

HOUSE FINANCE COMMITTEE  
March 3, 2025  
1:33 p.m.

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CALL TO ORDER

Co-Chair Josephson called the House Finance Committee meeting to order at 1:33 p.m.

MEMBERS PRESENT

Representative Neal Foster, Co-Chair  
Representative Andy Josephson, Co-Chair  
Representative Calvin Schrage, Co-Chair  
Representative Jeremy Bynum  
Representative Alyse Galvin  
Representative Sara Hannan  
Representative Nellie Unangiq Jimmie  
Representative DeLena Johnson  
Representative Will Stapp (via teleconference)  
Representative Frank Tomaszewski

MEMBERS ABSENT

Representative Jamie Allard

ALSO PRESENT

Ted Helvoigt, President, Evergreen Economics; Courtney Enright, Legislative Liaison, Department of Health.

SUMMARY

PRESENTATION: MEDICAID ENROLLMENT and SPENDING FORECAST (FY 25-FY 45)

Co-Chair Josephson reviewed the meeting agenda.

^PRESENTATION: MEDICAID ENROLLMENT and SPENDING FORECAST (FY 25-FY 45)

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TED HELVOIGT, PRESIDENT, EVERGREEN ECONOMICS, provided a PowerPoint presentation titled "MESA FY2025-FY2045: Long

Term Forecast of Medicaid Enrollment and Spending in Alaska," dated March 3, 2025 (copy on file). He turned to slide 2 titled "Long-Term Medicaid Forecast ('MESA')." He relayed that he would discuss what had happened in the past few years with Medicaid. He mentioned Covid-19, unwinding, and how Alaska compared to other states as topics of discussion. He relayed that his organization presented the forecast first in 2006.

Mr. Helvoigt turned briefly to slide 3. He moved to slide 4 titled "Bending the Medicaid Cost Curve," which showed a graph of actual and projected Medicaid spending. The green line represented actual dollars spent, the dark blue line depicted the original forecast presented in 2006, and the blue dashed line represented the most current forecast.

Representative Galvin asked what cost containment methods had been implemented by the state to result in lowered costs below the expectations of 2006.

Mr. Helvoigt replied that he was not aware of all the things the department had done. He described a "firewall" between the department's actions and his work, in order to have an uninfluenced forecast. He knew that at the time of the original study in 2006, spending had increased by 15 percent to 16 percent per year without growth in enrollment. He mentioned the biggest driver was personal care attendant services. He knew that after the report presentation, the department made a lot of changes in how it was administered, which brought down spending growth. From there forward, he was not as informed as the department regarding what had been done over the years.

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Mr. Helvoigt continued with slide 4. He reiterated that at the time of the original forecast in 2006, spending continued increasing through 2003 through 2005. The legislature had wanted to know what would happen if the program stayed the same over the next 20 years, which was depicted by the blue dotted line. The green line reflected actual spending, which was much less due to actions taken by the department. In 2025, spending was about \$1.5 billion lower than the original forecast. The blue dashed line that depicted the most recent forecast showed spending going up. He cited that reimbursement rates for providers, driven by medical price inflation, would keep driving costs up.

Upcoming slides would address the topic. He summarized that current spending was much lower than it would have been but for actions taken by the department.

Representative Hannan appreciated that there was a firewall that kept him from being too intimately involved in decisions made with Department of Health (DOH). She mentioned his comments about cost containment for personal care attendants. She noted that on the continuum of care, the cheapest thing if a person's health deteriorated would be to keep them in their home with an attendant. She asked if Mr. Helvoigt considered any of the variabilities such as putting more people into different increased care.

Mr. Helvoigt answered yes and affirmed personal care attendants were still a very important service within the Medicaid program. He pondered the idea of cuts to personal care attendants, which would result in services moving toward nursing homes. He thought it was a relatively easy analysis to do.

Representative Hannan asked if the analysis was included in the presentation.

Mr. Helvoigt replied in the negative.

