

# State of Alaska Department of Health

FY2027 Budget Overview  
House Finance Committee

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



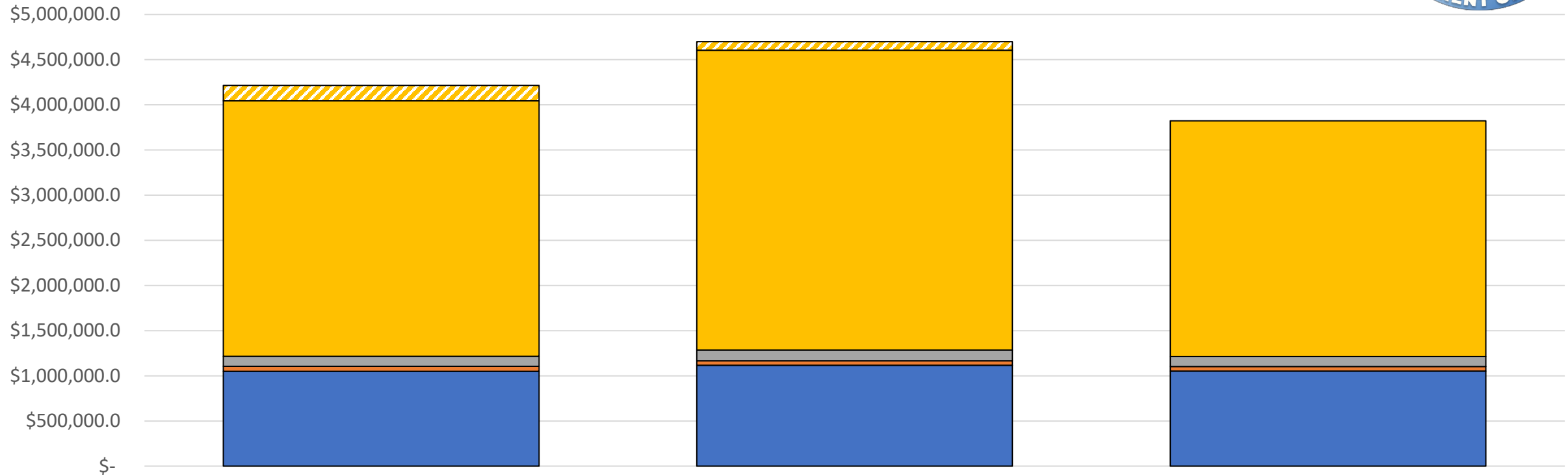
Wednesday, February 11, 2026

# Department of Health



## Operating Budget (FY2025-FY2027)

Dollars in thousands



|                    | Final Authorized      |
|--------------------|-----------------------|
| UGF                | \$ 1,049,747.1        |
| DGF                | \$ 54,815.7           |
| Other              | \$ 110,803.3          |
| Federal            | \$ 2,829,008.8        |
| Federal (COVID-19) | \$ 170,943.7          |
| <b>Total</b>       | <b>\$ 4,215,318.6</b> |

|              | Management Plan + Supplemental |
|--------------|--------------------------------|
|              | \$ 1,115,915.5                 |
|              | \$ 50,508.2                    |
|              | \$ 118,786.6                   |
|              | \$ 3,320,080.4                 |
|              | \$ 92,578.9                    |
| <b>Total</b> | <b>\$ 4,697,869.6</b>          |

|              | Governor              |
|--------------|-----------------------|
|              | \$ 1,052,446.8        |
|              | \$ 50,632.9           |
|              | \$ 110,410.4          |
|              | \$ 2,609,515.5        |
|              | \$ -                  |
| <b>Total</b> | <b>\$ 3,823,005.6</b> |

