

# State of Alaska Department of Health

## Overview of Health Care Provisions in the H.R. 1 Bill

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Heidi Hedberg, Commissioner  
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House Health and Social Services Committee



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# Health Care Provisions in H.R. 1

1. **Supplemental Nutrition Assistance Program**
2. Medicaid
3. Rural Health Transformation Program

# 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 Requirements



SNAP work requirements for Able-Bodied Adults Without Dependents (ABAWD) will apply adults ages **18-64** (previously 18-55).

## Expanding Exemptions

- Alaska Natives & American Indians



## Eliminated Exemptions

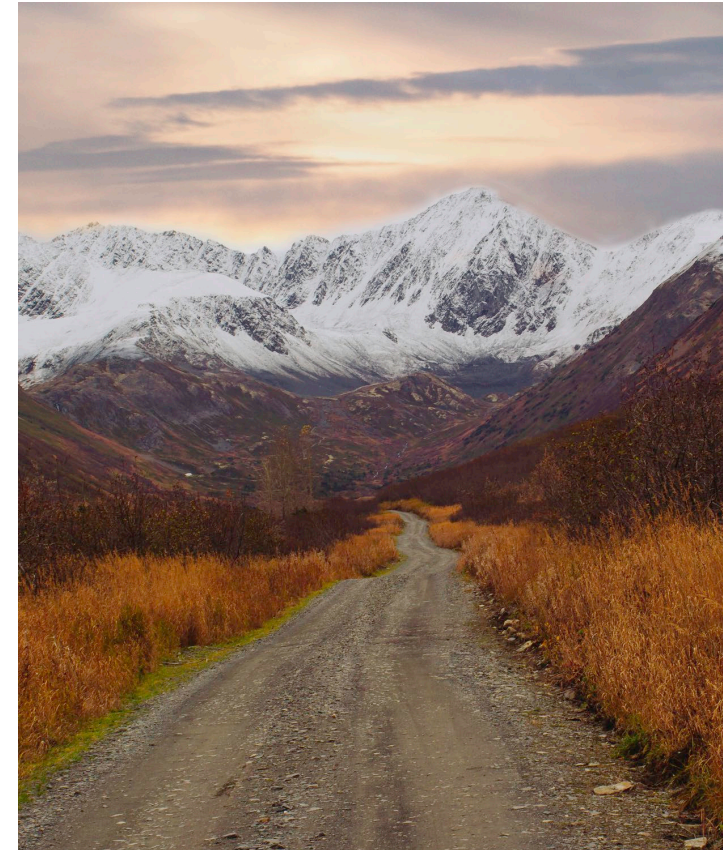
- Homeless Individuals
- Veterans
- Former Foster Youth



# SNAP Payment Accuracy Penalties



- Starting in federal fiscal year (FFY) 2028, states with high **payment error rates** must pay a **portion** of SNAP benefit costs.
  - Penalties will be higher for states with higher error rates, up to 15 percent state match.
- Alaska may qualify for **delayed penalties** until FFY 2029 or FFY 2030, providing time to continue improving payment accuracy to reduce penalties.



# SNAP Administrative Cost Sharing



- Federal administrative cost sharing for SNAP **will drop** from 50% to 25% effective in FFY 2027.
- States will carry 75% of administrative SNAP costs.





# Health Care Provisions in H.R. 1

1. Supplemental Nutrition Assistance Program
2. **Medicaid**
3. Rural Health Transformation Program

# Medicaid: Alaska Impacts



## 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.





# 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.
- Qualifying activities include
  - Job training
  - Education
  - Volunteer service
- Individuals must have met the work requirements at least one month before applying and must meet the same requirements when they renew.
- Effective December 31, 2026, but the state may apply to phase in implementation through 2028 under a good faith waiver.

# Person-Specific Exemptions



- Many Alaskans are **exempt** from the work requirements
- The bill includes mandatory exemptions for individuals who are:
  - Pregnant or within the postpartum coverage period
  - Alaska Native or American Indian
  - Have a significant physical, intellectual, or developmental disability
  - Are blind or disabled
  - 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
  - Individuals 65+
  - A parents or caregiver for a child under 13 or someone with a disability
  - Recently incarcerated (within 90 days)
  - Under age 26 and formerly in foster care
  - Meets SNAP or TANF work requirements

# State-Specific Exemptions



States may also grant short-term hardship event exemptions for:

- People living in areas with high unemployment
- Those in federally declared disaster areas
- Individuals receiving inpatient or residential care
- Those traveling for serious or complex care that is not locally available

The bill also provides a **one-year good-faith extension waiver** for states that are not able to meet the 2027 implementation date.



