

ALASKA STATE LEGISLATURE
HOUSE HEALTH AND SOCIAL SERVICES STANDING COMMITTEE

April 1, 2025

3:19 p.m.

MEMBERS PRESENT

Representative Genevieve Mina, Chair
Representative Andrew Gray
Representative Zack Fields
Representative Donna Mears
Representative Justin Ruffridge
Representative Rebecca Schwanke

MEMBERS ABSENT

Representative Mike Prax

COMMITTEE CALENDAR

PRESENTATION: THE IMPACTS OF MEDICAID IN ALASKA

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

MONIQUE MARTIN, Vice President
Alaska Native Tribal Health Consortium
Anchorage, Alaska

POSITION STATEMENT: Co-offered the Impacts of Medicaid in Alaska presentation.

JOSHUA ARVIDSON, Chief Operating Officer
Alaska Behavioral Health
Anchorage, Alaska

POSITION STATEMENT: Co-offered the Impacts of Medicaid in Alaska presentation.

CAROL AUSTERMAN, CEO
Kodiak Community Health Center
Kodiak, Alaska

POSITION STATEMENT: Co-offered the Impacts of Medicaid in Alaska presentation.

ACTION NARRATIVE

[3:19:56 PM](#)

CHAIR GENEVIEVE MINA called the House Health and Social Services Standing Committee meeting to order at 3:19 p.m. Representatives Fields, Gray, Mears, Ruffridge, and Schwanke were present at the call to order.

PRESENTATION: The Impacts of Medicaid in Alaska

[3:20:34 PM](#)

CHAIR MINA announced that the only order of business would be a presentation of The Impacts of Medicaid in Alaska.

[3:21:09 PM](#)

MONIQUE MARTIN, Vice President, Alaska Native Tribal Health Consortium, gave an introduction for the Impacts of Medicaid in Alaska presentation. She began by stating that 264,000 Alaskans are on Medicaid and offered other statistics on the Alaskans receiving Medicaid. She emphasized that people experience medical bills, regardless of their ability to pay them. She said that Medicaid is very important for Alaska's economy, that it drives down uncompensated care within the state, and that it is also very important to tribal health. Ms. Martin described the Alaska Tribal Health System, which is required to seek third-party reimbursement, which includes Medicaid. Medicaid is integral to the services provided by the Alaska Native Medical Center (ANMC) and across the tribal health system. She related that 40 percent of revenue at ANMC comes from Medicaid. She emphasized that the tribal health system provides services to many non-Native and rural Alaskans.

[3:29:35 PM](#)

REPRESENTATIVE SCHWANKE asked if the Indian Health Service (IHS) or Medicaid pays first when an Alaska Native patient has a bill submitted.

MS. MARTIN responded that the answer is a bit convoluted. She explained the agreement made between IHS and the Alaska Native Tribal Health Consortium.

[3:30:52 PM](#)

JOSHUA ARVIDSON, Chief Operating Officer, Alaska Behavioral Health, as co-presenter of the Impacts of Medicaid in Alaska presentation, began a PowerPoint, titled "Alaska Behavioral Health Wellness for Everyone" [hard copy included in the committee file]. He said that Alaska has the second highest rate of suicide in the nation, emphasizing that untreated mental illness is the principle causal factor. He explained the ways that Alaska Behavioral Health is working to increase access to mental health care to patients across the state. He said that suicide is extremely rare in those who receive treatment because treatment works. Mr. Arvidson added that 72 percent of Alaskans the organization serves use Medicaid and "loss of adequate Medicaid coverage will push Alaskans who depend on it for outpatient care into emergency rooms," which has consequences on every Alaskan. He offered an anecdote for the committee to imagine the struggles of Alaskans losing Medicaid.

[3:36:06 PM](#)

REPRESENTATIVE RUFFRIDGE said that last year a piece of legislation was passed that would add associate professional counselors to the group of individuals who could provide behavioral health services in a counseling capacity. He asked if those associate professional counselors have been able to accept Medicaid payments.

MR. ARVIDSON responded that licensed professional counselors account for only half of the workforce at Alaska Behavioral Health, and that increasing the workforce to include those on the pathway to professional licensed counselors has been very helpful.

[3:37:21 PM](#)

CHAIR MINA asked what the top services are on the "chopping block" with potential cuts to Medicaid.

MR. ARVIDSON responded that it is hard to think about the chopping block because all services his organization provides are medically necessary. He added that the most common services provided are psychotherapy, psychiatric evaluation and medication management.