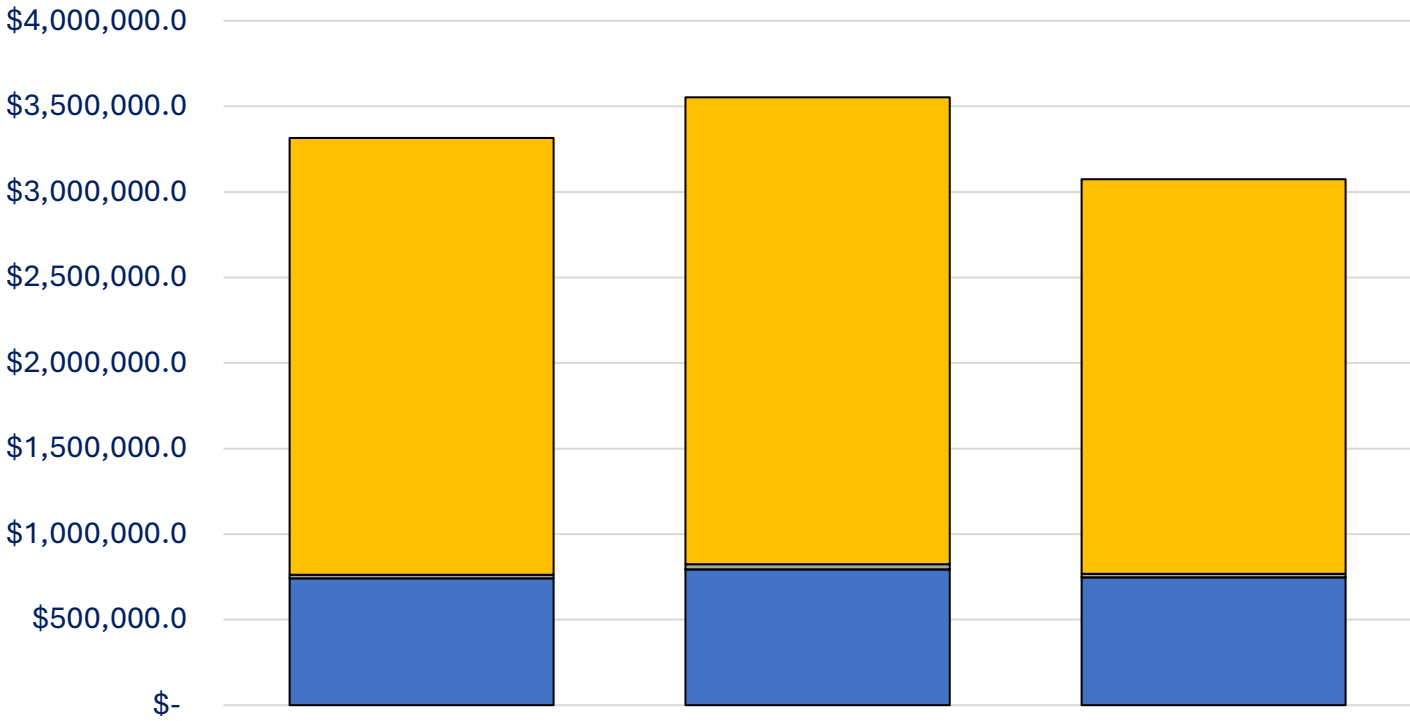
# Medicaid Services



- FY2026 Supplemental**
  - Reappropriate funding to support clinic behavioral health services (FY26-FY27)
  - Align Medicaid budget with December 15 projections
  - Extend interRAI (FY24-FY31)
- FY2027 Significant Budget Changes**
  - Language: Appropriation of federal receipts FY27

## Operating Budget (FY2025-FY2027)

Dollars in thousands



|                    | FY2025<br>Final Authorized | FY2026<br>Management Plan + Supplemental | FY2027<br>Governor |
|--------------------|----------------------------|------------------------------------------|--------------------|
| UGF                | \$ 741,507.9               | \$ 793,292.7                             | \$ 746,628.6       |
| DGF                | \$ 429.8                   | \$ 429.8                                 | \$ 429.8           |
| Other              | \$ 20,714.1                | \$ 30,714.1                              | \$ 20,714.1        |
| Federal            | \$ 2,552,394.4             | \$ 2,728,635.7                           | \$ 2,306,588.0     |
| Federal (COVID-19) | \$ -                       | \$ -                                     | \$ -               |
| Total              | \$ 3,315,046.2             | \$ 3,553,072.3                           | \$ 3,074,360.5     |

