

# 2023 HEALTHCARE IN ALASKA

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### **Alaska's Healthcare System at-a-Glance**

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Photos: PeaceHealth Ketchikan Medical Center, Prestige Care, Alaska Regional Hospital, Alaska Native Medical Center

## Alaska Hospital & Healthcare Association

For 70 years, the Alaska Hospital & Healthcare Association (AHHA) has served as a non-profit trade association representing Alaska's hospitals, nursing homes, and other healthcare partners across the continuum of care. Formerly the Alaska State Hospital & Nursing Home Association (ASHNHA), AHHA's board passed a resolution in May 2022 to adopt a more inclusive, concise, and relevant title to represent our members and mission.

AHHA provides policy and advocacy expertise, leads and hosts opportunities for education and training, and brings together members and stakeholders for collaborative work to share data, resources, and best practices. We support our members in their roles as community providers and essential employers in cities, towns, and villages across Alaska.

**Our mission is to advance the shared interests of Alaska healthcare to build an innovative, sustainable system for all Alaskans.**



- Critical Access Hospitals (co-located Nursing Homes)
- Rural Demo Hospitals / Sole Community Hospitals
- Acute Care Hospitals
- Other/Specialty Hospitals
- Standalone Nursing Homes

*"Improving Alaska's healthcare system to ensure access for all Alaskans can only be achieved if we stabilize and support capacity for services throughout the full healthcare continuum."*

**Jared C. Kosin, J.D., M.B.A**  
 AHHA President & CEO



The Alaska Hospital & Healthcare Association (AHHA) advocates for critical legislation and policies that support our member facilities and partners across the healthcare system so they are able to deliver high quality, accessible care for all Alaskans. Below are our four key areas of focus for 2023.

## Confront Healthcare Workforce Challenges

Alaska faces debilitating healthcare workforce shortages that threaten access to healthcare and economic stability.

- Growth, attrition, and turnover create the need for 7,500 new healthcare workers each year.
- Alaska will have the highest number of nurse vacancies in the U.S. by 2030.
- Alaska's healthcare training programs only graduate 841 professionals each year - nowhere near meeting demand.

## Support Legislation for Nurse Licensure Compact (NLC)

NLC is a critical tool for addressing Alaska's severe nurse shortage, allowing nurses to practice across state lines with a single license. Joining the NLC will:

- Streamline Alaska's licensing process to get nurses to work faster across Alaska.
- Aid recruitment and retention of nurses.
- Help military members' spouses and family who are nurses to easily transition into our healthcare workforce.

## Pass Fully-Funded Medicaid Budget

With nearly one in three Alaskans covered by Medicaid, supporting the Medicaid program is vital to Alaska's healthcare infrastructure.

- Inadequate Medicaid reimbursement makes access to behavioral health and other core services impossible.
- Without strong community-based services, hospitals fill up with patients who don't need to be there.
- Alaska budgets less General Funds today than 10 years ago while providing coverage to 100K more Alaskans.

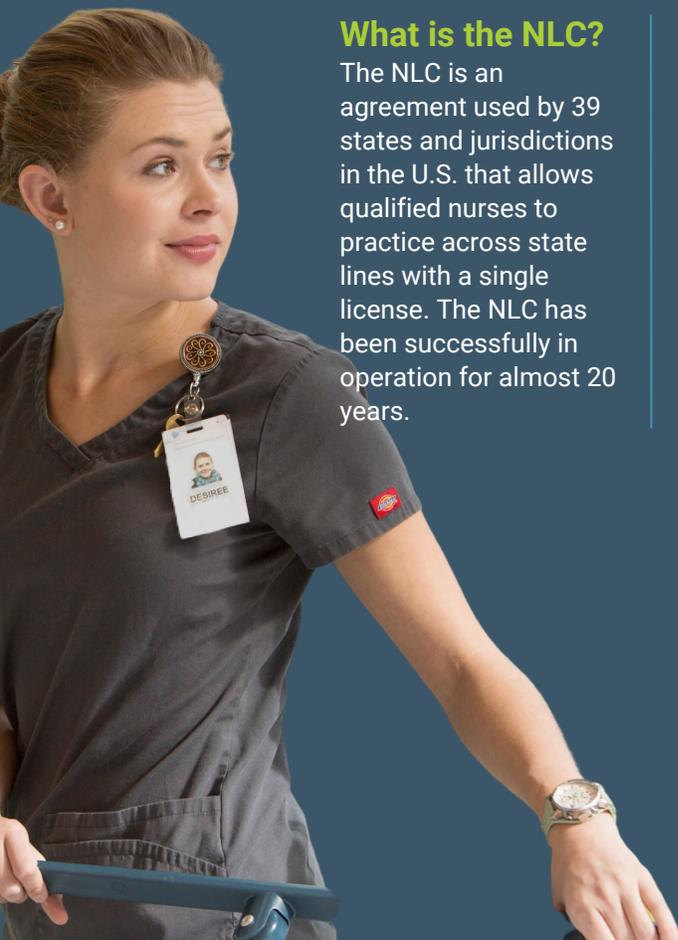
## Maintain Certificate of Need (CON) Laws