Mr. Helvoigt advanced to slide 5 titled "Many More Alaskans Receiving Medicaid Services." Enrollment had increased as had recipients. He explained that an enrollee was anyone enrolled in Medicaid and a recipient was a person enrolled in Medicaid and receiving services. The takeaway was that the department was covering far more Alaskans at present than was projected for the future. He mentioned Medicaid expansion in FY 2016, at which time enrollment and recipients went up quite a bit. The number of enrollees and recipients had gone down since the bump in 2005 from continuous the enrollment requirement during the Covid-19 pandemic. The number of recipients would increase over the next 20 years but slowly.

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Mr. Helvoigt moved to slide 6 titled "Spending per Recipient is no Longer Growing Slowly." He mentioned the cost containment efforts by the department after spending growth in the early 2000's. He noted that spending was flat until several years ago. He thought the increased

reimbursement rates to providers was a long time in coming. He turned to slide 8 titled "Medicaid Enrollment and Recipients Before and after COVID." He drew attention to the multi-colored line at the top of the graph, which depicted spending during periods of time such as the public health disaster emergency declaration in 2020. He discussed the federal requirement for continuous enrollment, which was relaxed in April 2023. The continuous enrollment required states not to remove anyone from the Medicaid rolls during the Covid-19 pandemic unless the person requested it or passed away. The number of people on Medicaid increased rapidly by 40,000 people during the period.

Mr. Helvoigt continued to address the graph on slide 8 and addressed the beginning of unwinding. Enrollment declined by 18,000 between April 2023 and December 2024. He noted that recipient counts varied considerably month to month but had averaged about 120,000 per month over the past three years.

Representative Galvin asked about the change in policy pertaining to zero-to-one-year olds. She thought Medicaid had expanded to include children at one year rather than at one month. She wondered if the increase would be balanced out with the unwinding.

Mr. Helvoigt answered that there was really no impact. He relayed that he would discuss the issue throughout the presentation.

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Representative Galvin asked Mr. Helvoigt to touch on the specific age group throughout the presentation.

Mr. Helvoigt answered that the information was too fine-tuned and would not be seen in the data. He explained that the impact on spending would be negligible.

Representative Galvin asked if the number would be expanded (perhaps to six years old) if Mr. Helvoigt would think the numbers would be relatively negligible.

Mr. Helvoigt replied that the issue would be to consider if there was something special in the medical needs of the age group rather than other Medicaid enrollees.

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Mr. Helvoigt continued with slide 8. He pointed out that enrollment increased quite a bit during the Covid-19 pandemic and the continuous enrollment requirement, but spending was not affected much. The number of recipients did not go up much after the Covid-19 period. He moved to slide 9 titled "Medicaid Spending has not Dropped," which showed a period of spending on Medicaid services from July 2022 to December 2024. The graph looked at the issue of the unwinding, or the end of continuous enrollment. The dotted lines showed the linear trend and month to month variation in spending. He observed that spending kept increasing during the period. He moved to slide 10 and relayed that General Fund (GF) spending on Medicaid claims continued to grow during the same period as the previous slide. He noted that the rate of spending growth was a little greater due to returning to the regular federal financial participation (FFP) rate, which had been lower during continuous enrollment. There had been an additional 6.2 percent picked up by the federal government, which disappeared during unwinding and resulted in GF spending going up.

Representative Hannan asked about the term "unwinding." She asked for verification that he was referring to the unwinding of enrollment due to the COVID-19 pandemic.

Mr. Helvoigt agreed. He elaborated that the DOH for each state was going through the same process regarding rules how to start redetermining individuals that were left on the Medicaid rules during continuous enrollment.

Representative Hannan asked for verification that the unwinding period was finished for Alaska.

Mr. Helvoigt answered that he was not certain. He did monthly updates for the department with respect to unwinding, which he was still doing. He thought all states were still going through the process, which was slower than expected. He believed the process was still happening. He was still looking at data on a monthly basis that was related to the unwinding process.

Co-Chair Josephson believed it was called redetermination.