[3:38:40 PM](#)

CAROL AUSTERMAN, CEO, Kodiak Community Health Center, as co-presenter of the Impacts of Medicaid in Alaska presentation, began a PowerPoint, titled "Protecting Medicaid: A Lifeline for Rural Alaska" [hard copy included in the committee file]. She provided an overview of the Kodiak Community Health Center, including the services it provides and the demographics of those it serves, emphasizing that its payer mix is 28 percent Medicaid. She then described the challenges Kodiak faces in accessing medical services. She said that cuts to Medicaid would leave Kodiak patients stranded from the care that they need to receive outside of Kodiak. She said that without Medicaid, many Alaskans would avoid primary and preventative care, leading them to costly emergency room and hospital visits. She offered examples of patients whose lives would change due to Medicaid cuts. She summarized that Medicaid cuts have great economic and community impacts.

[3:45:00 PM](#)

REPRESENTATIVE FIELDS shared a personal anecdote to describe the life-saving services that Medicaid provides. He added that states that have not expanded Medicaid have shut down many hospitals in rural areas. He asked how Medicaid cuts would impact hospitals in Alaska.

MS. MARTIN responded that there has been a swell of support for Medicaid, across political parties, as rural providers have spoken up about their need for Medicaid to function. She emphasized the "fragility of the healthcare delivery system", especially in rural communities.

[3:49:18 PM](#)

REPRESENTATIVE GRAY asked if federally qualified health centers (FQHCs) are at risk, beyond general Medicaid cuts.

MS. AUSTERMAN responded that FQHCs are funded federally for only two years at a time, so they are essentially always at risk [of losing] their federal funding. She said that there are no other specific targets to FQHCs.

REPRESENTATIVE GRAY expressed his fear that patients will seek out care at an FQHC after losing care through a private provider due to Medicaid cuts.

MS. AUSTERMAN responded that Kodiak Community Health Center offers a sliding fee to all of its patients and it does not matter what their insurance coverage is. She said that its uninsured numbers dropped after Medicaid was expanded, but in many areas the FQHC would be the only option for the uninsured to receive care.

REPRESENTATIVE GRAY said that he is seen at ANMC, as a non-native in Anchorage.

[3:54:06 PM](#)

CHAIR MINA asked about the cascading impacts of uncompensated care and how that uncompensated care leads to a higher cost for Alaskans.

MR. ARVIDSON responded that when Alaskans do not have adequate insurance coverage, they delay seeking healthcare, leading to more intense and more expensive treatment when they eventually do seek healthcare. He also said that uncompensated care ultimately gets paid for somewhere and has consequences for the entire health system. In response to an earlier question from Representative Fields regarding rural hospital closures, Mr. Arvidson added that when families must relocate to seek care, it is extremely disruptive financially and socially.

[3:56:40 PM](#)

MS. MARTIN responded that as Alaskans lose coverage, more will turn to the emergency department, entering the healthcare system at the most expensive place to receive care. She said the state will also see a decrease in the number of Alaskans able to receive preventative care.

[4:00:19 PM](#)

MS. AUSTERMAN responded that FQHCs have not seen an increase in federal funding, while costs of healthcare have increased greatly over recent years. She said that many have searched for other funding sources to keep their doors open. She emphasized that if Medicaid goes away entirely, many FQHCs will not be able to stay open, including the Kodiak Community Health Center.

[4:04:55 PM](#)

REPRESENTATIVE FIELDS asked about the cascading effects to air service, Medicaid being just one part of that in rural Alaska.

MS. MARTEN replied that the Alaska Native Tribal Health Consortium has become a "tribal travel broker," making arrangements for Alaskans to travel to either hub communities or to Anchorage to receive care. She emphasized that this process is critical for Alaskans to receive care. Decreasing flights to these hub communities since the pandemic have already added challenges to accessing timely care.

REPRESENTATIVE FIELDS asked how Medicaid cuts will increase the rates of drug addiction, overdose, and crime driven by addiction.

MR. ARVIDSON responded that untreated behavioral health conditions are progressive and often fatal. Without the access to adequate mental health treatment that Medicaid provides, the state will see more Alaskans unemployed, homeless, and committing crime.

[4:08:57 PM](#)

REPRESENTATIVE GRAY said the expectation of a regular annual exam is unnecessary, as healthy people may take up spots that could be used by other patients. He also said that patients receiving therapy weekly may also take spots from other patients who may truly need it.

MR. ARVIDSON agreed with the importance of evidence-based mental health treatment that is goal-oriented.

[4:13:05 PM](#)

REPRESENTATIVE MEARS said that any opportunity for early-intervention and preventative care before issues become more expensive for our communities is very important.