CON is used in most states to ensure appropriate allocation and availability of healthcare resources and prevent unnecessary duplication of services and costs.

- CON protects access to care for the indigent and uninsured, and it insulates the Medicaid budget from unnecessary costs.
- CON ensures a level playing field between hospitals and other providers not subject to regulatory and financial requirements.
- If CON is repealed, Alaska's per capita healthcare costs could increase by a rate of 20% above the national growth rate.

## Alaska faces a debilitating healthcare workforce shortage.

The combination of growth and turnover creates a need for over 7,500 new healthcare workers each year, including more than 1,500 registered nurses. And it's predicted to get worse – Alaska will have the highest nurse vacancies in the United States by 2030 with over 5,000 openings and a 22% shortfall.



### What is the NLC?

The NLC is an agreement used by 39 states and jurisdictions in the U.S. that allows qualified nurses to practice across state lines with a single license. The NLC has been successfully in operation for almost 20 years.

### Why should Alaska join the NLC?

The output of professionals from Alaska-based programs is nowhere near meeting demand. Alaska training programs only graduate 841 professionals for key healthcare positions. For nursing alone, Alaska programs produce just 324 graduates to fill a hole of over 1,500 openings. While the healthcare sector works to “grow our own,” these strategies will take years to play out. Joining the NLC will:

- **Get nurses to work faster** – a survey of Alaska hospitals shows that nurse openings at our facilities have ballooned to 24% and, on average, it takes 161 days to fill a position. This can drastically limit access to care and drive up costs, especially in rural Alaska. The NLC’s uniform standards and best practices will help speed up licensure and placement from months to a matter of days.
- **Aid recruitment and retention** – certain nurse professionals interested in providing telehealth services to the lower 48 from Alaska to enhance income will immediately have access to nearly the whole country courtesy of the NLC. Additionally, traveling nurses interested in staying in Alaska on long-term assignments will no longer be deterred by the ultimatum of forfeiting their compact license to stay in a non-NLC state.
- **Support Alaska military families** – Alaska is home to thousands of military members on assignment, many with spouses and family who are nurses. Joining the NLC will help welcome these individuals to our state and seamlessly transition into our healthcare workforce.

Photo :Foundation Health Partners

## A Coalition of Support

### Over 75 organizations representing every facet of Alaska's healthcare system want legislation passed to join the NLC!