Mr. Helvoigt agreed.

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COURTNEY ENRIGHT, LEGISLATIVE LIAISON, DEPARTMENT OF HEALTH, affirmed that redetermination was mostly done and believed it would be done March 31, 2025.

Mr. Helvoigt looked at slide 11, which addressed Medicaid recipients with claims from July 2022 to December 2024. He discussed seasonal and random variations in the data. He relayed that if he was not previously aware redetermination was going on with respect to recipients and spending, he would not know from the data.

Mr. Helvoigt advanced to slide 12 titled "Spending per Recipient has Grown Rapidly." He observed that spending per recipient was going up. There was month-to-month variation with the average spend per recipient. The average spending per month had increased by 18 percent per year, which was as substantial increase relative to what had been happening with Medicaid over the previous 15 years.

Co-Chair Josephson asked if the increase was due to Medicaid enrollees accessing care more, or rather if it was a result of inflation or rate re-basement.

Mr. Helvoigt answered that the increase was primarily due to rate re-basement, or an increase in rates of providers. He thought there was some increase in the utilization of services, but most of the increase was due to the increasing reimbursement rates to providers.

Representative Tomaszewski asked how to ensure claims were legitimate. He asked if the presentation would address any findings related to trends of fraud or waste in the Medicaid system.

Mr. Helvoigt replied that he did not know. He was reliant on data through the claims database, and he had no ability to discern if a claim was for a legitimate service.

Co-Chair Josephson noted that the Department of Law had a Medicaid fraud unit.

Representative Hannan wanted to understand if it was the cost of services had increased or if the rebasing was the answer.

Mr. Helvoigt relayed that subsequent slides would address the issue.

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Mr. Helvoigt moved to slide 13 titled "Medicaid Spending, Enrollment, and Recipients." The bars on the graph represented spending, and the two lines represented people. The green dashed line reflected enrollees, as an annual unduplicated count. The dark green dotted line represented recipients, which were those who services. There would always be at least as many enrollees as recipients. He noted that there was an expected 5 percent difference because not everyone used the benefits. He mentioned increased enrollment as a result of the Affordable Care Act (ACA) and Medicaid expansion. He mentioned that the increased enrollment had increased at a much greater rate than recipients of Medicaid services. He observed a divergence between enrollees and recipients, and currently there was only 75 percent to 80 percent of enrollees actually receiving services.

Mr. Helvoigt addressed the bars, which addressed state fund spending and federal fund spending. He noted that the state GF spending amount was fairly constant until 2024. Proportionally the Medicaid program had become more federalized in Alaska, and currently the federal spending was about 75 percent.

Representative Hannan asked what FFP on the slide stood for.

Mr. Helvoigt answered that it stood for Federal Financial Participation (FFP) or Federal Medical Assistance Percentage (FMAP).

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Mr. Helvoigt turned to slide 14 and a comparison of average annual growth in Medicaid spending between FY 16 and FY 23 between Alaska and other states. The study looked at six other states including Idaho, Montana, New Mexico, North Dakota, South Dakota, and Wyoming. There were three sets of bars on the graph that showed total spending, state spending, and enrollees. The data was from Centers for Medicare and Medicaid Services (CMS). Over the period all

of the state's spending increased, with Alaska as the average. Alaska's state spending had decreased during FY 16 and FY 23 and was the only state to do so. The number of enrollees increased for all states, with a substantial increase for Alaska. State spending was related to a combination of expansion. Many of the enrollees many were Alaska Native or American Indian and had total FMAP. In addition, there was Indian Health Service (IHS) reclaiming, which had shifted dollars from state to federal spending.

Co-Chair Josephson was familiar with reclaiming. He asked why an Alaska Native individual benefitted from being an IHS enrollee and a Medicaid enrollee. He asked if one was sufficient.

Mr. Helvoigt answered that the two enrollments were connected and not connected. He mentioned IHS facilities. He mentioned that IHS eligibility came with 100 percent FMAP. The benefit was to the state. The individual could get healthcare wherever they chose.