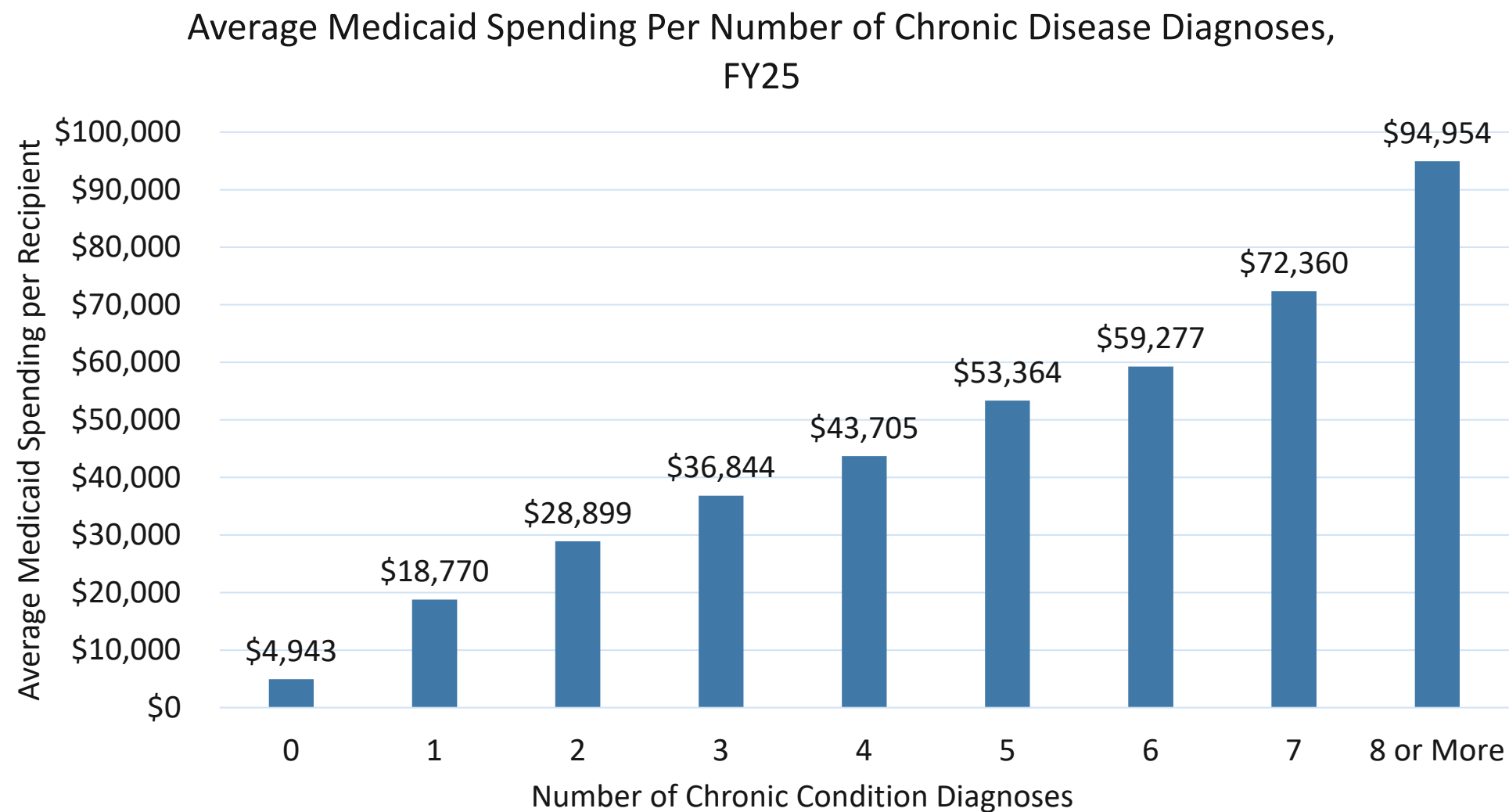
*Note: Medicaid projections will be updated and submitted to the legislature by February 17, 2026*

# Pharmacy Rebates & Tribal Reclaiming



| Fiscal Year (FY) | Total Tribal Reclaiming UGF Savings | Drug Rebate Recoveries (UGF/FED) |
|------------------|-------------------------------------|----------------------------------|
| FY2017           | \$34,782.0                          | \$ ~                             |
| FY2018           | \$45,187.0                          | \$81,354.0                       |
| FY2019           | \$69,346.0                          | \$104,253.0                      |
| FY2020           | \$94,111.0                          | \$105,723.0                      |
| FY2021           | \$57,468.0                          | \$123,752.0                      |
| FY2022           | \$74,412.0                          | \$132,185.0                      |
| FY2023           | \$125,552.0                         | \$154,354.0                      |
| FY2024           | \$138,468.0                         | \$135,781.0                      |
| FY2025           | \$126,575.0                         | \$131,326.0                      |
| <b>Total</b>     | <b>\$765,901.0</b>                  | <b>\$968,728.0</b>               |

# Medicaid Services: Cost per Number of Chronic Condition



Dollars in whole numbers  
Source: Analysis by Evergreen Economics of data provided by the Medicaid Budget Group.