AARP | Airlift Northwest | Alaska APRN Alliance | Alaska Association on Developmental Disabilities | Alaska Behavioral Health Association | Alaska Behavioral Health Services | Alaska Board of Nursing | Alaska Chamber of Commerce | Alaska Department of Commerce | Alaska Municipal League | Alaska Native Health Board | Alaska Native Medical Center | Alaska Native Tribal Health Consortium | Alaska Pacific University School of Nursing | Alaska Primary Care Association | Alaska Psychiatric Institute | Alaska Public Health Association | Alaska Regional Hospital | Alaska State Medical Association | Alzheimer's Resource of Alaska | American Academy of Ambulatory Care Nursing | American Association of Colleges of Nursing | American Association of Occupational Health Nurses | Anchorage Chamber of Commerce | Asian American/ Pacific Islander Nurses Association | Bartlett Regional Hospital | Bristol Bay Area Health Corporation | Central Peninsula Hospital | Charter College School of Nursing | City of Seward | Cordova Community Medical Center | Denali Center Fairbanks | Emergency Nurses Association | Fairbanks Memorial Hospital | Foundation Health Partners | Fresenius Medical Care | Heritage Place | Kodiak Island Borough | Maniilaq Health Center | Maple Springs Palmer | Maple Springs Wasilla | Mat-Su Health Foundation | Mat-Su Regional Medical Center | Moda | National Council of State Boards of Nursing | National Governor's Association Center for Best Practices | National League for Nursing | National Military Family Association | National Patient Safety Foundation | National Student Nurses' Association | North Star Behavioral Health | Norton Sound Health Corporation | PeaceHealth Ketchikan Medical Center | Petersburg Medical Center | Population Health Alliance | Premera Blue Cross Blue Shield Alaska | Prestige Care and Rehabilitation of Anchorage | Providence Alaska Medical Center | Providence Extended Care | Providence Horizon House | Providence Kodiak Island Medical Center | Providence Seward Medical Center | Providence St. Elias Specialty Hospital | Providence Transitional Care Center | Providence Valdez Medical Center | Quynna Care Center | Southeast Alaska Regional Health Consortium (SEARHC) | SEARHC Mt. Edgecumbe Hospital | SEARHC Sitka Long-Term Care | SEARHC Wrangell Medical Center | South Peninsula Hospital | Tanana Valley Clinic Fairbanks | U.S. Department of Commerce | U.S. Department of Defense | UAA School of Nursing | Wildflower Court | Yukon-Kuskokwim Health Corporation

## 2022 Healthcare Workforce Analysis

The Alaska Hospital & Healthcare Association (AHHA) commissioned Juneau-based Rain Coast Data to conduct a healthcare workforce statistical analysis which was published in December 2022. Key study findings are below.

**Download the full 2021 and 2022 reports at [alaskahha.org](http://alaskahha.org).**

### Alaska's Top Industry

Healthcare has become a leading economic sector in Alaska, paying out nearly \$3 billion in direct wages in 2021 - more than any other sector.

- Healthcare was responsible for 12% of all workforce earnings, outpacing military and natural resource sectors.
- Healthcare employs 11% of Alaska's entire workforce with nearly 43,000 healthcare jobs in 2021.
- When including the multiplier effect, the total impact of Alaska's healthcare sector was 75,060 jobs across the state's economy with a total income impact of \$4.4 billion in 2021.

### Healthcare Worker Shortage

There are too few Alaska healthcare workers to fill current service demands and vacancies are increasing. Alaska is projected to have the most significant shortages of any state moving forward.

- In 2022, Alaska training programs graduated just 841 healthcare workers, including 324 registered nurses, a fraction of what is needed.
- While travel nurses can be used to meet short-term staffing needs, it comes at a higher cost. In November 2022, travel nurses earned 77% more on average than non-traveling RNs in Alaska.
- A survey of Alaska hospitals shows that nurse openings at our facilities have ballooned to 24% and, on average, it takes 161 days to fill a position.

### Thousands of New Workers Needed Annually

Workforce growth projections show the healthcare sector is expected to add 4,500 new jobs over the next 10 years, more jobs than any other sector in the state. Additionally, turnover means that replacement workers are continually needed.

- Approximately 7,500 new healthcare workers must be hired across Alaska every year to keep up with service needs.
- This includes a need for over 1,500 new registered nurses each year in Alaska.



## AHHA's Workforce Strategy



**Pipeline:** Forge strong partnerships between the healthcare industry, schools, and students (K-12+) to recruit, train, and graduate healthcare professionals to build a sustainable workforce pipeline in Alaska.

**Pathways:** Develop healthcare career pathways and professional development opportunities to provide training and advance skills that will improve patient care and employee retention.

