

ALASKA STATE LEGISLATURE

SENATE HEALTH & SOCIAL SERVICES COMMITTEE



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SJR 15: OPPOSE MEDICAID CUTS **Sponsor Statement** **Version I 34-LS0631I**

Senate Joint Resolution 15 calls on Alaska’s congressional delegation to oppose proposed federal cuts to Medicaid. More than 250,000 Alaskans—including children, seniors, people with disabilities, and low-income adults—rely on Medicaid and the Children’s Health Insurance Program (CHIP) for essential health services. These cuts would be devastating to our families, communities, and economy.

Rural and remote communities depend on Medicaid at higher rates due to a shortage of providers, expensive travel, and limited access to employer-sponsored insurance. Medicaid is also a cornerstone of Alaska’s Tribal health system and supports nearly 100,000 children and covers almost 40 percent of births annually.

Federal Medicaid funding represents more than \$2 billion each year—78 percent of the program’s cost in our state. Slashing this funding would force Alaska to consider drastic reductions in coverage, benefits, or provider payments, putting lives and livelihoods at risk. Beyond direct health care impacts, Medicaid sustains a vital segment of Alaska’s economy. It supports high-quality union jobs, strengthens small businesses by providing health care coverage to workers, and ensures that seniors and individuals with disabilities can remain in their homes and communities with dignity.

Proposed federal cuts—nearly \$880 billion over 10 years—would endanger these benefits. SJR 15 urges our congressional delegation to protect the health and economic security of Alaskans by rejecting these cuts.

CS FOR SENATE JOINT RESOLUTION NO. 15(HSS)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE SENATE HEALTH AND SOCIAL SERVICES COMMITTEE

Offered: 4/7/25

Referred: Rules

Sponsor(s): SENATE HEALTH AND SOCIAL SERVICES COMMITTEE

A RESOLUTION

1 **Calling on the state's congressional delegation to oppose cuts to federal spending on**
2 **Medicaid.**

3 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 **WHEREAS** more than 250,000 state residents rely on Medicaid and the Children's
5 Health Insurance Program for health care and long-term care coverage; and

6 **WHEREAS** Medicaid helps children, seniors, individuals with disabilities, and low-
7 income adults access hospital, physician, prescription, and nursing home services, as well as
8 behavioral health and home and community-based long-term care services throughout the
9 state; and

10 **WHEREAS** state residents living in rural and remote areas of the state are enrolled in
11 Medicaid and the Children's Health Insurance Program at a higher rate than those residents
12 living in population centers; and

13 **WHEREAS** Medicaid and the Children's Health Insurance Program are vital sources
14 of coverage in rural and remote areas where residents face more barriers to accessing care,
15 including chronic provider shortages, limited connectivity, limited health care infrastructure,
16 expensive travel costs to access care, and fewer opportunities for employer-provided health

1 insurance; and

2 **WHEREAS** nearly 40 percent of all Medicaid enrollees are under 18 years old, 36
3 percent of births are covered by Medicaid each year, and Medicaid and the Children's Health
4 Insurance Program provide health care coverage to nearly 100,000 children in the state; and

5 **WHEREAS** Medicaid and the Children's Health Insurance Program are critical to
6 maintaining the health and well-being of the state's newborns, new mothers, and children
7 under 18 years old; and

8 **WHEREAS** Medicaid is the main source of funding for long-term services and
9 supports for seniors and individuals with disabilities, and thousands of the state's seniors rely
10 on Medicaid to help cover Medicare premiums and co-payments, allowing those seniors to
11 live with dignity and independence in the seniors' own homes and communities; and

12 **WHEREAS** 30 percent of Medicaid enrollees are Alaska Native, and funding from
13 Medicaid and the Children's Health Insurance Program strengthens the Alaska Native Tribal
14 Health Consortium system, helping to improve access to health care in all areas of the state;
15 and

16 **WHEREAS**, unlike other Medicaid costs, which are shared by the federal government
17 and the state, the federal government covers 100 percent of costs for services provided to
18 Alaska Native Medicaid recipients receiving care through an Indian Health Service facility or
19 at a tribal facility operating on behalf of the Indian Health Service; and

