Alaska
Department of Health

Alaska Traditional Health Care Practices 1115 Demonstration

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Executive Summary

Alaska is seeking approval of a new five-year Section 1115 demonstration, the Alaska Traditional Health Care Practices Demonstration, to authorize Medicaid coverage of traditional health care practices (THCPs) for Alaska Native and American Indian (AN/AI) Medicaid beneficiaries. Through this demonstration, Alaska intends to expand access to culturally appropriate care, support the integration of THCPs into preventive health care, and strengthen Tribal health programs' ability to meet the needs of AN/AI Medicaid beneficiaries. The demonstration would enable Tribal health programs across the Alaska Tribal Health System to provide regionally defined THCPs that support whole-person health and wellness and complement provider-led health care teams. Building on existing Tribal programs and emerging evidence demonstrating positive health outcomes and reduced emergency department utilization, the demonstration would establish a sustainable Medicaid financing pathway for THCPs while preserving beneficiary access to all other covered Medicaid benefits. The Department proposes that this demonstration would be effective from December 31, 2026, to December 31, 2031, with coverage of THCPs beginning no earlier than January 1, 2028.

Section I. Background

Alaska is home to 229 of 575 federally recognized Tribes, representing more than 180,000 Tribal and Alaska Native/American Indian (AN/AI) members,[1] almost 80,000 of whom were enrolled in Medicaid at the end of state fiscal year (SFY) 2026. These Tribes and their Tribal Health Organizations (THOs) cover an area that makes up around a fifth of the United States' land mass (see Figure 1).

Figure 1

The Alaska Tribal Health System (ATHS) is made up of the Tribes and THOs that deliver care to AN/AI people across the State (see *Figure 2* and *Appendix C*). The 229 Tribes in Alaska have unique experiences and traditions for health and well-being. The regions in which they operate reflect a complex history of the traditional people, practices, and languages found across the expanse of Alaska (*see Figure 3)*. The ATHS works as a comprehensive system of care to ensure AN/AI people can access health care even in the State's vast, roadless regions.

[1] Bureau of Indian Affairs. Alaska Region. Source: Alaska Region.