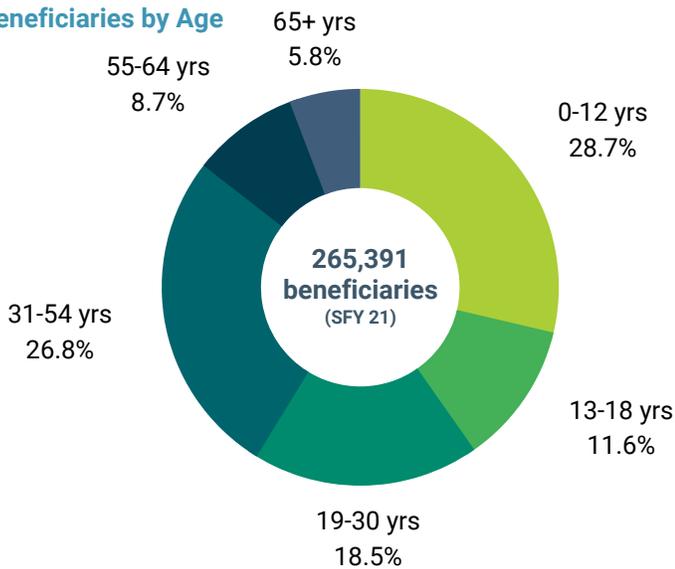
**Protection:** Develop and implement practices that support wellness, increase resiliency, and address burnout, violence, and other treats to retention. Remove barriers that overburden the industry and workers.

## Medicaid is a Critical Investment

With nearly one in three Alaskans covered by Medicaid, supporting the Medicaid program is vital to Alaska's healthcare infrastructure. Since its inception in 1965, the Medicaid program has evolved from welfare-based coverage to a major payer in our healthcare system. It serves as a federal-state partnership for the administration and funding of health services for people who are low-income (many of whom are employed without health insurance) or living with a disability.

## Who does Medicaid cover in Alaska?

### Beneficiaries by Age



### Protection for Vulnerable Populations

104,338 children  
16,234 disabled people  
15,361 elderly  
(SFY21)

## Medicaid and Behavioral Health

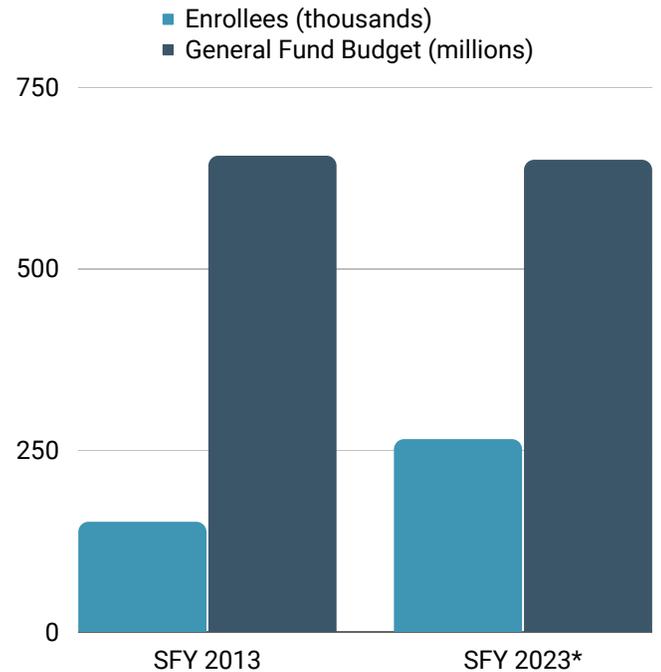
Alaska is seeing an increase in utilization of emergency departments by children and adolescents for behavioral health crises. Medicaid was the primary payer for 60% of child and adolescent behavioral health ED visits in 2021. Access to care in the community is critical to keeping people out of the emergency department. Less than 3% of individual therapists and counselors in Alaska accept Medicaid and many communities do not have adequate behavioral health services.

## Medicaid vs. Medicare

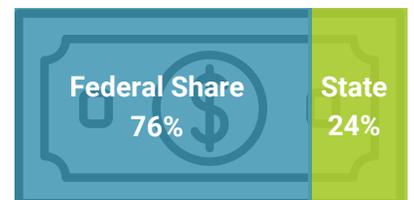
**Medicaid** provides health coverage and long-term care services for low-income Alaskans. It is jointly (federal and state) funded and administered by the state within federal guidelines.

**Medicare** is federally funded and administered health insurance for anyone age 65 and older, and those under 65 with certain disabilities or conditions.

Alaska budgets less General Funds today than 10 years ago while providing coverage to 100K more Alaskans.



\*The enrollee count equals the most recently available "actuals," which is from SFY 21



## Why is CON Important for Alaska?

**Certificate of Need (CON) laws protect against the development of expensive, unnecessary services and facilities while ensuring that underserved populations have sufficient access to care.**

Because healthcare does not operate like a free market, the CON process provides regulatory controls to ensure a level playing field between hospitals and other providers that are not subject to the same stringent requirements. AHHA agrees with critics that the Alaska CON process and standards need to be improved and updated. We have made recommendations to the Department of Health, suggesting changes to strengthen Alaska’s CON program.