Representative Galvin surmised that North Dakota and New Mexico both would have indigenous population that would do similar things as Alaska with regard to IHS, yet the two state's spending was much higher than Alaska. She thought it looked like Alaska had negative growth and was spending less between FY 16 and FY 23. She made note of a bigger number for the other two states.

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Mr. Helvoigt answered that Alaska had done a very good job over the past several years, and he suspected it had done better than other states. He pointed out that there were more Alaska Natives in the Alaska population than there were Native Americans in North Dakota and New Mexico. He relayed that Alaska Natives were a growing population compared to non-IHS-eligible people.

Representative Galvin asked for clarification on what he meant by Alaska was doing a good job.

Mr. Helvoigt answered that he was talking about the state budget and the efforts to ensure IHS facilities were collocated where needed. He mentioned contracts with non-His facilities where the Medicaid program could get the IHS rate.

Representative Galvin thought it sounded as though the partnerships, which were taking place in rural Alaska, were advantageous with regard to overall spending.

Mr. Helvoigt did not want to generalize but thought that clearly partnerships with tribal organizations had benefitted the state, members, and the whole community.

Co-Chair Josephson pointed out that all of the legislatures were in session around the country at present and pondered that some other states could be asking how Alaska was doing so great.

Mr. Helvoigt found it amazing that other states did not look at long-term data. He had experience with the states of Oregon and Washington.

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Mr. Helvoigt turned to a comparison to private insurance in Alaska on slide 15. The bar graph depicted annual enrollment and per-enrollee spending for Medicaid and private insurance in Alaska from FY 05 to FY 24. He noted that the green bars showed private insurance enrollment. The blue bars represented Medicaid enrollees, and the lines depicted spending per enrollee for the two groups. The spending did not include long-term care. He noted that the data on private insurance was only available through 2020 and the remaining was a projection. He observed that private insurance had been pretty flat, with about 50 percent of Alaskans on private insurance, while Medicaid had gone up quite a bit. The spending per enrollee in 2005 was greater for Medicaid, but the difference had been erased in the previous five to six years and the spending for Medicaid now looked a lot like private insurance.

Co-Chair Josephson asked if the spending was in reference to premiums, spending on the plan, or reimbursement to the provider.

Mr. Helvoigt replied that spending was total spending by the individual including premiums, deductibles, and co-pays.

Co-Chair Josephson asked if where the dashed lines merged reflected the providers getting virtually the same amount for the same service.

Mr. Helvoigt saw the logic in Co-chair's Josephson's question but found it hard to believe the two amounts would be the same.

Representative Hannan was interested in where the lines on the graph merged and what it did or did not indicate. She pondered that sometimes people said Medicaid was abused, but thought the graph reflected about the same amount of care from the two systems.

Mr. Helvoigt clarified that the graph data was on an enrollee basis not recipient basis. For Medicaid, a lot of enrollees were not recipients. With respect to private insurance versus Medicaid, he could not speak to whether a person was getting services that were not needed. He pondered that private insurance enrollees were more likely to be recipients.

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Representative Hannan asked what the graph indicated to Mr. Helvoigt.

Mr. Helvoigt relayed that his takeaway was that private insurance had been flat in Alaska, and Medicaid enrollment had gone up quite a bit. He furthered that the cost of spending per enrollee of Medicaid was about the same as what was occurring in the private insurance marketplace. He offered the caveat that not all enrollees were recipients. He restated that spending per covered individual was roughly the same. He mentioned that the issue of chronic conditions was worrisome but was not only a Medicaid issue.

Mr. Helvoigt moved to slide 17 titled "Alaska's Population is Aging and Shrinking." He relayed that there would be three themes in projection. He noted that the Alaska Department of Labor and Workforce Development (DOL) had a state demographer who projected that the state population was expected to decline over the next 20 years, which he found worrisome. The decline would be larger for children and mostly flat for working-aged people. The increase in population was in the senior category, who paid less taxes and tended to have higher healthcare costs.