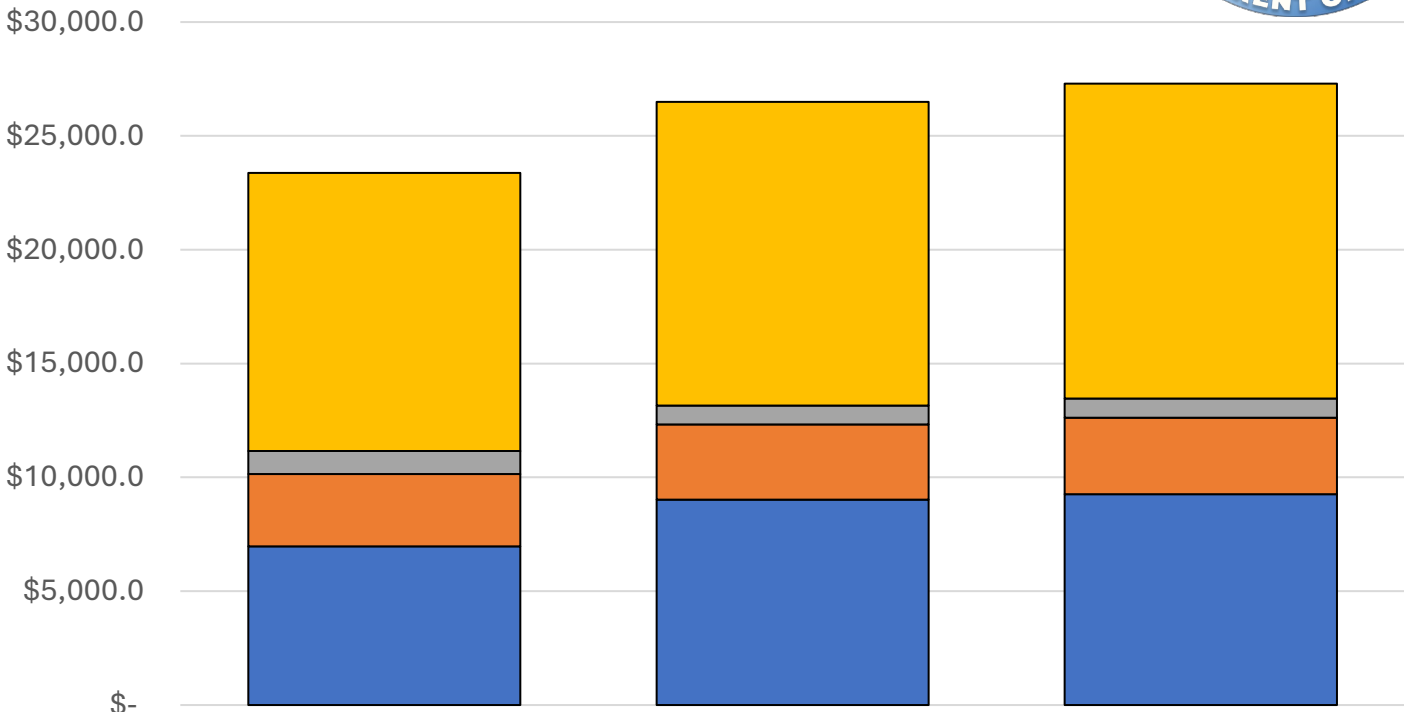
# Health Care Services



## Operating Budget (FY2025-FY2027)

Dollars in thousands

- FY2027 Significant Budget Changes**
- FY2027 AlaskaCare rate adjustment & salary adjustments
- Budget Updates**
- Align staffing capacity with the rising number of assisted living homes
- Addressing reduced vacancy rates



|                    | FY2025           | FY2026                         | FY2027      |
|--------------------|------------------|--------------------------------|-------------|
|                    | Final Authorized | Management Plan + Supplemental | Governor    |
| UGF                | \$ 6,964.1       | \$ 9,019.0                     | \$ 9,260.8  |
| DGF                | \$ 3,183.8       | \$ 3,305.0                     | \$ 3,364.9  |
| Other              | \$ 1,013.6       | \$ 837.8                       | \$ 840.9    |
| Federal            | \$ 12,216.3      | \$ 13,326.8                    | \$ 13,834.5 |
| Federal (COVID-19) | \$ -             | \$ -                           | \$ -        |
| Total              | \$ 23,377.8      | \$ 26,488.6                    | \$ 27,301.1 |

# Behavioral Health



## FY2027 Significant Budget Changes

Transfer Community Services for Residential Care grants to Department of Family and Community Services