[4:14:33 PM](#)

REPRESENTATIVE SCHWANKE offered an anecdote about rural health care in her community and how its costs have greatly increased. She said that rural Alaska is not getting healthier and many people in her community use Medevac flights for a free trip to Anchorage. She said she is curious about how to reduce the very high costs of healthcare to the state.

[4:18:59 PM](#)

MS. MARTIN responded that healthcare provided to Alaska Native and American Indian people is not free; it predates the United States of America and treaties with American Indian people. She said that last fiscal year tribal health entities saved the State of Alaska \$138 million through care coordination agreements. She also emphasized the need for children to have adult medical escorts in certain situations. She emphasized that the unique nature of tribal health and how they help reduce the cost of the state's Medicaid program.

REPRESENTATIVE SCHWANKE said that humans who receive free services tend to utilize those services more. She said that the huge healthcare infrastructure that has been created now places a lot of pressure on the Medicaid system and the State. She asked how the Supplemental Nutrition Assistance Program (SNAP) can be modified to improve the health of low-income individuals. She also asked if the expansion of medical infrastructure and the increasing access to preventative care have had real impacts.

MS. MARTIN responded that she would defer to the Department of Health (DOH) regarding questions about SNAP. She clarified that when a beneficiary of the Tribal Health System receives care at a tribal health facility, the cost is 100 percent reimbursed by the federal government.

MS. AUSTERMAN responded that in rural Alaska, many providers try to treat their patients without the need to put them on an airplane, including the use of telehealth. The goal of Kodiak Community Health Center is to treat its patients in Kodiak.

[4:32:14 PM](#)

REPRESENTATIVE GRAY said that the current medical model in Alaska incentivizes providing more expensive care, even when it is not the best care, such that providers and clinics can be reimbursed the most amount of money. He said that it is wrong to blame sick people who are cogs in the system that makes money off of keeping them sick. He said that FQHCs are not part of the system as they are incentivized to not employ high-cost care. He said that reducing poverty now will reduce costs to Alaskans in the future.

[4:35:53 PM](#)

REPRESENTATIVE FIELDS said that the growth rate of healthcare costs slowed significantly with Medicaid expansion. He said

that reducing uncompensated care costs saves money for the Alaska Care system. Medicaid has made for a much more efficient and humane system.

[4:37:08 PM](#)

MS. MARTIN said that Medicaid is a safety net program. She said that 10 percent of Medicaid recipients receive services totaling about 67 percent of the total Medicaid spend and that 60 percent of recipients total about 10 percent of the spend. Therefore, Medicaid cares for the most vulnerable Alaskans with the most complex health conditions.

[4:39:19 PM](#)

REPRESENTATIVE RUFFRIDGE said that rebates, which Medicaid participates in, contribute to the high cost of medications. He said that rebates are dollars that simply should not have been paid, that the United States is the only country to allow rebates, and the United Health Group made \$22 billion in profit last year. He said that the high costs of medications are not just a problem caused by the pharmaceutical industry. He emphasized that there is no real reason to be uninsured, but people remain uninsured due to stigma regarding the cost of insurance.

[4:45:07 PM](#)

CHAIR MINA asked which populations would be affected by introducing a work requirement to Medicaid.

[4:46:25 PM](#)

MS. AUSTERMAN responded that many Medicaid patients are already employed. She explained that fishery and cannery workers in Kodiak have very inconsistent income, making it difficult to appropriately answer questions regarding their income on healthcare.gov and Medicaid, leading them to be denied due to their income in the past 30 days. She said that introducing a work requirement to Medicaid will most likely not lead to efficiencies within the program.

[4:50:25 PM](#)

MR. ARVIDSON described the differences in medical models that focus on profits versus outcomes. He agreed that a work

requirement for Medicaid would not be the most effective way to manage costs.

CHAIR MINA commented that there are a stigma and unawareness regarding the marketplace.

[4:54:03 PM](#)

REPRESENTATIVE FIELDS said that through Medicaid expansion, the State of Alaska saved \$60 million, not adjusted for inflation. He agreed that work requirements do not save money but do increase costs and increase mortality rates.

[4:55:21 PM](#)

REPRESENTATIVE GRAY said that even the clinics that operate differently from the current healthcare system must still compete within the system that keeps costs so high.

[4:56:42 PM](#)

REPRESENTATIVE RUFFRIDGE said he is very grateful for the statistics Representative Fields brought forward. He added that the federal government has taken on some healthcare costs that for which the State of Alaska once paid.

[4:58:42 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Health and Social Services Standing Committee meeting was adjourned at 4:58 p.m.