



Proposed Changes on Medicaid Payment Rates for Behavioral Health Services

Public Comment Received February 12, 2026 – March 27, 2026

On February 12, 2026, the Department of Health (DOH) posted a [Notice of Proposed Changes on Medicaid Payment Rates for Behavioral Health Services](#) on the Alaska Online Public Notice System with an archive date of March 28, 2026. The notice was also published in the Anchorage Daily News. Public comment was available through multiple channels, including:

- The Department of Health, Division of Behavioral Health (DBH) email box at doh.dbh.public.comment@alaska.gov;
- By phone at 907-269-6549, the direct line for William Hurr, Acting Social Services Program Officer, Division of Behavioral Health (DBH); and,
- In writing with the mailing the address State of Alaska, Department of Health, Division of Behavioral Health, 3601 C Street, Suite 934, Anchorage, AK 99503.

An oral hearing was held on March 23, 2025, 12:00 p.m. to 1:00 p.m. to allow for oral presentation of comments. No public comments were received during the public hearing. The meeting was attended by nine (9) people: five (5) staff from the Alaska Division of Behavioral Health; one from the Alaska Department of Health, Office of Rate Review; and three (3) people representing behavioral health agencies who stated they attended to listen to public comment received at the meeting.

The public comment period closed at 5:00pm on March 27, 2026, with four (4) responses. This document contains the Department of Health’s response to the comments received. When multiple comments are received, identical or substantively similar comments are consolidated for purposes of response.

PUBLIC COMMENT	DEPARTMENT OF HEALTH RESPONSE
<p><i>Public Comment #1: Support for Proposed Changes</i> <i>From: Anna Nelson, Grants Specialist, Interior AIDS Association</i> <i>Received: By email on 2/13/2026 via doh.dbh.public.comments@alaska.gov</i></p> <p>Summary of proposed changes: The Department of Health proposes to adopt regulation changes in Title 7 of the Alaska Administrative Code, dealing with Medicaid payment rates for behavioral health services.</p> <p>I have participated in presentations about these changes and in meetings to discuss them. I have read the proposed regulations and rates.</p> <p>I support the proposed changes.</p>	<p><i>DOH Response #1:</i></p> <p>The Department of Health appreciates support for the proposed regulation changes related to Medicaid rates.</p> <p>The Department appreciates your participation in stakeholder engagement opportunities and looks forward to your participation in the future.</p>

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<p><i>Public Comment #2: Support for Proposed Changes, Guidehouse Study Implementation, and Youth Services</i> <i>From: Victoria Kildal, Psy.D., Chief Executive Officer and Lance Johnson, Chief Operating Officer, Alaska Behavioral Health Association</i> <i>Received: By email on 3/27/2026 via doh.dbh.public.comments@alaska.gov</i></p> <p>The Alaska Behavioral Health Association (ABHA) represents nearly 120 organizations providing mental health and substance use treatment across Alaska. Our mission is to ensure accessible, high-quality, and cost-effective behavioral health care across the state. Thank you for the opportunity to provide comment on the proposed updates to Medicaid payment rates for behavioral health services.</p> <p>We recognize the significant work the Department has undertaken to align reimbursement with the findings of the Alaska Medicaid Rate Methodology Study and to incorporate benchmark rates informed by provider engagement and data analysis. Moving toward rates that better reflect the cost of care is an important and necessary step for strengthening Alaska’s behavioral health system.</p> <p>The Guidehouse rate study identified significant misalignment across behavioral health services, with some rates falling well below the modeled cost of care while others exceed benchmark levels. This proposal represents an important initial step toward addressing those disparities; however, continued progress will be necessary to fully implement the study’s findings.</p> <p>We understand that implementation of the rate study will require multiple phases and additional regulatory efforts. Several key recommendations from the study – including adjustments related to crisis services, geographic rate variation, and broader rate methodology changes – are not included in this rulemaking and will require future action. Timely implementation of these remaining recommendations will be critical to ensuring provider stability and maintaining access to care.</p> <p>We are encouraged by the Department’s recognition of the need to further examine Children’s Residential Treatment (CRT) and youth services; it is our understanding that a workgroup is planned to support this effort. The Guidehouse report clearly identifies the complexity and intensity of these services, including higher staffing needs, crisis-level acuity, and regulatory requirements. At the same time, the study’s benchmark analysis demonstrates that current CRT rates remain significantly below benchmark levels modeled in the study.</p> <p>While CRT rates are not adjusted to align with benchmark levels in this proposal, youth residential services represent one of the clearest areas of misalignment identified in the rate study. Without timely adjustment, these gaps risk further constraining provider capacity, exacerbating workforce challenges, and limiting access to appropriate placements for youth with high-acuity behavioral health needs. We value the Department’s attention to this issue and encourage timely and actionable outcomes from this work.</p>	<p><i>DOH Response #2:</i></p> <p>The Department of Health appreciates support for the proposed regulation changes related to Medicaid rates.</p> <p>ABHA’s comments regarding recommendations from the Guidehouse study that are not included in the current regulations package will be taken into consideration by the Department.</p> <p>The Department appreciates ABHA’s participation in stakeholder engagement opportunities and looks forward to your participation in the future.</p>