Increase federal receipt authority for crisis contact center

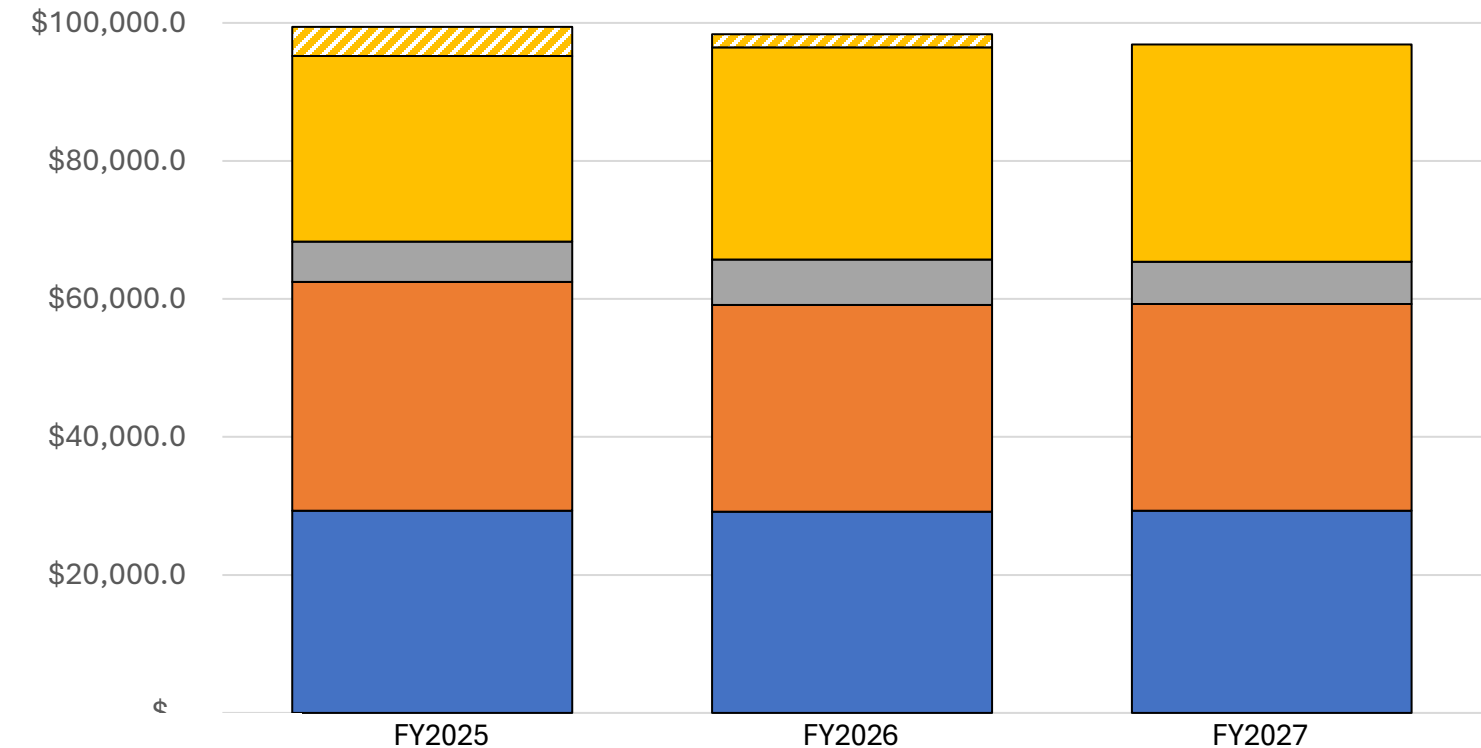
## Budget Updates

Crisis Contact Center

Designated general fund reductions

## Operating Budget (FY2025-FY2027)

Dollars in thousands



|                    | FY2025           | FY2026                         | FY2027      |
|--------------------|------------------|--------------------------------|-------------|
|                    | Final Authorized | Management Plan + Supplemental | Governor    |
| 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                     | \$ 6,121.2  |
| 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                    | \$ 96,855.5 |