# Redeterminations



- For the Medicaid Expansion population, eligibility redeterminations will occur every 6 months (previously once per year).
  - Effective December 31, 2026
- Exemptions for many Alaskans including Alaska Native and American Indians
- The Division of Public Assistance will use the “ex parte” process for renewals



# Medicaid Cost-Sharing



- The bill requires states to charge copayments for some Medicaid Expansion enrollees with incomes above 100% of the federal poverty level, starting in 2028.
- Alaska already has copayments in place for certain enrollees for many services, including hospital visits, outpatient care, and prescriptions.

# Retroactive Coverage



- Medicaid retroactive coverage period will be shortened from three months to one month for Medicaid Expansion adults
- All other Medicaid enrollees will continue to have retroactive coverage
- States may provide two months of CHIP retroactive coverage







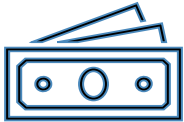
# Health Care Provisions in H.R. 1

1. Supplemental Nutrition Assistance Program
2. Medicaid
3. **Rural Health Transformation Program**

# Rural Health Transformation Program (RHTP)



Five-year, \$50 billion federal initiative to transform rural health care delivery and improve access and health outcomes.



Half of the funds will be distributed across states based on rural health needs, the other half will be split evenly.

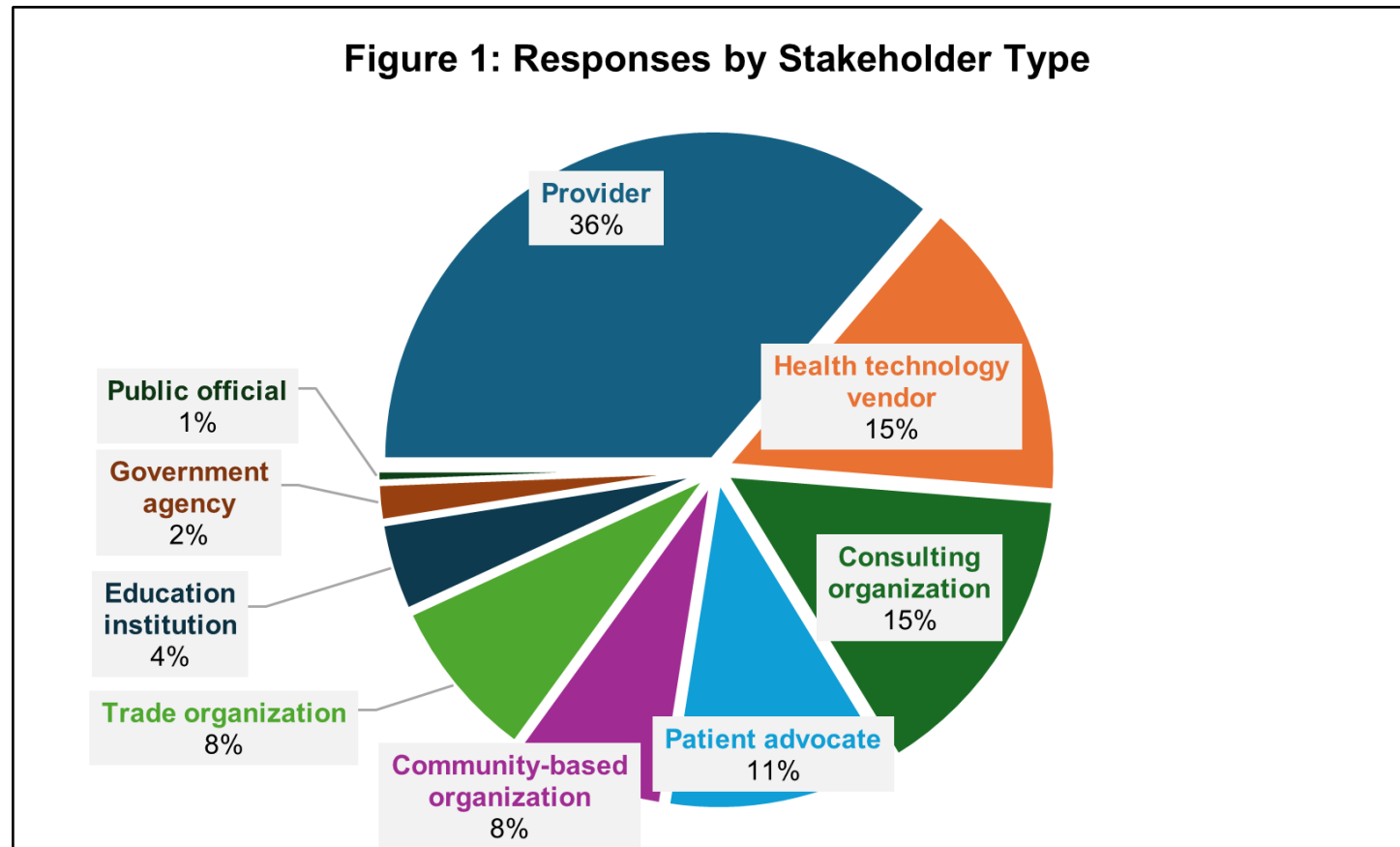


Alaska's rural nature positions us well to receive a substantial federal investment in annual allotments.

# RHTP Application Development Feedback



- The Department received over 400 project ideas and suggestions from 160 outside groups.





# RHTP Goals and Initiatives



**Goal 1:** Promote Lifelong Health and Wellbeing for Alaskans

Healthy Beginnings

Health Care Access

Healthy Communities

**Goal 2:** Build Sustainable Outcomes Driven Health Systems

Pay for Value:  
Fiscal Sustainability

**Goal 3:** Drive Workforce and Technology Innovation

Strengthen Workforce

Spark Technology & Innovation

# RHTP Unallowable Funding Uses



Funding **cannot** be used for:

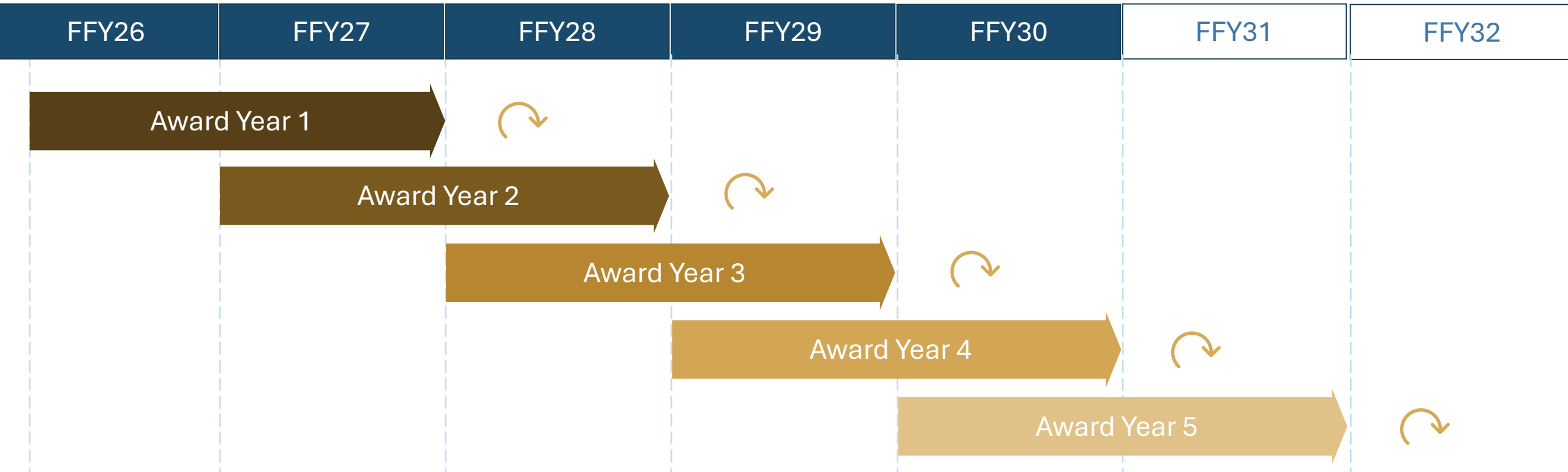
- Construction of new facilities
- Funding clinical services already reimbursable by insurance or other coverage
- Using more than 10% for administrative costs
- Using more than 20% on capital expenditures
- Supplanting state contribution to Medicaid match
- Supplanting existing funding



# RHTP Funding Timeline



- Federal Fiscal Year (FFY) 2026–2030:  
Annual distributions with 2 years to spend each allocation.
- Claw-backs/redistributions begin March 31, 2028 for unspent prior-year funds.  
Final reallocated funds (if any) must be spent by the end of FFY 2032.





# Thank You

## Questions?

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