20 **WHEREAS** states that have implemented Medicaid expansion under the Affordable
21 Care Act currently receive a 90 percent federal match for adults covered through the
22 expansion; and

23 **WHEREAS** Medicaid drives growth in the health care sector, one of the state's most
24 important sectors in terms of employment and wages, and Medicaid is a major source of
25 funding for high quality union nursing and long-term care jobs in the state; and

26 **WHEREAS** Medicaid plays a crucial role in supporting the state's small businesses
27 and entrepreneurs by providing access to affordable health care coverage for employees,
28 which helps prevent illness, reduces absenteeism, and improves productivity; and

29 **WHEREAS**, by ensuring workers have access to necessary medical services,
30 Medicaid enables small businesses to retain a healthier, more reliable workforce, ultimately
31 contributing to economic stability and growth in the state; and

1 **WHEREAS**, each year, the state receives over \$2,000,000,000, approximately 78
2 percent of Medicaid spending in the state, from federal funding, and those funds provide an
3 economic boost throughout the state; and

4 **WHEREAS** the United States Congress is considering cuts of nearly
5 \$880,000,000,000 to federal spending on Medicaid over 10 years; and

6 **WHEREAS** spending cuts of this magnitude would force the state to make tough
7 choices about whether to offset reductions with state funding, reduce service levels, cut
8 benefits, or reduce coverage levels, likely leaving tens of thousands of state residents without
9 access to essential health care and long-term services and supports;

10 **BE IT RESOLVED** that the Alaska State Legislature calls on the state's
11 congressional delegation to oppose cuts to federal spending on Medicaid to protect the state's
12 health care system, communities, citizens, and economy.

13 **COPIES** of this resolution shall be sent to the Honorable Lisa Murkowski and the
14 Honorable Dan Sullivan, U.S. Senators, and the Honorable Nicholas Begich, U.S.
15 Representative, members of the Alaska delegation in Congress.

Fiscal Note

State of Alaska
2025 Legislative Session

Bill Version: SJR 15
 Fiscal Note Number: _____
 () Publish Date: _____

Identifier: SJR15-LEG-SESS-03-19-2025
 Title: OPPOSE MEDICAID CUTS
 Sponsor: HEALTH & SOCIAL SERVICES
 Requester: (S) HEALTH AND SOCIAL SERVICES

Department:
 Appropriation:
 Allocation:
 OMB Component Number: 0

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2026	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2026 Request	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
OPERATING EXPENDITURES	FY 2026	FY 2026					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2025) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2026) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

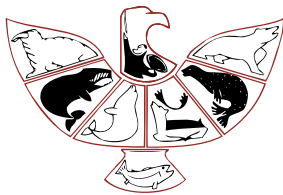
ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
 If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Not applicable, initial version. One page, zero note.

Prepared By: <u>Sante Lesh, Deputy Executive Director</u>	Phone: <u>(907)465-4824</u>
Division: <u>Legislative Affairs Agency</u>	Date: <u>03/19/2025 03:16 PM</u>
Approved By: <u>Jessica Geary, Executive Director</u>	Date: <u>03/19/2025</u>
Agency: <u>Legislative Affairs Agency</u>	



Alaska Native Health Board

THE VOICE OF ALASKA TRIBAL HEALTH SINCE 1968

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ALASKA NATIVE TRIBAL
HEALTH CONSORTIUM