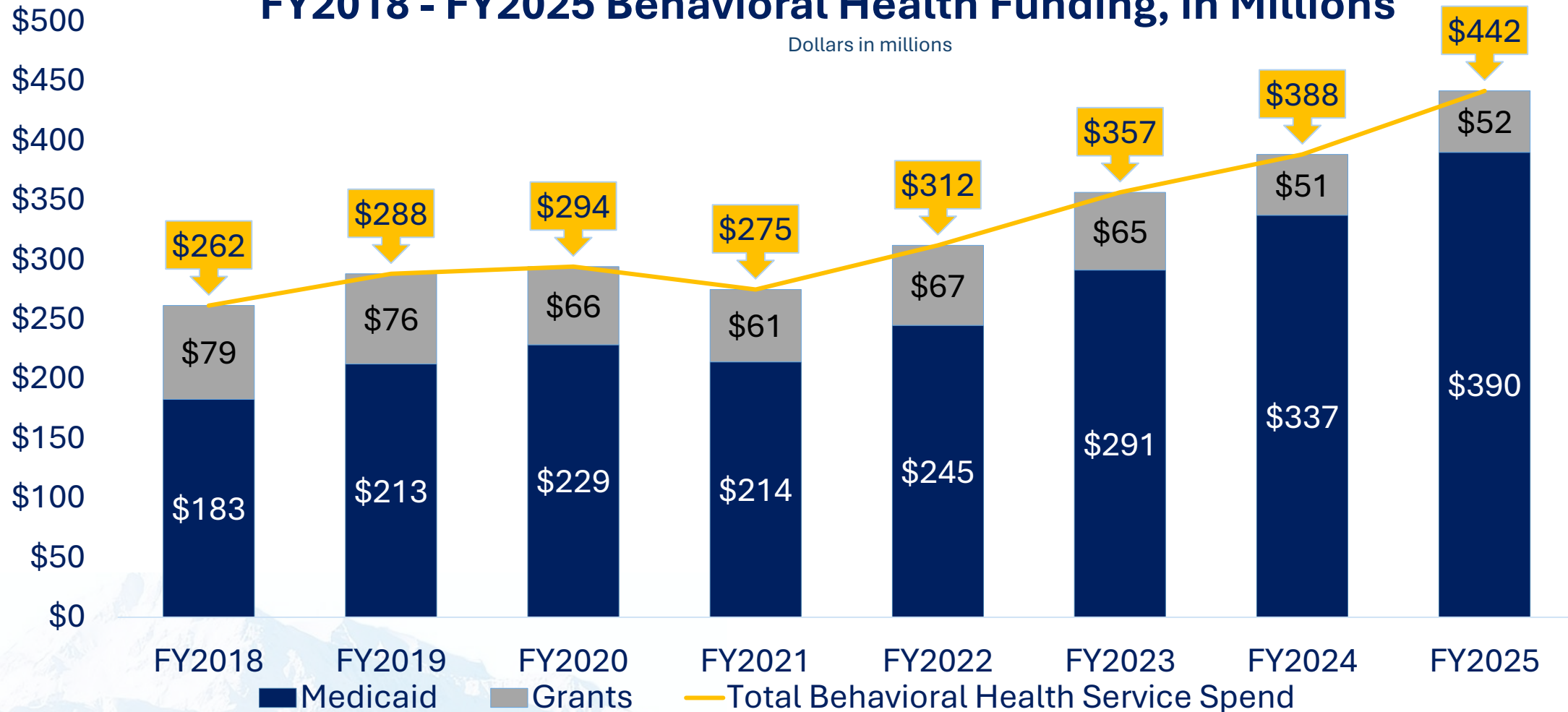


# Behavioral Health



## FY2018 - FY2025 Behavioral Health Funding, in Millions

Dollars in millions











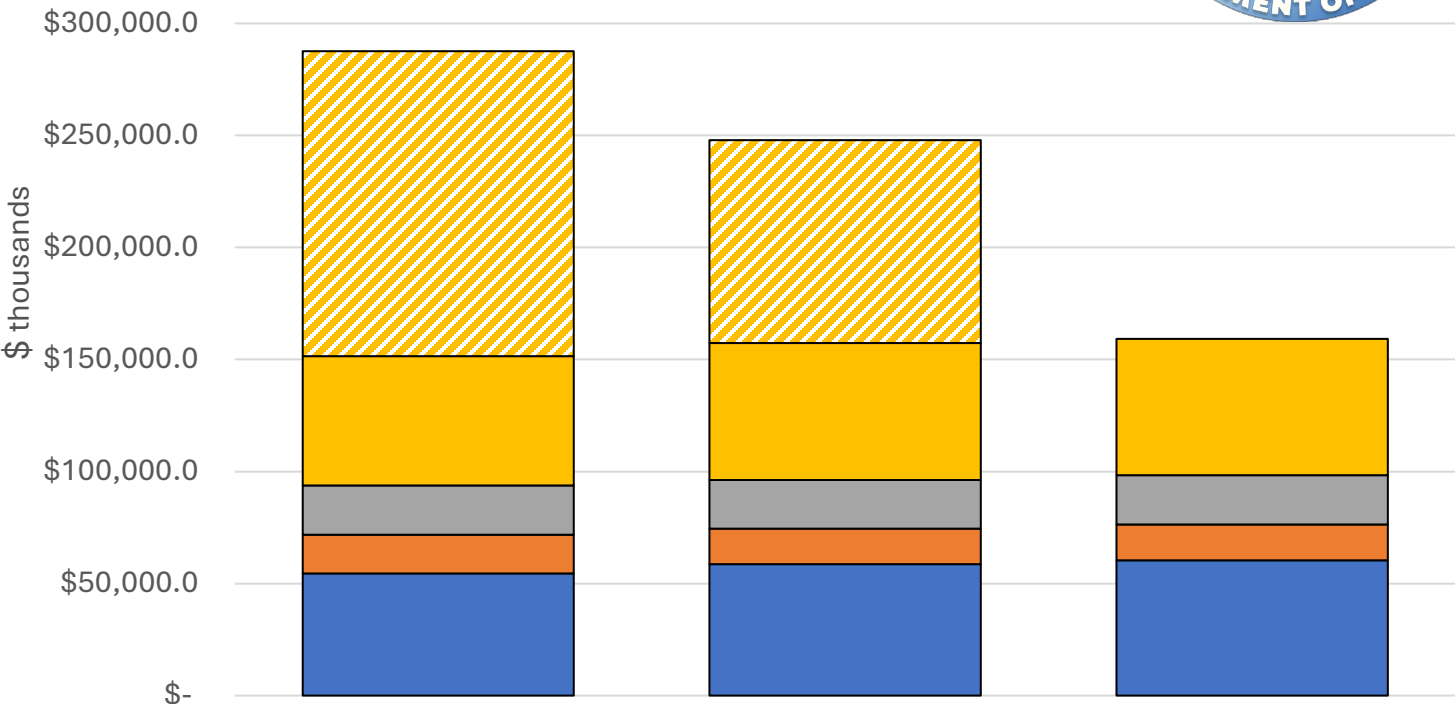




## Operating Budget (FY2025-FY2027)

Dollars in thousands

- FY2027 Significant Budget Changes
- Opioid settlement statutory designated program receipts
- FY2027 AlaskaCare rate adjustment and salary adjustments



|                    | FY2025           | FY2026                         | FY2027       |