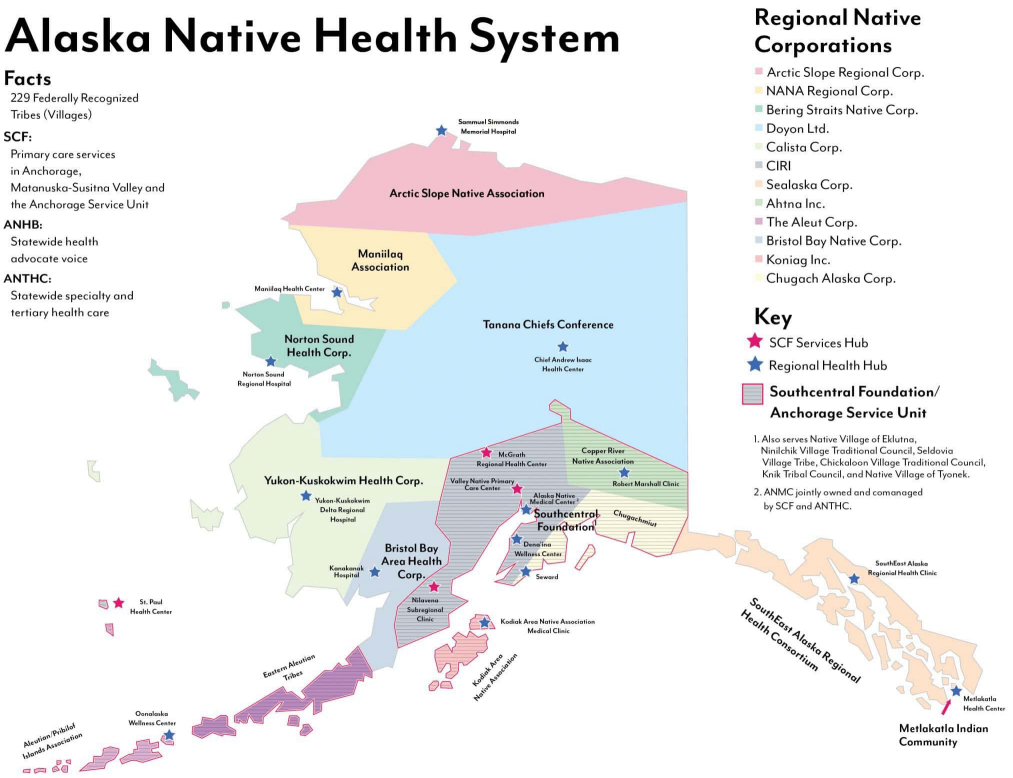

Figure 2

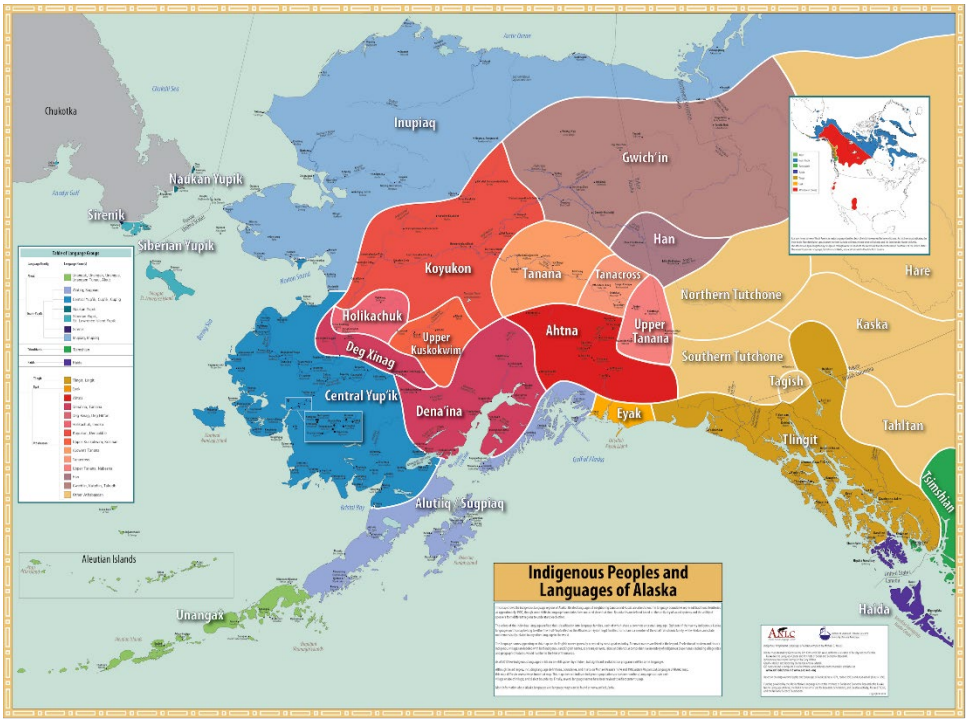

Figure 3

Alaska's Tribes offer traditional health care practices (THCPs)—practices based on principles that have been traditionally used in Tribal communities since time immemorial. THCPs embody a whole-person approach to health and wellness and are validated utilizing the process that has been established by the Tribes. The array of possible covered THCPs is broad given the regional nature of the ATHS and wide-ranging histories of Tribes across the State. THCPs could include ceremonial practices, physical body work, counseling sessions based in traditional approaches, group work in learning and talking circles on traditional skills, knowledge, and practices, as well as traditional nutritional education.

Analyses from the National Council of Urban Indian Health (NCUIH), as well as from an Alaska-based THO, Southcentral Foundation (SCF), indicate positive health outcomes from interactions with THCPs. For example, NCUIH found a moderate to major impact on mental health outcomes through a meta-analysis of peer-reviewed scientific studies that evaluated THCPs.[2] SCF, across two evaluations several years apart, found that their patients who utilized THCP services had decreased utilization of the emergency department, including among those with highly complex care needs.[3]

The Indian Health Care Improvement Act[4] authorizes the Indian Health Service (IHS), Tribes, and THOs to provide THCPs, and further contains several sections noting the importance of offering these services and incorporating them into various preventive service categories. While Congress granted the IHS and Tribal health programs the ability to bill Medicaid, THCPs are not a universally covered Medicaid service; they are typically only covered when a state has an approved 1115 demonstration authorizing these services.