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Representative Stapp asked about slide 15 and recipients versus utilizers. He asked if there was a way to break down the utilization of the Medicaid program into population types. He thought Mr. Helvoigt was aware that there were higher rates for tribal reimbursement under the fee for service Medicaid plan. He thought it would be helpful to break out population groups to see rates of reimbursement.

Mr. Helvoigt answered that it was possible. He relayed that he would get the information to Ms. Enright or someone at the department.

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Representative Stapp asked about slide 17 related to utilization. He asked if it was strictly the senior population that was a growth driver, or if there were other factors such as federal FMAP and increase in cost for coverage.

Mr. Helvoigt asked if Representative Stapp was referencing slide 15.

Representative Stapp could not see the slides so was referencing all of the above.

Mr. Helvoigt replied that population was not a cost driver because it was flat, but the changing demographic of the population would be a cost driver. He discussed the revenue side and the workers and economy to pay for the cost in the future. He moved to slide 18 related to Medicaid reimbursement rates. He mentioned that the department had done a great job keeping costs low. He mentioned not increasing reimbursement rates to providers. He addressed the medical price inflation on slide 18. The green bars reflected the growth in medical price inflation in Alaska and the gray dotted bars reflected growth in Alaska Medicaid reimbursement rates.

Mr. Helvoigt continued that medical price inflation grew much faster than reimbursement rates from FY 17 to FY 20. The cost to individuals on private insurance went up a lot in 2017 through 2020. On average over the four years, medical price inflation grew by 3.6 percent faster each

year than Medicaid reimbursement rates. He thought there was a similar phenomenon in 2013 to 2016. In 2021 and through 2024, Medicaid reimbursement rates increased a little faster than medical price inflation. The increases were sizable after being flat for more than a decade. He assumed that over the next 20 years Medicaid reimbursement rates would be only slightly slower than medical price inflation. He did not see providers being able to operate without the increase in rates over time.

Co-Chair Josephson asked what decade were the numbers flat.

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Mr. Helvoigt replied that the numbers were flat in the period of 2010 to 2020.

Co-Chair Josephson read the chart to mean that providers in the last seven years had been disincentivized to some degree to have the population of patients, but in the three years from 2021 to 2023 they were perhaps incentivized.

Mr. Helvoigt agreed.

Representative Johnson asked how often federal reimbursement rates had changed.

Mr. Helvoigt did not know the full process for changing reimbursement rates.

Representative Johnson asked if it was not automatic.

Mr. Helvoigt did not know.

Representative Johnson wondered if private insurance was compensating for not having medical rates increased by the federal government and was having to pay the difference.

Mr. Helvoigt answered that most people studying healthcare economics would say it was a well-known secret that private insurance had subsidized public insurance for a long time. He thought it was one reason workplace insurance premiums had gone up by nine percent or ten percent per year.

Representative Stapp asked about reimbursement rates and medical inflation. He referenced Mr. Helvoigt's work with

Oregon and Washington and thought most states utilized a Medicaid provider tax scheme to ensure doctors and hospitals could be compensated when they raised rates. He asked how much Mr. Helvoigt knew about how Oregon and Washington might address the matter.

Mr. Helvoigt answered that he was not sure about Oregon and Washington. He knew that healthcare providers were taxed, which went towards helping to pay for Medicaid. He offered to look into the matter to see the range across states and get back to Representative Stapp with the information.

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Mr. Helvoigt advanced to slide 19 titled "Faster Forecasted Growth in Spending." He noted that last year's forecast was for an average annual growth of 4.4 percent. The average annual growth for state GF was 4.5 percent, and the average for federal spending growth was 4.8 percent for the same period. He mentioned continuous enrollment unwinding and the increased FFP for regular Medicaid that was now gone. There was expectation with a population that would be increasingly IHS-eligible. In the current year, Medicaid services would be about \$3 billion in Alaska and were projected to grow to \$7.4 billion by 2045.