|--------------------|------------------|--------------------------------|--------------|
|                    | Final Authorized | Management Plan + Supplemental | Governor     |
| 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                    | \$ 60,781.6  |
| Federal (COVID-19) | \$ 136,115.6     | \$ 90,451.1                    | \$ -         |
| Total              | \$ 287,646.7     | \$ 247,856.9                   | \$ 159,166.9 |

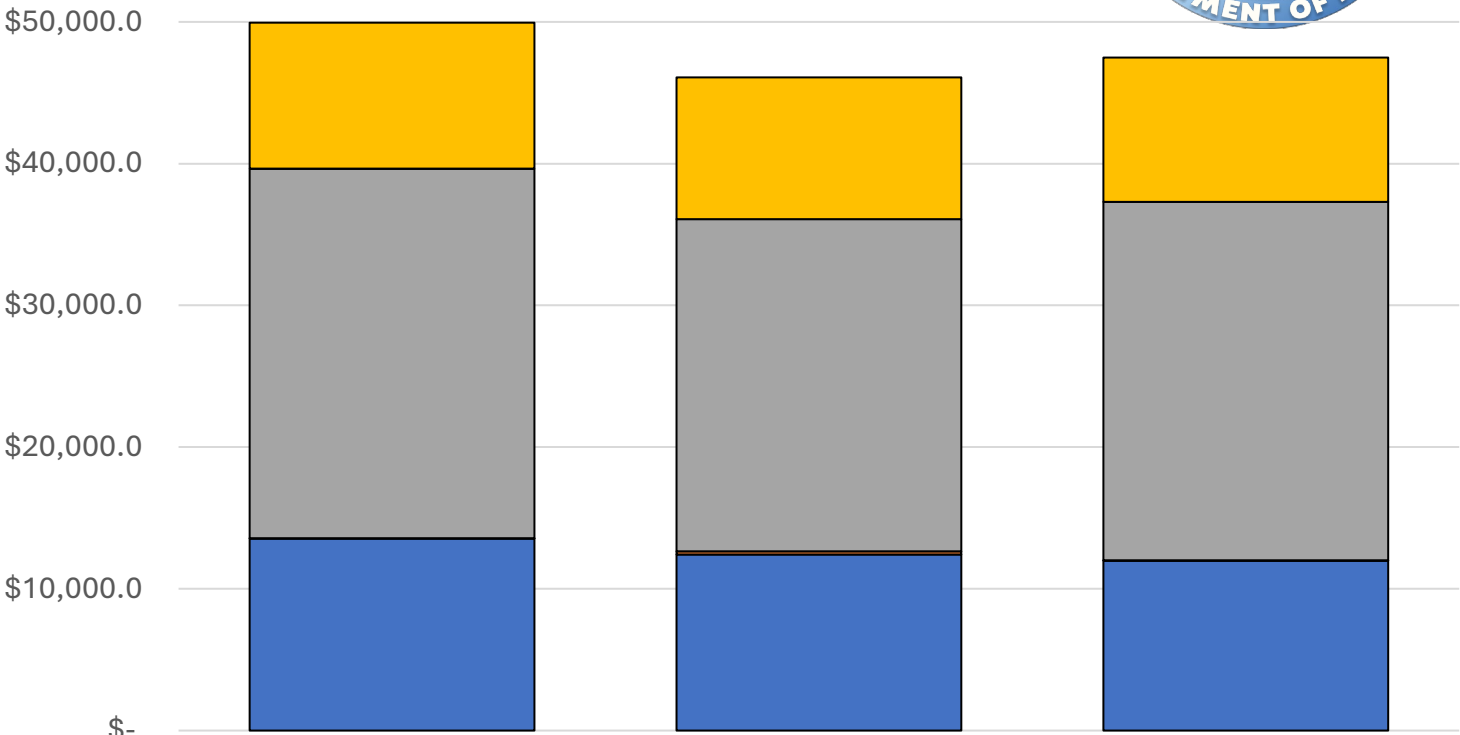
\* Including Human Services Community Matching Grant and Community Initiative Matching Grants