Tribes and THOs across Alaska have created and independently sustained THCP programs. However, these programs are limited by the financial resources of the Tribe or THO in which they operate. The Department has recognized the value these services provide and incorporated strategies to strengthen THCPs into Alaska's approved application for Rural Health Transformation Program (RHTP) funding.[5] The Department's planned use of RHTP funds reflects the Department's commitment to expanding access to culturally appropriate care by supporting THCPs, strengthening traditional healer capacity, and further integrating these services into the broader health care delivery system. The Department has begun

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[2] NCUIH. Recent Trends in Third-Party Billing at Urban Indian Organizations: Thematic Analysis of Traditional Health Care Practices Programs at Urban Indian Organizations and Meta-Analysis of Health Outcomes. (2023). Source: Recent Trends in Third-Party Billing at Urban Indian Organizations.

[3] SCF, unpublished data, Southcentral Foundation Data Resources Program Evaluation team completed evaluations of the SCF Traditional Health Care Practices Clinic in 2017 and 2025. These evaluations examined patient-reported changes in pain and changes with patient utilization of other SCF services. These services include primary care visits, specialty care visits, emergency room visits, and behavioral health visits.

[4] *Indian Health Care Improvement Act* § 4(25), Pub. L. No. 94-437, as amended by Pub. L. No. 117-58.

[5] Alaska Department of Health. CMS Rural Health Transformation Program (CMS-RHT-26-001) Response: State of Alaska. (2025). Source: CMS Rural Health Transformation Program (CMS-RHT-26-001) Response.

awarding these funds to Tribal organizations as part of its RHTP Year 1 awards.[6] Centers for Medicare & Medicaid Services (CMS) approval of this Section 1115 demonstration application will ensure that federal RHTP investments into these services are sustainable over the long term.

The Department and its Tribal partners believe that the incorporation of Medicaid-covered THCPs will enhance the delivery of whole-person care within the ATHS.

Section II. Program Description

To sustain and increase access to THCPs, Alaska is seeking a new Section 1115 demonstration, titled the Alaska Traditional Health Care Practices (ATHCP) Demonstration, to authorize Medicaid coverage of THCPs for Medicaid beneficiaries who are AN/AI.

A. Goals and Objectives

The primary objective of this demonstration application is to sustainably provide culturally appropriate Medicaid service options for AN/AI Medicaid beneficiaries by covering traditionally grounded care services within the ATHS to support whole-person health and wellness. By providing these services in a complementary fashion with provider-led health care teams, AN/AI Medicaid beneficiaries can achieve wellness and healing for ailments and afflictions.

The goals of the THCP demonstration are to:

- Allow Medicaid coverage of THCPs within the Alaska Tribal Health System to maintain and sustain recipients' whole-person health and wellness
- Incorporate THCPs into preventive health care

B. Beneficiary Eligibility

To be eligible to obtain THCPs under this demonstration, individuals must meet all of the following criteria:

- Meet the definition of Alaska Native/American Indian, defined as "Indians or Indian" in 25 U.S.C. § 1603(13);[7]

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[6] Alaska Department of Health. RHTP Year 1 Funding Announcements. (2026). Source: Awards Notice.

[7] *Indian Health Care Improvement Act* § 4(25), Pub. L. No. 94-437, as amended by Pub. L. No. 117-58, codified at 25 U.S.C. § 1603(13). For reference, the definition of "Indians or Indian" is: *"any person who is a member of an Indian tribe, as defined in subsection (d) hereof, except that, for the* purpose of sections 1612 and 1613 of this title, *such terms shall mean any individual who*

- Be enrolled in Medicaid; and
- Be eligible to receive services by or through a Qualified Entity.

A Qualified Entity is defined as a Tribal health program, using the definition in 25 U.S.C. § 1603(25).[8]

With this demonstration, the Department does not propose any changes to Alaska's Medicaid eligibility; the standards and methodologies for eligibility remain set forth under the State Plan.

