Increase Federal Authority for Child Care and Development Block Grant and a New Preschool Development Grant (FED)	Inc	Public Assistance \$15,200.0
Add Funding to Support Child Care Grant Program for Place-based and Homebased Child Care Centers (GenFund)	Inc	Public Assistance \$5,867.1

* MHTAAR = Mental Health Trust Authority Authorized Receipts

FY2026 Budget Updates



Description	Type	Division and Amount
Add 15 Full-Time Eligibility Technicians	Inc	Public Assistance \$1,629.9 \$814.9 FED \$814.9 GF/Match
Increase Funding to Support and Stabilize Senior Centers (UGF)	Inc	Senior and Disabilities Services \$2,500.0
Add Funding to Support Clinic Behavioral Health Services (FY2026-FY2027)(Gen Fund)	IncT	Medicaid Services \$10,000.0

FY2024 Audit Report



FY2024 Corrective Action Report

18 findings

- 1 disagree with finding
- 8 resolved in FY2025
- 4 anticipate resolution by the end of FY2026
- 5 anticipate resolution by the end of FY2027

Category 1: Division of Public Assistance Federal Program Findings

Category 2: Finance and Management Services Financial Findings





Category 1: Division of Public Assistance Federal Program

Programs with Findings

Pandemic Electronic Benefit Transfer Food Benefits Program (PEBT)

- Benefit payment process and timeframes - Disagree

Supplemental Nutrition Assistance (SNAP)

- Recertification timelines – Agree
- Daily reconciliations – Agree
- Benefit reporting – Disagree

Temporary Assistance for Needy Families (TANF)

- Inadequate supporting documentation – Agree
- Benefit reporting – Agree

Child Care Development Fund (CCDF)

- Inadequate supporting documentation - Agree
- Benefit reporting - Agree

Medicaid

- Eligibility errors and timelines – Agree



Category 2: Finance and Management Services Financial

Interagency Billings on Federal Program - fully resolved

- Department of Military and Veteran Affairs (DMVA) and Federal Emergency Management Agency (FEMA) grant expenditure complexities
 - FEMA approved DMVA grants by expenditures
 - Extensive documentation requirements

Revenue shortfalls – partially resolved

- Addressing each shortfall with:
 - Billing adjustments, federal awards, and interagency billings
 - Ongoing financial oversight and process improvements

Questions?

Courtney Enright
Department of Health
Legislative Liaison
courtney.enright@alaska.gov
907-310-4296