# Departmental Support Services



## Operating Budget (FY2025-FY2027)

Dollars in thousands



### FY2027 Significant Budget Changes

Transfer five positions from Department of Administration Shared Services to Department of Health for accounts payable and travel reconciliation

Information technology classification study implementation

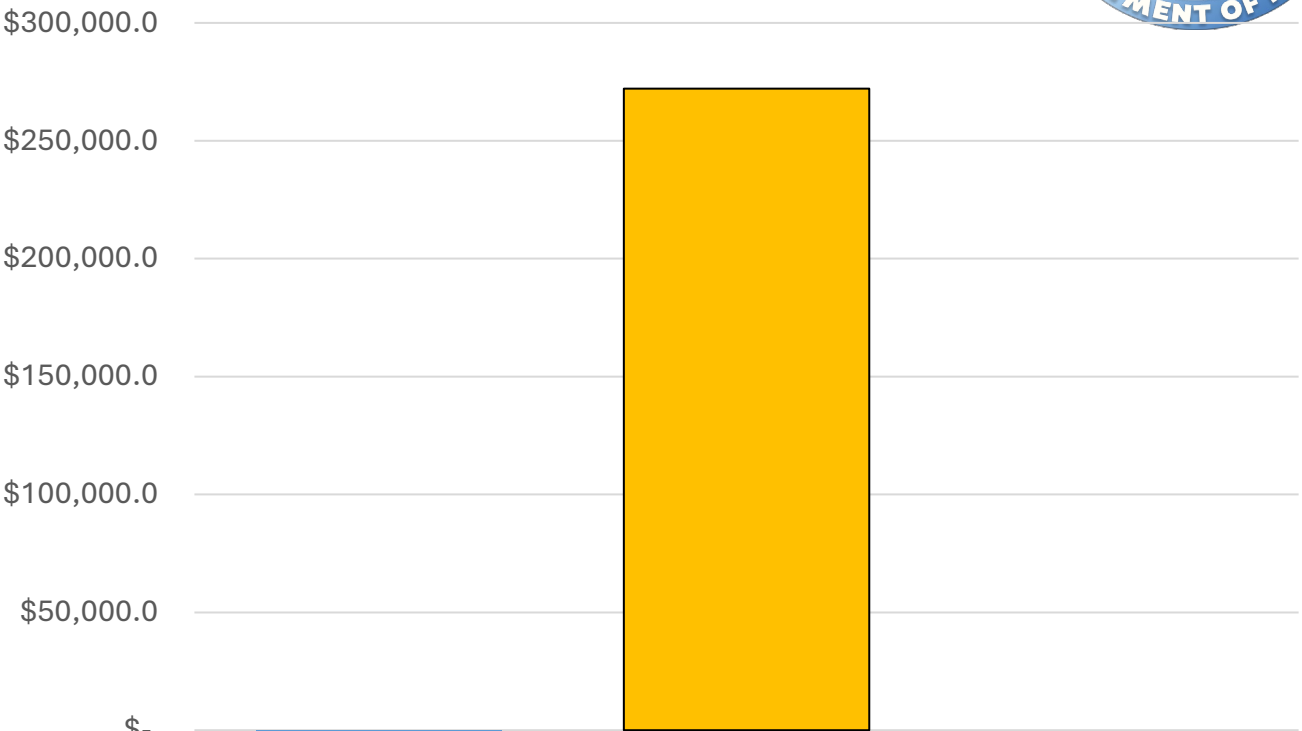
|                    | FY2025           | FY2026                         | FY2027      |
|--------------------|------------------|--------------------------------|-------------|
|                    | Final Authorized | Management Plan + Supplemental | Governor    |
| UGF                | \$ 13,539.7      | \$ 12,425.2                    | \$ 11,981.9 |
| DGF                | \$ 42.4          | \$ 220.0                       | \$ 42.4     |
| 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                    | \$ 47,477.6 |

# Health Transformation and Innovation



## Operating Budget (FY2025-FY2027)

Dollars in thousands



### FY2026 Supplemental

Multi-year federal authority for the Rural Health Transformation Program

\$272,174.9 Federal

FY2026, FY2026, FY2028

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

# Questions?

Courtney Enright  
Department of Health  
Legislative Liaison  
[courtney.enright@alaska.gov](mailto:courtney.enright@alaska.gov)  
907-310-4296

