



ALASKA

RURAL HEALTH TRANSFORMATION



Recap: RHTP Impacts: Pay for Value: Fiscal Sustainability Kickoff Session, April 1, 2026

Overview

The Alaska Department of Health (DOH) hosted an RHTP Impact Series session focused on Healthcare Access, one of the six core transformation priorities.

Facilitated by Dr. Anne Zink and Dr. Lisa Rabinowitz, the session explored how Alaska can expand, sustain, and redesign access to care across rural, remote, and frontier communities, emphasizing collaboration, innovation, and patient-centered solutions.

Purpose of the Impact Series

- Build a statewide community of practice
- Encourage cross-sector collaboration
- Generate “big sky” ideas for system transformation
- Support alignment with RHTP funding priorities

Reminder: These sessions are for connection, learning, and ideation, not project selection or funding decisions.

RHTP Context

- Part of a \$50B federal rural health transformation initiative
- Alaska received ~\$272M in Year 1 funding
- Designed as an iterative, multi-year model:
 - Annual reassessment and refinement
 - Emphasis on impact over time
 - Encourages learning, adaptation, and partnership

Goal: Deliver meaningful, measurable improvements in health outcomes for Alaskans within five years.

What is “Pay for Value”?

A shift from:

- Fee-for-service: Volume-based payment for number of services

To:

- Value-based care: payment for
 - Better health outcomes
 - Improved patient and provider experience
 - Cost efficiency and sustainability

Core Components of Value

1. Better Outcomes & Experience
 - Whole-person, patient-centered care
 - Improved provider experience (less admin burden)
2. Lower Costs
 - More efficient resource use
 - Reduced unnecessary services
3. Improved Efficiency
 - Data-driven care
 - Proactive interventions
 - Coordinated systems

Why Change is Needed

Current System Challenges:

- Providers paid for volume, not outcomes
- Many essential services are not reimbursable
- Rural systems face:
 - Low patient volumes

- High fixed costs
- Geographic isolation

Result: Doing the “right thing” for patients is often financially unsustainable.

Key Themes from Discussion

1. Workforce is Foundational to Value

Examples:

- Mental health fellowship programs that are:
 - Building workforce pipelines
 - Retaining providers in Alaska
- Workforce shortages threaten long-term sustainability

Insight: Investing in workforce = investing in value.

2. Many High-Value Services Aren't Paid For

Examples:

- EMS services are often unpaid or underfunded
- Community health roles (navigators, CHWs) not reimbursed

Key Idea: Value-based models should fund the full care team, not just physicians.

3. Team-Based Care is Critical

- Effective care requires:
 - Physicians
 - EMS
 - Community health workers
 - Care coordinators

Barrier: Fee-for-service models don't effectively support team-based care

4. Alaska Already Has Value-Based Successes

Real examples shared:

- Accountable Care Organization (ACO) model
 - Reduced costs by ~10%+ while maintaining quality
- Kidney care model
 - Reduced hospitalizations
 - Improved early intervention
 - Lower total cost of care

Takeaway: Value-based care works in Alaska and it can be scaled.

5. Community-Clinical Integration is Emerging

Example: Community Care Hub model

- Connects healthcare systems with community organizations
- Enables:
 - Care transitions
 - Social support services
 - Coordinated follow-up

Challenge: Still constrained by fee-for-service billing structures

6. Payment Reform Must Be Phased

- Cannot transform system all at once
- Requires:
 - Stepwise implementation
 - Testing models
 - Building infrastructure over time

Analogy used: Building a house requires a starting foundation, not instant completion

7. Data & Measurement are Essential

- Need to:
 - Track outcomes
 - Demonstrate value
 - Identify gaps

Poll Result Insight: top priorities identified by participants:

1. Demonstrating value
2. Navigating payment rules
3. Administrative solutions

8. Administrative & Billing Complexity is a Barrier

- Providers often:
 - Don't bill for eligible services
 - Lack capacity to navigate systems

Opportunity: Invest in billing support, workflows, and infrastructure

9. Program Integrity Matters

- Strong emphasis on:
 - Preventing fraud, waste, and abuse
 - Building accountability into systems
- Data and technology are key tools

Barriers to Value-Based Care

- Fragmented payment systems (Medicaid, Medicare, Tribal, private)
- Limited rural infrastructure
- Workforce shortages
- Misaligned incentives
- Lack of reimbursable services for high-value care

Case Study: Tok Family Physicians

Challenges:

- Heavy reliance on **fee-for-service revenue**
- Financial instability due to:
 - Seasonal demand
 - Staffing shortages
 - Travel disruptions
- Limited ability to invest in:
 - Prevention

- Care coordination
- Workforce stability

Key Question: How can value-based models stabilize clinics like this?

Pathways to Pay for Value

Four key “levers” identified:

1. Payment Rules
 - Expand what services are reimbursable
2. Administrative Systems
 - Improve billing, workflows, staffing capacity
3. Data & Analytics
 - Use data to guide decisions and demonstrate outcomes
4. Demonstrating Value
 - Prove impact of sustained funding and scalable models

Emerging Solutions

- Per-member-per-month payments (care management support)
- Accountable Care Organizations (ACOs)
- Bundled payments
- Community care hubs
- Integrated care teams
- Expanded use of telehealth and data systems

Key Takeaways

- Pay for value is foundational to all other RHTP goals
- Current payment models undermine sustainability in rural Alaska
- Alaska already has proof points that value-based care works
- Transformation requires:
 - Workforce investment
 - team-based care
 - data infrastructure

- payment reform

Bottom Line: You cannot transform health care delivery without transforming how it is paid for.

What's Next

- Regional planning meetings (starting late April)
- Continued Impact Series discussions
- Technical assistance (TA) sessions for project development
- Ongoing collaboration via DOH resources and website

Action Items for Participants

- Identify:
 - Where you are already delivering value
 - What is not currently reimbursed
- Build partnerships across:
 - Clinical
 - Community
 - Public health systems
- Explore:
 - Alternative payment models
 - Data capabilities
- Engage in:
 - Regional meetings
 - Ongoing collaboration opportunities

RHTP represents a long-term opportunity to strengthen healthcare access, sustainability, workforce capacity, and system performance across rural, remote, and frontier Alaska.

This project is supported by the Centers for Medicare & Medicaid Services (CMS) of the U.S. Department of Health and Human Services (HHS) as part of a financial assistance award totaling \$272,174,855.72, pending approval of revised budget, with 100 percent funded by CMS/HHS. The contents are those of the author(s) and do not necessarily represent the official views of, nor an endorsement, by CMS/HHS, or the U.S. Government.

More information and updates can be found at: health.alaska.gov/RHTP