Co-Chair Josephson mentioned his experience teaching constitutional law and referenced the Indian Commerce Clause. He asked if there was anything guaranteed requiring the federal government to pay 100 percent of IHS claims.

Mr. Helvoigt did not know the answer.

Co-Chair Josephson mentioned the bullet on slide 19, "Continued shift toward IHS FFP rate," and asked if it was because the indigenous population was growing faster than the other population.

Mr. Helvoigt explained that fewer people were moving to Alaska, more people were moving out of Alaska, and Alaska Natives were more likely to stay in the state. He added that of Alaska Natives that had IHS, there was continued movement toward making sure the state got a 100 FFP rate.

Representative Galvin asked about whether it would make any difference for Alaska to change to another sort of insurance plan. She thought Oregon or another state had got

to Health Maintenance Organizations (HMOs). She asked if it was a cost savings.

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Mr. Helvoigt answered that in general HMOs needed a big central population. He mentioned fee-for-service states such as Idaho, Montana, and Wyoming. He thought it was possible that it may work to have an HMO in Anchorage or Mat-Su but thought it would be difficult elsewhere. He turned to slide 20 and addressed a graph depicting projected spending on Medicaid services by component of growth. He noted that growth in reimbursement rates would drive spending growth. The green rectangle represented the status quo. The grey showed the growth in recipients over time. The dark blue thin band showed growth in utilization of services. He described using more and more services on Medicaid programs longer, which was a relatively small increase into the future. He summarized that pretty much all growth in spending would be in reimbursement rates for providers. He pondered that if overall medical price inflation was more in check, the growth would be at a rate of 4.7 percent per year.

Mr. Helvoigt moved to slide 21 and addressed a bar graph depicting the impact of allowing reimbursement rates to grow at the same rate as medical price inflation. In 2045 there was about \$800 million less in spending than if it was growing at the same projected pace as medical price inflation.

Co-Chair Josephson asked about the \$800 million more in spending, and thought under current law and investment by Congress (which was currently morphing). He asked if the amount was Alaska's share.

Mr. Helvoigt answered that about a third of the amount would be state GF spending.

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Mr. Helvoigt advanced to slide 23 titled "Medicaid Spending is Driven by a Relatively Small Proportion of Recipients." He relayed that the information was a new area of inquiry for the forecast at the request of the department. He cited that for 2024, 1 percent of recipients accounted for 22 percent of all Medicaid spending; 10 percent of recipients

accounted for just over two-thirds of all spending; and the 50 percent of recipients with the lowest spending accounted for only 4 percent of spending. He thought the information got back to the issue that simply reducing the number of people on Medicaid would not drive down costs, and there was a relatively small number of individuals that were driving the spending. He noted that if the slide showed the U.S. overall, it would look very similar.

Mr. Helvoigt moved to slide 24 titled "Chronic Conditions and Age, FY2024." The forecast looked at 64 chronic conditions. He explained that he was referencing information from CMS's Chronic Condition Index Warehouse. An individual was defined as having a chronic condition after receiving two diagnoses for the condition during FY 24. The number of recipients diagnosed with one or more chronic conditions had remained stable since FY 19. He noted that the horizontal axis of the bar graph on the slide denoted age. He pointed out that there were a lot more recipients under 15 than between 55 and 64. The proportion of people with a diagnosed chronic condition went up with age. He noted that age itself did not mean spending would be high, but probability of getting one or more chronic conditions increased with age.

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He turned to slide 25 and addressed chronic condition diagnoses driving Medicaid spending. He thought the bar graph was complex. The graph showed individuals with zero chronic conditions on the left of the horizontal axis, with the number of conditions increasing as one moved to the right. There were two vertical axes. The left showed spending per recipient, and the right showed total spending for the group. The first bar with no chronic conditions showed an average spending in 2024 of \$4,500; with total spending a little under \$500,000. Moving to the right showed individuals with one chronic condition with average spending of over \$17,000 and total spending of nearly \$700,000 for the group. As the graph went across the spending went up and up.

Representative Johnson asked if the results on slide 25 were over a life span.