ALEUTIAN PRIBILOF
ISLANDS ASSOCIATION

ARCTIC SLOPE
NATIVE ASSOCIATION

BRISTOL BAY AREA
HEALTH CORPORATION

CHICKALOON VILLAGE
TRADITIONAL COUNCIL

CHUGACHMIUT

COPPER RIVER
NATIVE ASSOCIATION

COUNCIL OF ATHABASCAN
TRIBAL GOVERNMENTS

EASTERN ALEUTIAN TRIBES

KARLUK IRA
TRIBAL COUNCIL

KENAITZE INDIAN TRIBE

KETCHIKAN
INDIAN COMMUNITY

KODIAK AREA
NATIVE ASSOCIATION

MANIILAQ ASSOCIATION

METLAKATLA INDIAN
COMMUNITY

MT. SANFORD
TRIBAL CONSORTIUM

NATIVE VILLAGE
OF EKLUKNA

NATIVE VILLAGE OF EYAK

NATIVE VILLAGE
OF TYONEK

NINILCHIK
TRADITIONAL COUNCIL

NORTON SOUND
HEALTH CORPORATION

SELDOVIA VILLAGE TRIBE

SOUTHCENTRAL
FOUNDATION

SOUTHEAST ALASKA REGIONAL
HEALTH CONSORTIUM

TANANA CHIEFS CONFERENCE

YAKUTAT TLINGIT TRIBE

YUKON-KUSKOKWIM
HEALTH CORPORATION

VALDEZ NATIVE TRIBE

March 4, 2025

Sent via Electronic Mail

The Honorable Senator Lisa Murkowski
522 Hart Senate Office Building
Washington, DC 20510

The Honorable Senator Dan Sullivan
702 Hart Senate Office Building
Washington, DC 20510

The Honorable Congressman Nick Begich
153 Cannon House Office Building
Washington, DC 20510

RE: Impacts of Federal Medicaid Program Cuts

Dear Senator Murkowski, Senator Sullivan, and Congressman Begich,

The Alaska Native Health Board (ANHB)¹ writes to express deep concern about possible changes to the federal Medicaid program and the significant harm these changes would cause in rural Alaska. Medicaid reimbursement for healthcare services and the revenue that this generates is essential to the Alaska Tribal Health System's ability to provide quality healthcare to rural Alaskans. We urge you to protect Medicaid and to ensure that Tribes and Tribal Health Organizations are shielded from any changes to the program.

According to the State of Alaska's most recent Medicaid claims and enrollment data, more than 252,000, or one in three, Alaskans rely on Medicaid and the Children's Health Insurance Program (CHIP) to pay for healthcare. Alaska Native and American Indian people make up nearly 40% (77,861) of Medicaid recipients in Alaska. Medicaid is also the single largest payer for behavioral health services in the United States, a critical issue for Alaskans.

¹ Established in 1968, ANHB's mission is to promote the spiritual, physical, mental, social, and cultural well-being and pride of Alaska Native people. ANHB is the statewide voice on Alaska Native health issues for the Alaska Tribal Health System, which is comprised of Tribes/Tribal Health Organizations that serve all 229 Tribes and over 188,000 Alaska Native and American Indian people throughout the Alaska. As the statewide advocacy organization, ANHB supports achieving effective consultation and communication with state and federal agencies on matters of concern.

The Indian health system has long suffered from inadequate funding, and Alaska Native and American Indian people experience some of the worst health disparities in the country. Nearly fifty years ago, Congress recognized these challenges and authorized the Indian Health Service (IHS) to bill Medicaid and Medicare for the healthcare provided by IHS and Tribal entities to eligible patients.² This additional revenue stream was designed to supplement the consistently inadequate funds provided through Congressional appropriations to IHS. Indeed, federal law requires IHS and Tribal contractors to spend this revenue on their healthcare programs, meaning that every dollar earned from Medicaid billing is used to improve and expand the care provided to beneficiaries.³

Today, IHS and Tribal healthcare providers are *required* to bill Medicaid and other third-party payers first (where appropriate) before spending IHS funds on patient care.⁴ And Medicaid revenues are a critical form of income for both IHS and Tribal healthcare providers. As the Supreme Court recently recognized in *Becerra v. San Carlos Apache Tribe*, 602 U.S. 222, 242 (2024), program income earned from Medicaid and other third-party payers is crucial to Tribes' ability to engage in self-determination by providing healthcare to their members. As IHS has acknowledged, Medicaid funds and other program income are essential to maintaining accreditation for Tribal facilities and ensuring that standards of care are met. If Medicaid is cut and fewer Alaska Native and American Indian people are eligible, Tribal healthcare providers will lose this critical funding stream.

