From:	Sarah Weideman
To:	Senate Health and Social Services; Sen. Forrest Dunbar; Sen. Löki Tobin; Sen. Matt Claman; Sen. Cathy Giessel; Sen. Robert Myers
Subject:	Urgent Concerns Regarding SB 281 Amendments (Section 18: AS 22.29) and Impact on Rural Health Providers
Date:	Thursday, April 23, 2026 12:19:21 PM

Dear Members of the Senate Health & Social Services Committee,

I am writing to express serious concern regarding the recently published amendments to SB 281 Alaska Senate Bill, specifically Section 18 (AS 22.29). The accompanying Summary of Changes signals a fundamental shift in how rural health funding will be structured and distributed across Alaska.

As written, these amendments move away from a framework that recognized geographic and organizational diversity and instead introduce a centralized, administratively driven model. This approach disproportionately advantages large health consortiums with dedicated grant infrastructure, while placing small, community-based nonprofits—such as senior centers, single-site clinics, and rural service providers—at a structural disadvantage.

The removal of geographic and organization-size equity provisions effectively eliminates the “protected lane” that allowed small providers to compete meaningfully. In practical terms, this risks silencing independent rural providers and forcing them into sub-recipient roles under larger systems, eroding both autonomy and responsiveness to local needs.

Further, the emphasis on “scalability” and high-level federal reporting capacity introduces a barrier that many rural organizations cannot reasonably meet. These criteria prioritize administrative capacity over demonstrated community impact. A one-clinic nonprofit serving a remote population may deliver critical, high-impact services but lacks the staffing and infrastructure to compete against entities with full-scale grant teams. This is not a reflection of value—it reflects scale.

Equally concerning is the removal of requirements to distribute funding across judicial districts. Without these guardrails, there is a significant risk that funding will be concentrated in urban centers, leaving rural and senior-specific infrastructure underfunded and increasingly invisible in statewide planning.

These changes, if left unaddressed, will have long-term consequences for access to care, aging-in-place initiatives, and the sustainability of rural health systems across Alaska.

We respectfully request that the Committee consider the following actions:

- **Reinstate Equity Scoring**
  Restore provisions that ensure small and mid-sized providers are evaluated within appropriate peer groups, rather than in direct competition with multi-hospital systems.

- **Define "Community Need" More Broadly**
  Require the Department of Health to explicitly value small-scale, high-impact projects alongside large-scale initiatives. Rural effectiveness should not be measured solely by expansion potential.
- **Ensure Transparency and Accountability**
  Maintain robust quarterly reporting requirements so communities can clearly track where funds are allocated and how decisions are made.

Alaska's rural health ecosystem depends on locally driven solutions. Policies that unintentionally centralize funding authority risk undermining the very providers who are closest to the populations most in need.

Thank you for your time and consideration of these concerns. I welcome the opportunity to discuss the real-world implications of these changes and to support a path forward that preserves both accountability and equitable access.

Respectfully,

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