Mr. Helvoigt answered that the graph looked at FY 24.

Mr. Helvoigt addressed high-cost recipients and chronic conditions. The slide considered eight chronic conditions. The green bar on the graph showed 10 percent of Medicaid recipients with the highest costs, and the grey bar represented all other recipients. He summarized that regardless of the chronic condition, the proportion was much higher amongst high-cost recipients. He mentioned tobacco use, obesity, and mental health conditions. He noted that mental health conditions had been an increasing cost driver in Medicaid spending in the state and country.

Representative Johnson asked if the spending on mental health conditions reflected into private insurance as well. She wondered if the rates were similar.

Mr. Helvoigt answered that he did not know and explained that the data was not available.

Representative Johnson mentioned drug and alcohol abuse as a separate condition and wondered how much it was related to mental health conditions.

Mr. Helvoigt answered that many Medicaid recipients had multiple chronic conditions. He explained that mental health and drug and alcohol abuse were definitely interrelated.

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Mr. Helvoigt addressed slide 27 "Chronic Conditions drive Growth in Medicaid Spending," which showed a bar graph of projected spending of Medicaid services through FY 45. The forecast expected about \$7.4 billion in spending in 2045. Each bar represented the spending divided between those with diagnosed chronic conditions and without. He cited that currently about 81 percent of Medicaid spending was on individuals with one or more diagnosed chronic conditions. It was forecast that not only would the total spending on the individuals increase, proportionally there would be more individuals with diagnosed chronic conditions. He relayed that the projected increase was based on the projection of fewer children and more seniors, who tended to have more chronic conditions.

Co-Chair Josephson asked if slide 26 indicated that persons on Medicaid with cancer were not terribly likely to have a second chronic condition.

Mr. Helvoigt replied in the negative. He explained that an individual could be represented in more than one bar. The graph showed recipients that had diagnoses independent of other diagnoses and were not unduplicated counts.

Co-Chair Josephson noted that the federal government was paying about \$2 billion per year for Medicaid in Alaska, and the state was paying about \$700 million per year. He asked about Mr. Helvoigt's understanding of what was being considered by Congress to decrease the spending by \$880 billion.

Mr. Helvoigt agreed that it was a very large number of many billions.

Co-Chair Josephson stated that one thing he had heard was a potential decrease to the expansion population, which would be an amendment to the Affordable Care Act (ACA). He asked what Mr. Helvoigt was advising sister states if there was a cut to federal Medicaid dollars.

Mr. Helvoigt answered that he made no recommendations for the legislature. He suggested to focus on the expansion population. He explained that generally when talking about the expansion population, consider those not IHS eligible. He reminded that the IHS-eligible Medicaid population was 100 percent federally matched. For 2025, the Medicaid expansion population that was not IHS-eligible would be about \$460 million. Every percentage point decrease in the FFP for expansion was worth \$4.6 million. He had no feel for the likelihood of it happening versus moving to a system based on per capita. He relayed that there were lots of ideas being discussed.

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Co-Chair Josephson asked if Mr. Helvoigt was following the national scene as the issue developed.

Mr. Helvoigt answered that the company was following a lot of different federal issues including health care, resources, and energy. He was following the issue, but it did not impact his work day-to-day. He explained that something would happen and he could provide information about the impact of any proposed change. He considered the biggest risk to each state's Medicaid program to be

expansion. He thought it would be a big lift to change the funding formula overall, but he thought the expansion was a risk. He did not have any inside knowledge about anything happening.

Representative Josephson asked if the \$880 billion targeted for a cut was for expansion only or for regular Medicaid in general.

Mr. Helvoigt answered that he did not know but a number that large would exceed expansion.

Co-Chair Josephson thanked Mr. Helvoigt for his testimony.

Mr. Helvoigt thanked the committee.

Co-Chair Josephson reviewed the schedule for the following day.

#

ADJOURNMENT

[3:00:21 PM](#)

The meeting was adjourned at 3:00 p.m.