Tribal healthcare programs rely on Medicaid revenue. Tribal health programs use the revenue generated from Medicaid billing to provide additional healthcare services and improve the quality of care available in rural Alaska. Without this revenue, Tribal health programs would not be able to maintain the same quality and amount of care and would be forced to make significant cuts. And in much of rural Alaska, Tribal healthcare providers are the *only* healthcare providers for all residents, regardless of Tribal affiliation. As a result, cuts to Medicaid would impact the affordability of and access to care, leading to reduced health outcomes for all Alaskans.

If Congress makes any changes to Medicaid, it is imperative that Tribal health providers and the people they serve are not harmed as a result. For example, if Congress is considering imposing work requirements on individuals for Medicaid eligibility, it should ensure that any such legislative changes exempt Alaska Native and American Indian people from these requirements. Alaska Native and American Indian people face unique barriers in complying with the paperwork required to satisfy work requirements. They often lack reliable access to postal and broadband services, and face language barriers. Additionally, many Alaska Native and American Indian people have work that does not provide employment documentation, which poses an additional barrier to demonstrating compliance with work requirements. This work can include traditional subsistence farming, hunting, and fishing, as well as tax-exempt sources of income from Tribal resource development activities. Imposing a work requirement on these individuals would

² See 42 U.S.C. §§ 1395qq(a), 1396j(a).

³ 25 U.S.C. § 5325(m)(1), § 1641(d)(2)(A).

⁴ 25 U.S.C. § 1623(b).

penalize people who are actively serving their communities and would substantially reduce the funds available to Tribal healthcare providers.

Work requirements are just one example of a change to Medicaid that would harm Alaska's Tribal health system unless exemptions are made. As new policies are proposed and come before you, please consider them through their impact on healthcare in rural Alaska and remember the extreme importance of Medicaid revenues for Alaska's Tribal health system as a whole. If Medicaid is cut, corresponding increases must be made to the IHS appropriation so that Tribal health programs remain whole. After all, Congress authorized these programs to bill Medicaid to make up for insufficient IHS appropriations; if that supplemental revenue is now reduced, then the IHS appropriation must adjust accordingly.

Thank you for prioritizing access to quality healthcare for all of Alaska. We thank you for your work on this matter. ANHB appreciates the opportunity to share our comments and concerns. Please let us know if you have any questions about the importance of Medicaid or if we can provide additional information about the Tribal health system, contact ANHB at anhb@anhb.org or via telephone at (907) 729-7510.

Sincerely,

A handwritten signature in black ink, appearing to read "W. F. Smith". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Chief William F. Smith, Chairman
Alaska Native Health Board
Tribally Elected Leader of the Valdez Native Tribe



March 10, 2025

Sent Via Electronic Mail

The Honorable Lisa Murkowski
United States Senate
522 Senate Hart Office Building
Washington, D.C. 20510
Amber_Ebarb@indian.senate.gov

The Honorable Dan Sullivan
United States Senate
702 Senate Hart Office Building
Washington, D.C. 20510
Larry_Burton@sullivan.senate.gov

The Honorable Nick Begich
United States House of Representatives
Washington, DC 20515
michael.horanburg@mail.house.gov

Re: Opposition to proposed cuts to Medicaid funding

Dear Senator Murkowski, Senator Sullivan, and Representative Begich:

On behalf of the Alaska Federation of Natives (AFN), and its membership of 177 federally recognized Tribes, 154 village corporations, 9 regional corporations, and 9 regional non-profit and Tribal consortiums, I write to express our strong opposition to any proposed cuts to Medicaid funding. Medicaid is a crucial component of healthcare in Alaska, directly impacting the lives of numerous Alaskans and supporting our economy.

As you know, Medicaid funding contributes approximately \$2 billion to our state's economy. It provides essential healthcare services to our most vulnerable populations, including children, the elderly, and those with disabilities. The potential transition to block grants and implementing a per-capita funding formula could severely jeopardize access to care for many individuals, particularly in rural and underserved communities.