PUBLIC COMMENT	DEPARTMENT OF HEALTH RESPONSE
<p><i>Public Comment #2, Continued: Support for Proposed Changes, Guidehouse Study Implementation, and Youth Services</i></p> <p>We also note that several commonly utilized services such as psychotherapy, case management, intensive case management, and substance use disorder care coordination are not included in the proposed rate adjustments. We appreciate the Department’s interest in exploring future approaches, including the potential use of cost reporting to better inform rate development for these services, and agree that continued development of sustainable, data-driven methodologies is important.</p> <p>At the same time, the administrative impact of any new cost reporting requirements must be carefully considered. Behavioral health organizations in Alaska are already operating under significant workforce and administrative strain. Any transition to a new method such as cost reporting should be accompanied by deliberate efforts to streamline, reduce, or eliminate existing administrative requirements, to avoid compounding burden and diverting resources away from direct patient care.</p> <p>More broadly, adequate reimbursement across the behavioral health system is essential to recruit and retain the workforce required to deliver services safely and effectively. The success of these rate adjustments and future phases of implementation will depend on their ability to support a stable, sustainable provider network.</p> <p>We appreciate the progress reflected in this proposal and the Department’s continued engagement with stakeholders. We welcome the opportunity to continue working in partnership with the Department to advance implementation of the rate study and support a strong behavioral health system for Alaska’s communities.</p>	<p><i>DOH Response #2, Continued:</i></p> <p><i>See above.</i></p>
<p><i>Public Comment #3: Support for Proposed Changes and Suggestions on Medicaid Integrity for ABA Services</i> <i>From: Emily Ice, Ph.D., BCBA-D</i> <i>Received: By email on 3/27/2026 via doh.dbh.public.comments@alaska.gov</i></p> <p>I am writing in support of the proposed Medicaid rate increases for behavioral health services. We strongly support this rate increase because it will help providers raise wages toward truly livable wages for the direct care workforce and the licensed professionals who deliver and supervise these services. Alaska families depend on a stable, qualified behavioral health workforce. When reimbursement rates fall behind the real cost of care, providers struggle to recruit and retain staff, waitlists grow, turnover increases, and continuity of care suffers. Updating rates is an important step toward maintaining access and quality for Medicaid beneficiaries across Alaska.</p>	<p><i>DOH Response #3:</i></p> <p>The Department of Health appreciates support for the proposed regulation changes related to Medicaid rates.</p> <p>The constructive measures to support Medicaid integrity for Applied Behavior Analysis (ABA) services will be taken into consideration by the Department.</p> <p>The Department appreciates your participation in stakeholder engagement opportunities and looks forward to your participation in the future.</p>

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<p><i>Public Comment #3, Continued: Support for Proposed Changes and Suggestions on Medicaid Integrity for ABA Services</i></p> <p>At the same time, Alaska should take this opportunity to protect Alaskan Medicaid dollars. Recent federal oversight activity underscores the need for stronger guardrails in the ABA sector. HHS OIG has continued identifying questionable billing patterns, unallowable services, and significant estimated improper payments in Medicaid ABA audits, while recent reporting has highlighted ABA as a rapidly expanding and investor-attractive industry.</p> <p>For that reason, we recommend that Alaska ensure Medicaid-eligible ABA organizations are owned and controlled by licensed behavior analysts. Requiring ownership by licensed behavior analysts would better align business decision-making with clinical ethics, professional accountability, and long-term service quality. It would also reduce the risk that out-of-state investment firms treat Alaska Medicaid as a profit opportunity rather than a vehicle for medically necessary, ethical, high-quality care.</p> <p>We also encourage Alaska to consider Autism Commission on Quality (ACQ) accreditation as one meaningful indicator of organizational quality. ACQ is a nonprofit accreditation program specifically designed for ABA organizations serving individuals with autism and was established to improve the quality, effectiveness, and outcomes of ABA services. A payment differential for accredited versus non-accredited agencies could be a practical way to incentivize quality improvement, strengthen accountability, and reward organizations that invest in higher standards of care. For example, Alaska could consider enhanced reimbursement rates for agencies that obtain and maintain recognized ABA-specific accreditation, including ACQ accreditation. This would create a pathway for providers to pursue measurable quality benchmarks while preserving access for families statewide.</p> <p>This recommendation is not about limiting access to care. It is about making sure public funds are used to support Alaska children and families, strengthen Alaska’s provider workforce, and preserve local accountability. Medicaid rate reform should help build sustainable, clinically led organizations rooted in this state, not create incentives for outside investors to capitalize on increased rates without a corresponding commitment to quality, compliance, and community need.</p> <p>In summary, we support the proposed rate increase because it is necessary to move wages closer to livable levels, stabilize the workforce, and improve access to care. We also urge the Department and policymakers to pair these increases with ownership and quality safeguards, including consideration of licensed-clinician ownership requirements and reimbursement incentives tied to recognized accreditation standards such as ACQ.</p> <p>Thank you for considering this comment.</p>	<p><i>DOH Response #3:</i></p> <p><i>See above.</i></p>