C. Benefit Coverage

Each Qualified Entity will establish and document processes to define covered THCPs, limitations, exclusions, and medical necessity requirements for its facilities.

Eligible beneficiaries will be informed of treatment options and recommendations specific to their diagnosis or condition, including non-THCP treatment options. Facilities will document their respective procedure(s) about these process(es) and will make such documentation available upon request. THCPs will not limit, reduce, jeopardize, or adversely affect a beneficiary's access to any other Medicaid services for which they would otherwise be eligible to receive.

D. Cost Sharing

Services will be subject to the same cost sharing as other clinic visits. AN/AI individuals, however, are exempt from cost sharing requirements, and thus the Department does not anticipate that any cost sharing will be collected for these services.

E. Implementation

The Department will work in partnership with Tribes and THOs to develop additional implementation strategies and requirements to ensure fiscal responsibility, program

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(A), irrespective of whether he or she lives on or near a reservation, is a member of a tribe, band, or other organized group of Indians, including those tribes, bands, or groups terminated since 1940 and those recognized now or in the future by the State in which they reside, or who is a descendant, in the first or second degree, of any such member, or
(B) is an Eskimo or Aleut or other Alaska Native, or
(C) is considered by the Secretary of the Interior to be an Indian for any purpose, or
(D) is determined to be an Indian under regulations promulgated by the Secretary."

[8] *Indian Health Care Improvement Act* § 4(25), Pub. L. No. 94-437, as amended by Pub. L. No. 117-58, codified at 25 U.S.C. § 1603(25). For reference, the definition of "Tribal Health Program" is:
"an Indian tribe or tribal organization that operates any health program, service, function, activity, or facility funded, in whole or part, by the Service through, or provided for in, a contract or compact with the Service under the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.)."

integrity, and supportive access to culturally appropriate care. As the State Medicaid Agency, the Department will oversee the service oversight requirements including those established in the Special Terms and Conditions (STCs) issued by CMS.

The demonstration will operate statewide and be open to Qualified Entities for Medicaid beneficiaries who are AN/AI, as described in Subsection B above.

Delivery System

All THCPs will be delivered through Alaska's fee-for-service Medicaid program. Alaska is not seeking to make any changes to its Medicaid delivery system through this demonstration.

Provider Qualifications

THCPs covered under this demonstration may only be provided by or through facilities operated by Qualified Entities that are enrolled as Medicaid providers. To deliver THCPs, Qualified Entities will employ or contract with THCP practitioners (sometimes also referred to as traditional healers or Tribal doctors). The Qualified Entities must be enrolled in Medicaid, but the THCP practitioners will not be required to individually enroll in Medicaid.

Prior to billing for THCPs under the demonstration, the Department will require that Qualified Entities attest that they have developed and will maintain processes to identify and certify THCP practitioners. These processes must include provider standards and criteria for evaluating that an individual practitioner is qualified to provide the service, respective to their facility(ies) and cultural practices. Criteria may include education, traditional knowledge, or other requirements that THCP practitioners must possess. The Department will require that Qualified Entities make these processes, standards, and criteria available to the Department upon request. The array of THCPs provided by an individual THCP practitioner will be in accordance with established and accepted THCPs identified by the Qualified Entity.

As the Department and THOs engage in planning for implementation, the Department may put forth additional requirements for Qualified Entities.

Payment for THCPs

The Department is seeking to claim Federal Financial Participation when Qualified Entities provide THCPs to eligible AN/AI Medicaid beneficiaries. Medicaid reimbursement will be available only for THCPs that a participating Qualified Entity has identified as covered for its region and that satisfy all applicable demonstration, documentation, and billing requirements. Reimbursement will be provided only for services delivered by or received through a facility operated by a Qualified Entity, but there is no requirement that reimbursement be limited solely to services delivered within the four walls of a facility

operated by a Qualified Entity. Reimbursement will be equivalent to the outpatient All-Inclusive Rate. Payment for THCPs is limited to one claim per day, per beneficiary.