**WHOLESALE REPEAL OF THE PROGRAM IS NOT THE ANSWER. WE NEED TO WORK TOGETHER TO IMPROVE THE PROCESS.**

## CON Analysis and Impact Study for Alaska

AHHA commissioned Ascendient, a national healthcare consulting firm, to conduct a CON analysis and impact study for Alaska in December 2022. The report contradicts anti-CON claims of the program’s impact on access, cost, and quality. Based on the analysis and findings in this report, CON repeal would irreparably harm access to healthcare for Alaskans. Below is a summary of key findings.



### Alaska has better access to healthcare services than its High/Moderate-CON peers, as well as No-CON states.

- Alaska has 3 hospitals for every 100,000 residents, a rate that is 50% higher than the No-CON state median.
- Alaska has 203 acute care hospital beds per 100,000 residents, virtually the same as No-CON states.
- The distribution of Alaska’s hospitals is disproportionately higher in rural areas compared to the population, ensuring access to residents in more distant communities.



### Alaska outperforms both its High/Moderate-CON peers and No-CON states.

- Based on the metrics examined in a study that alleges healthcare quality would be higher in Alaska without CON regulations, Alaska already outperforms No-CON states. Alaska’s nursing home quality is even more stellar.



### The factors contributing to the cost of healthcare in Alaska—access, terrain, small population, higher staffing costs and higher costs of living—will not change as a result of CON laws.

- A case study of states that have recently fully or partially repealed CON strongly suggests that Alaska’s healthcare costs are likely to increase at a rate 20% higher than the national growth rate with CON repeal.

## What Happens When CON is Repealed?



Georgia added more than 180 single-specialty Ambulatory Surgery Centers (ASCs) in the first year of repeal. Within five years, the number had grown by nearly 500 percent. The volume of cases per facility declined for both the CON-approved ASCs and the single-specialty ASCs. Nine Georgia hospitals closed since repeal in 2008, with ASC development likely a factor.



After Pennsylvania CON laws were sunset, the number of ASCs increased by almost 200 percent over the next decade.



In the first three years following CON repeal, Ohio lost 14 of its 94 hospitals, or 15 percent of the supply of hospitals in the state.

# Alaska's Healthcare System

*at-a-glance*

**13 Critical Access Hospitals (CAHs)**  
CAHs provide essential access to healthcare in rural communities. A CAH must have 25 or fewer acute care inpatient beds and provide 24/7 emergency services.

**3 General Acute Care Hospitals**  
Acute Care Hospitals provide short-term, inpatient medical and surgical services and 24/7 emergency care.

**5 Sole Community Hospitals (SCH)**  
A hospital can be classified as a SCH if it is the primary source of inpatient hospital services within a given geographic area for Medicare beneficiaries.

**5 Specialty Hospitals**  
2 military hospitals, 1 long-term acute care hospital, 1 psychiatric hospital, 1 adolescent psychiatric hospital



**1,491**  
acute care beds\*  
(includes 164 ICU beds)

**20%**  
acute care beds  
are off the road system

## Tribal Health System

Alaska has a robust tribal health system delivering care across the state:  
8 Tribal Hospitals  
27 Health Centers  
166 Village Clinics

## Senior Care

Alaska has  
20 Nursing Homes:  
7 Standalone facilities  
13 Co-located with Hospitals

*\* bed count does not include specialty hospitals*

## IN THE UNITED STATES

24 acute care beds / 10K people  
2.1 psychiatric beds / 10K people  
50 nursing facility beds / 10K people

## IN ALASKA

20 acute care beds / 10K people  
1.4 psychiatric beds / 10K people  
9.5 nursing facility beds / 10K people

Alaska's hospitals, long-term care facilities, and health systems play an invaluable role, both as community providers and essential employers, in cities, towns, and villages across Alaska.

**7,760**



Babies delivered in hospitals

**241,700**



Emergency Room visits

**830**



Nursing home beds

**42,900**



Healthcare workers employed in Alaska

**\$51.5M**



Uncompensated care for uninsured Alaskans