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<p><i>Public Comment #4: Support for Proposed Changes with Additional Recommendations Regarding Near-Term Stabilization, Youth-Specific Rate Methodology, and Targeted Cost Analysis</i> <i>From: Alyssa Bish, Chief Operations Officer, VOA Alaska</i> <i>Received: By email on 3/27/2026 via doh.dbh.public.comments@alaska.gov</i></p> <p>VOA Alaska appreciates the State of Alaska’s continued commitment to strengthening the behavioral health system and the thoughtful work that has gone into the proposed Medicaid rate updates. We recognize the complexity of balancing access, quality, and fiscal stewardship, and we value the opportunity to provide input.</p> <p>We offer the following comments in the spirit of partnership, with a shared goal of ensuring Alaska’s behavioral health system can sustainably meet the needs of children, youth, and families.</p> <p>1. Shared Understanding of System Needs</p> <p>Across multiple state and partner assessments, Alaska has consistently identified key gaps in the youth behavioral health continuum, including: high rates of youth mental health distress and suicidality, limited community-based and early intervention services, insufficient in-state residential treatment capacity, strain on crisis systems and emergency departments, and funding challenges as a key driver of system limitations. We appreciate that the proposed rate changes are intended to address some of these challenges. At the same time, we believe there is an opportunity to further strengthen alignment between the State’s policy goals and the underlying financing approach.</p> <p>2. Opportunity: Aligning Rate Methodology with Youth Service Delivery</p> <p>A central consideration is that adolescent behavioral health services operate differently from adult services, both clinically and operationally. Youth programs are required to integrate education (approximately 20 hours per week) alongside treatment, ongoing family and guardian engagement, coordination with systems such as OCS and DJJ, and developmentally appropriate programming and supervision. These elements are essential to effective care but also introduce additional staffing, coordination, and operational requirements that differ from adult models. Under the current and proposed structures, several adolescent residential rates, particularly within ASAM Level 3, remain aligned with, or in some cases below, adult benchmarks. While this alignment simplifies methodology, it may not fully reflect the distinct cost drivers associated with youth services.</p> <p>3. Provider Experience and Sustainability Considerations</p> <p>From an operational perspective, adolescent residential programs carry higher fixed costs due to 24/7 supervision and lower staff-to-client ratios, non-billable requirements such as education coordination and transportation, and intensive care coordination and discharge planning. At VOA Alaska, these dynamics result in a gap between reimbursement and the true cost of care. For example, education requirements alone</p>	<p><i>DOH Response #4:</i></p> <p>The Department of Health appreciates support for the proposed regulation changes related to Medicaid rates.</p> <p>VOA Alaska’s recommendations for items that are not included in the proposed regulations package will be considered by the Department.</p> <p>The Department appreciates VOA Alaska’s participation in stakeholder engagement opportunities and looks forward to your participation in the future.</p>

Public Comment #5, Continued: Support for Proposed Changes with Additional Recommendations Regarding Near-Term Stabilization, Youth-Specific Rate Methodology, and Targeted Cost Analysis

significantly reduce available billable service time and current and proposed rates, absent grant support, result in ongoing operating losses for adolescent residential services. While VOA Alaska has been able to sustain services through a combination of Medicaid and grant funding, this model is difficult to maintain long-term and may limit the ability of providers statewide to expand or even sustain capacity.

4. System Implications

We share the State’s goal of building a more robust, community-based behavioral health system for youth. In our experience, rate methodology plays a critical role in shaping what services can be sustained and where capacity can grow. When reimbursement does not fully reflect the cost structure of youth services providers may face challenges maintaining staffing and program stability, residential and community-based capacity may remain constrained, and demand may continue to shift toward higher-cost crisis settings. We see an opportunity to ensure that rate design more directly supports the outcomes the State has already identified as priorities.

In response to the notice of proposed changes, VOA Alaska also offers the following recommendations:

- 1. Near-Term Stabilization:** Consider aligning adolescent ASAM Level 3 rates with proposed adult rates as an interim step. This approach may help stabilize existing providers while longer-term solutions are developed.
- 2. Youth-Specific Rate Methodology:** Explore the development of a rate methodology that reflects: adolescent-specific staffing and supervision requirements; education and family engagement components; and system coordination and regulatory expectations.
- 3. Targeted Cost Analysis:** Support a focused review of adolescent behavioral health service costs, including true cost drivers, geographic considerations, and workforce impacts.
- 4. Continued Stakeholder Engagement:** Maintain ongoing collaboration with providers to ensure rate structures evolve alongside system needs and on-the-ground realities.

VOA Alaska appreciates the State’s leadership and ongoing investment in behavioral health. We believe the proposed rate changes are a meaningful step forward and present an opportunity to further strengthen alignment between financing and system design. By continuing to refine the methodology, particularly for youth services, Alaska can better position its behavioral health system to expand access, support providers, and improve outcomes for children and families. We look forward to continued partnership in this work and are grateful for the opportunity to contribute to this important process.

*DOH Response #5, Continued:
See above.*