Consistent with CMS's longstanding interpretation of section 1905(b) of the Social Security Act, the Department anticipates receiving a 100 percent federal medical assistance percentage (FMAP) for all expenditures on the services for which coverage is authorized under this demonstration, as defined in Subsection C above (Benefit Coverage).

Timeline for Implementation

The Department requests a new five-year demonstration effective December 31, 2026, through December 31, 2031. Recognizing the operational considerations associated with standing up a new benefit, as described in more detail below, the Department intends to implement Medicaid coverage of THCPs no sooner than January 1, 2028.

Operational Implementation

Upon approval and implementation of THCPs into the Medicaid service array, Qualified Entities will notify the Department in advance of billing for the services. Qualified Entities will submit eClaims in the Medicaid Management Information System (MMIS). Claims must include an ICD-10 Diagnostic Code and a code for the THCP services. Systems programming changes are required to add the claim code for THCPs, and it will take time to activate the code in the system.

To promote smooth implementation, the Department will develop and update applicable manuals and materials during the preparation period, utilizing Tribal consultation.

Section III. Demonstration Hypothesis and Evaluation

Through an independent evaluator, and informed by Tribal consultation processes, the Department will develop a plan to evaluate the hypothesis indicated below. This hypothesis will be analyzed for the demonstration population. The Department, with Tribal consultation, will identify validated performance measures that assess the impact of the demonstration on these populations. The Department will submit the evaluation plan to CMS for approval in accordance with CMS's STCs and will conduct and submit ongoing monitoring reports as required by CMS.

The Department will conduct ongoing monitoring of this demonstration and will provide information regarding monitoring activities in the required quarterly and annual monitoring reports.

Table 1: Hypothesis and Measure

Hypothesis	Measure	Data Sources	Evaluation Approach
Alaska Native/American Indian Medicaid beneficiaries receiving services from a Qualified Entity (as defined in Section II) will have increased access to Tribally appropriate care, including traditional health care practices.	Recipients will utilize traditional health care practice services.	MMIS claims for traditional health care practice services and, as applicable, other administrative data.	Informed by Tribal consultation, the independent evaluator will design quantitative and qualitative measures to include quasi-experimental comparisons.

Section IV. Projected Enrollment and Budget Neutrality

As described in more detail below, Alaska anticipates that this demonstration in its entirety will be "deemed" budget neutral, consistent with how CMS has treated other states' Section 1115 demonstrations with approval to cover THCPs. In other words, as CMS indicates in other states' approval letters, "This expenditure authority is not likely to increase overall expenditures beyond what those expenditures could have been without the demonstration."[9] CMS's rationale for this budget neutrality treatment is as follows:

- "The expenditure authority is limited to practices that are delivered by or through certain facility types that are defined by the Indian Health Care Improvement Act and Indian Self-Determination and Education Assistance Act (laws that stem from the unique government-to-government relationship between the federal government and Indian Tribes)."

[9] Centers for Medicare & Medicaid Services. Approval of request to amend the demonstration titled "Arizona Health Care Cost Containment System (AHCCCS)." (2024). Source: Project Number 11-W-00275/9.
Centers for Medicare & Medicaid Services. Approval of request to amend the demonstration titled "California Advancing and Innovating Medi-Cal (CalAIM)." (2024). Source: Project Numbers 11-W-00193/9 and 21-W-00077/0.
Centers for Medicare & Medicaid Services. Approval of request to amend the demonstration titled "New Mexico Turquoise Care." (2024). Source: Project Number 11-W-00285/6.
Centers for Medicare & Medicaid Services. Approval of request to amend the demonstration titled "Oregon Health Plan (OHP)." (2024). Source: Project Number 11-W-00415/10 and 21-W-00073/10.
Centers for Medicare & Medicaid Services. Approval of request to amend the demonstration titled "Traditional Healing Demonstration." (2026). Source: Project Number 11W-00513/8.

- It is "limited to coverage for Medicaid beneficiaries who are able to receive services from those facilities."
- "This expenditure authority will not expand the Medicaid-eligible populations, and CMS anticipates that the Medicaid payment rate for most of these services will be the IHS All-Inclusive Rate that is published annually in the Federal Register."