We recognize and appreciate the efforts of various organizations and leaders who have spoken out against these proposed cuts, including the joint letters sent to Congress by

national government associations, Alaska's presiding officers, and all 50 state medical associations. The collective voice of our community must continue to resonate strongly to ensure that our concerns are heard.

Discussions around Medicaid funding cuts are particularly concerning for Indian Health Service (IHS) beneficiaries. The Indian health system has long been underfunded, and Alaska Native and American Indian people continue to experience some of the worst health disparities in the country. Recognizing these challenges nearly 50 years ago, Congress authorized IHS to bill Medicaid and Medicare for services provided by IHS and Tribal healthcare facilities.

Medicaid funding is essential for these facilities to maintain accreditation and meet healthcare standards. If Medicaid is cut, fewer Alaska Native and American Indian people will be eligible, leading to a significant loss of revenue for Tribal healthcare providers. In rural Alaska, where Tribal facilities often serve as the only healthcare providers for all residents—regardless of Tribal affiliation—these cuts would jeopardize access to care for entire communities.

Protecting Medicaid is not just about funding; it is critical for ensuring healthcare access, promoting social equity, and upholding justice for our communities.

We urge you to join us in advocating against any reductions to Medicaid funding. As a united front, we believe that we can effectively convey the importance of maintaining and enhancing Medicaid services for the people of Alaska.

Thank you for considering our request. We hope to collaborate with you in expressing our shared commitment to preserving Medicaid for the betterment of all Alaskans.

Gunalcheesh/Quyana/Mahsi/Thank you,



Benjamin Mallott
President



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Member of the National League of Cities and the National Association of Counties

February 28, 2025

The Honorable Senator Lisa Murkowski
U.S. Senate

The Honorable Dan Sullivan
U.S. Senate

The Honorable Nick Begich
U.S. House of Representatives

RE: Impacts of Proposed Medicaid Changes on Alaska's Local Governments

Dear Senator Murkowski, Senator Sullivan, and Congressman Begich,

On behalf of Alaska's cities, boroughs, and local governments, we write to express grave concerns about proposed changes to Medicaid financing and eligibility requirements currently under consideration by Congress. These changes, including potential reductions to federal Medicaid funding and increased state cost-sharing, would have catastrophic consequences for Alaskan communities, particularly our rural and Tribal communities.

Medicaid is a critical component of Alaska's healthcare system, covering nearly one-third of our state's residents, including children, seniors, individuals with disabilities, and low-income adults. It supports half of all births in Alaska, provides access to behavioral health services, and sustains rural hospitals and healthcare providers, many of which operate on razor-thin margins. The federal government's enhanced match rate for Medicaid expansion has been instrumental in ensuring access to care, particularly for communities facing high costs of healthcare delivery.

Proposals to reduce the federal match rate, implement block grants, or cap per capita funding would shift significant financial burdens to the State of Alaska and its local governments. This could result in:

- Coverage losses for tens of thousands of Alaskans, leading to increased medical debt and uncompensated care costs.
- Severe impacts on rural hospitals and clinics, many of which already struggle to remain operational due to Alaska's high cost of healthcare delivery.
- Increased financial pressure on local governments, which are often the last line of support for residents in need of medical and behavioral health services.

Alaska's local governments are already managing declining state revenues and increasing infrastructure and public safety needs. They cannot absorb the costs of a weakened Medicaid program without substantial cuts to other essential services. The Congressional Budget Office has projected that under some of these proposed Medicaid changes, half of those who lose coverage would become uninsured, which would only compound the health and economic crises facing our communities.

We urge Congress to reject proposals that would reduce federal Medicaid funding or restrict state flexibility in program administration. Instead, we ask for continued partnership in strengthening Medicaid so that it can meet the unique healthcare needs of Alaskans, particularly in rural and high-cost environments like ours.

We appreciate your attention to this critical issue and stand ready to work with you to ensure a sustainable and effective Medicaid program for Alaska and the nation.

Sincerely,

Nils Andreassen
Executive Director