Projected Enrollment

The projected average annual Medicaid enrollment for individuals eligible for THCPs under this demonstration is presented in Table 2 below. This corresponds to the estimated average number of AN/AI individuals enrolled in Alaska's Medicaid program at the end of SFY 2026 and projected to each demonstration year (DY) using a 0.7 percent annual growth rate.

Table 2: Average Annual Eligibility Projection for Individuals Eligible for THCPs Under Demonstration

Traditional Health Care Practices	**DY 1** *(12/31/26–12/30/27)*	**DY 2** *(12/31/27–12/30/28)*	**DY 3** *(12/31/28–12/30/29)*	**DY 4** *(12/31/29–12/30/30)*	**DY 5** *(12/31/30–12/31/31)*
Average Eligibility	80,335	80,897	81,463	82,033	82,608

Demonstration Financing and Budget Neutrality

Table 3 below includes the projected number of individuals who will utilize services through the ATHCP demonstration, their per-member per-month (PMPM) costs, and total expenditures associated with this demonstration.

Table 3: Number of Individuals Projected to Use Traditional Health Care Practices and Associated Expenditures

		DY 1	**DY 2**	**DY 3**	**DY 4**	**DY 5**
Traditional Health Care Practices	Member Months	0	5,314	7,222	8,812	10,013
	Unique Annual Utilizers	0	1,156	1,572	1,918	2,179
	PMPM Costs	$0	$2,779.34	$2,963.89	$3,160.69	$3,370.56
	Total Expenditures	$0	$14,769,406	$21,405,190	$27,851,990	$33,749,403

As noted above, the Department projects that this demonstration is not likely to increase overall Medicaid expenditures beyond what those expenditures could have been without

the demonstration. Consistent with other states, the Department projects that THCPs will be budget neutral.

Section V. Proposed Waiver and Expenditure Authority

The Department requests the following proposed waiver and expenditure authority to operate this demonstration.

Expenditure Authority

The Department is seeking expenditure authority for THCPs received through a Tribal health program as defined in 25 U.S.C. § 1603(25), by AN/AI Medicaid beneficiaries who are able to receive services by or through a Qualified Entity.

Waiver Authority

Comparability; Freedom of Choice. Section 1902(a)(23), Section 1902(a)(10)(B).
To the extent necessary to allow the Department to offer the coverage described in the expenditure authority only if the covered THCPs are received through a Tribal health program as defined in 25 U.S.C. § 1603(25) by AN/AI Medicaid beneficiaries who are able to receive services delivered by or through these Qualified Entities, as defined in Section II above.

Section VI. Public Notice and Tribal Consultation

Public Comment

[PLACEHOLDER TO BE ADDED AFTER COMPLETION OF PUBLIC COMMENT PERIOD]

Tribal Consultation

The Department staff and Tribal health representatives facilitated the Tribal-State Traditional Healing Workgroup (the Workgroup), with the help of the Alaska Native Health Board (ANHB) to inform and develop the demonstration application, including general design and implementation considerations and review of demonstration request drafts. Representatives from Tribes and THOs were pivotal and actively engaged in the Workgroup. The Department coordinated with Tribal partners through Workgroup meetings, emails, and calls.

While Tribal partners were supportive of the THCP coverage and the proposed demonstration, some did not have staff resources to participate in all meetings. The ANHB coordinated with interested Tribes and THOs and provided regular updates to Tribes interested in the initiative. Demonstration request drafts were coordinated in partnership with Tribal partners and the Department. The Workgroup met on July 24, August 14, August 28, and September 28, 2026, to prepare, edit, and finalize the application draft.

Given this level of collaboration and partnership to date, the Department suggested and Tribal workgroup members supported an expedited Tribal consultation period for this demonstration, shortening it to 30 days, rather than the usual 60 days, to take place from October 5, 2026, through November 4, 2026. The ANHB has provided a letter in support of the shortening of the consultation period, dated October 2, 2026 (see Appendix B below).

[PLACEHOLDER FOR ADDITIONAL DETAIL TO BE ADDED AFTER COMPLETION OF TRIBAL CONSULTATION PERIOD]

Section VII. Demonstration Administration

Alaska's Medicaid program is administered by Deputy Commissioner Emily Ricci, Medicaid Director, Alaska Department of Health.

/s/
Emily Ricci
State Medicaid Director/Deputy Commissioner
Email Address: Emily.ricci@alaska.gov

Appendix A: Public Notice & Comments

[PLACEHOLDER]

Appendix B: Tribal Consultation

ALASKA NATIVE TRIBAL HEALTH CONSORTIUM
ALEUTIAN PRIBILOF ISLANDS ASSOCIATION
ARCTIC SLOPE NATIVE ASSOCIATION
BRISTOL BAY AREA HEALTH CORPORATION
CHICKALOON VILLAGE TRADITIONAL COUNCIL
CHUGACHMIUT
COPPER RIVER NATIVE ASSOCIATION
COUNCIL OF ATHABASCAN TRIBAL GOVERNMENTS
EASTERN ALEUTIAN TRIBES
KARLUK IRA TRIBAL COUNCIL
KENAITZE INDIAN TRIBE
KETCHIKAN INDIAN COMMUNITY
KODIAK AREA NATIVE ASSOCIATION
MANILAQ ASSOCIATION
METLAKATLA INDIAN COMMUNITY
MT. SANFORD TRIBAL CONSORTIUM
NATIVE VILLAGE OF CHITINA
NATIVE VILLAGE OF EKLUTNA
NATIVE VILLAGE OF EYAK
NATIVE VILLAGE OF TYONEK
NINILCHIK TRADITIONAL COUNCIL
NORTON SOUND HEALTH CORPORATION
SELDOVIA VILLAGE TRIBE
SOUTHCENTRAL FOUNDATION
SOUTHEAST ALASKA REGIONAL HEALTH CONSORTIUM
TANANA CHIEFS CONFERENCE
YAKUTAT TLINGIT TRIBE
YUKON-KUSKOKWIM HEALTH CORPORATION

Alaska Native Health Board

THE VOICE OF ALASKA TRIBAL HEALTH SINCE 1968

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October 2, 2026

Heidi Hedberg, Commissioner
Alaska Department of Health
3601 C Street, Suite 902
Anchorage, AK 99503a

RE: Alaska Section 1115 Medicaid Demonstration Waiver Application for Traditional Health Care Practices

Dear Commissioner Hedberg,

The Alaska Native Health Board (ANHB)[1] appreciates our relationship with you and the Department of Health (the Department) and our work through the Tribal Medicaid Task Force. We have appreciated the Department's commitment to meet with Tribes and Tribal Health Organizations through a State-Tribal Traditional Healing Workgroup on a proposed section 1115 Medicaid Demonstration Waiver.

This section 1115 Demonstration Waiver is not only important for supporting access to Traditional health care practices for Alaska Native and American Indian people, but it also works to meet sustainability for valuable investments made through the Centers for Medicare and Medicaid Services (CMS) Rural Health Transformation Program into Alaska Native Traditional healing programs across the Alaska Tribal Health System (ATHS).

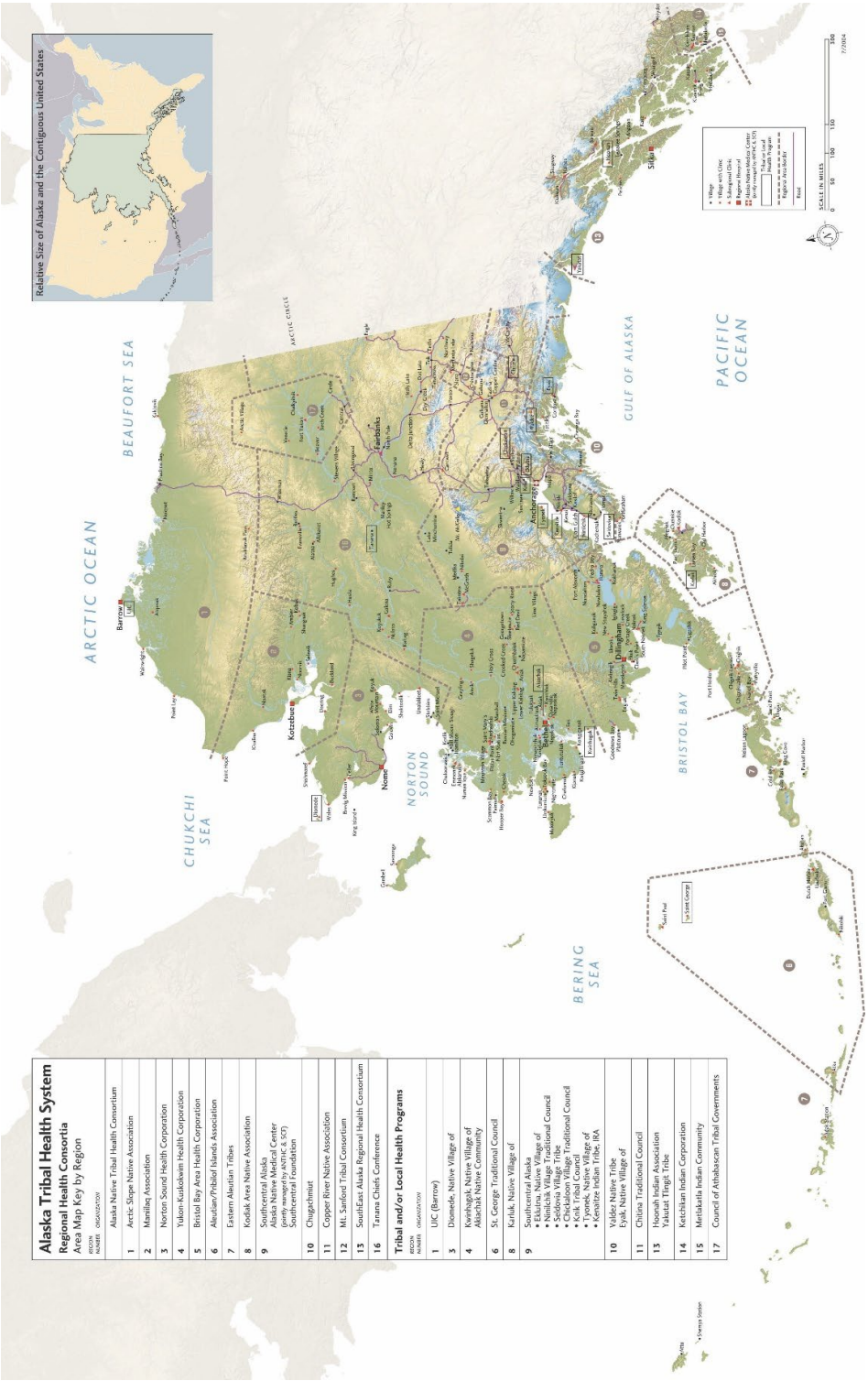
Because of the Department-Tribal discussions that occurred in preparing this section 1115 Medicaid Demonstration Waiver for Traditional health care practices to submit to CMS, we respectfully request you submit the items on an expedited basis to take advantage of current budget neutrality requirements. In light of these facts, we support a 30-day Tribal consultation period to expedite submission to CMS.

Should you have any questions concerning our letter, please contact the ANHB at anhb@anhb.org or (907) 729-7510.

Sincerely,

Chief William F. Smith, Chairman
Alaska Native Health Board
Tribally-Elected Leader of the Valdez Native Tribe

[1] ANHB was established in 1968 to promote the spiritual, physical, mental, social, and cultural well-being and pride of Alaska Native people. ANHB is the statewide voice on Alaska Native health issues and is the advocacy organization for the Alaska Tribal Health System, which is comprised of Tribal health programs that serve all of the 229 Tribes and over 234,000 Alaska Native and American Indian people throughout the state. As the statewide Tribal health advocacy organization, ANHB supports Alaska's Tribes and Tribal health programs to achieve effective consultation and communication with state and federal agencies on matters of concern.

[PLACEHOLDER FOR ADDITIONAL INFORMATION ON TRIBAL CONSULTATION]

Appendix C: Detail of the Alaska Tribal Health System