

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2026-11

A RESOLUTION OF THE UNALASKA CITY COUNCIL EXPRESSING SUPPORT FOR THE COMMUNITY HEALTH CENTER EMERGENCY SERVICES PROPOSAL SUBMITTED BY ILIULIUK FAMILY AND HEALTH SERVICES, INC. TO THE STATE OF ALASKA DEPARTMENT OF HEALTH UNDER THE RURAL HEALTH TRANSFORMATION PROGRAM

WHEREAS, Iliuliuk Family and Health Services, Inc. (IFHS) is a Federally Qualified Health Center and the sole provider of healthcare services for the City of Unalaska and surrounding communities, serving year-round residents, residents of neighboring islands, and a substantial transient population of seasonal workers and visitors; and

WHEREAS, Unalaska is a remote and geographically isolated community, with the nearest hospital located approximately 800 miles away in Anchorage and accessible only by air, making local access to emergent and urgent care essential to public health and safety; and

WHEREAS, IFHS provides 24-hour emergent and urgent care services and is the sole provider of emergency medical care on Unalaska Island, despite not being licensed as a hospital emergency department or affiliated with a local hospital, resulting in a structural mismatch between the level of care provided and the reimbursement mechanisms available; and

WHEREAS, extreme weather conditions and geographic isolation frequently delay patient transport, requiring IFHS to deliver extended, life-sustaining care while awaiting air medical evacuation; and

WHEREAS, the City of Unalaska has historically provided substantial financial support to IFHS to help offset uncompensated and under-reimbursed emergency services, demonstrating the City's longstanding commitment to maintaining access to essential healthcare services for the community and underscoring the need for a long-term structural solution; and

WHEREAS, in December 2025, the Centers for Medicare & Medicaid Services announced the Rural Health Transformation Program (RHTP), a \$50 billion federal initiative designed to strengthen and modernize healthcare systems in rural communities nationwide, with the State of Alaska receiving a first-year award of \$272,174,856 in 2026; and

WHEREAS, IFHS is collaborating with other rural Alaska Community Health Centers—including Dahl Memorial Clinic, Camai Community Health Center, and Cross Road Health Ministries—to submit the Community Health Center Emergency Services proposal to the Alaska Department of Health for RHTP funding; and

WHEREAS, the Community Health Center Emergency Services proposal seeks to address systemic reimbursement limitations and revenue shortfalls associated with providing 24/7 emergency services in geographically unique and remote communities, offering a long-term, structural approach rather than continued reliance on local subsidies; and

WHEREAS, the City Council finds that this proposal aligns with the State of Alaska's goals of healthcare transformation, collaboration among rural providers, workforce stability, modernization

of clinical capacity, and long-term financial sustainability, while also supporting improved emergency healthcare access across rural Alaska;

NOW, THEREFORE, BE IT RESOLVED that the Unalaska City Council expresses its strong support for the Community Health Center Emergency Services proposal submitted by Iliuliuk Family and Health Services, Inc. to the Alaska Department of Health under the Rural Health Transformation Program; and

BE IT FURTHER RESOLVED that the City Council encourages the State of Alaska to favorably consider this proposal as a means of improving emergency healthcare access and financial sustainability for Community Health Centers serving remote and frontier communities throughout the state; and

BE IT FURTHER RESOLVED that the Mayor and Interim City Manager are authorized to transmit this resolution, along with the accompanying letter of support and any supporting materials, to the Alaska Department of Health and other relevant agencies.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on February 10, 2026.


Alejandro R. Tungul
Mayor Pro Tem

ATTEST:


Estkaren P. Magdaong, CMC
City Clerk



MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Abner Hoage, Interim City Manager
Date: February 10, 2026
Re: Resolution 2026-11: Support for IFHS Community Health Center Emergency Services Proposal to the State of Alaska Rural Health Transformation Program

SUMMARY: Resolution 2026-11 expresses the City's support for the Community Health Center Emergency Services proposal submitted by Iliuliuk Family and Health Services (IFHS) to the Alaska Department of Health under the Rural Health Transformation Program (RHTP). IFHS is seeking RHTP funding to address longstanding reimbursement limitations and operational challenges associated with providing 24/7 emergent and urgent care in a remote community with no hospital and limited transport options. The resolution also authorizes the Mayor and Interim City Manager to transmit the resolution and accompanying letter of support to the State.

PREVIOUS COUNCIL ACTION: The City of Unalaska has historically provided substantial financial support to IFHS through the Community Support (Grant) Program to help offset uncompensated and under-reimbursed emergency services, demonstrating the City's longstanding commitment to maintaining access to essential healthcare services and underscoring the need for a long-term structural solution.

BACKGROUND & DISCUSSION: IFHS is a Federally Qualified Health Center and the sole provider of healthcare services on Unalaska Island. In addition to routine clinical care, IFHS provides 24-hour emergent and urgent care despite not being licensed as a hospital emergency department. This results in a structural mismatch between the level of care provided and the reimbursement mechanisms available, creating significant financial strain. Unalaska's geographic isolation, extreme weather, and frequent delays in medevac availability require IFHS to provide extended, life-sustaining care while awaiting transport. The City has historically provided substantial financial support to help offset uncompensated and under-reimbursed emergency services, but this reliance on local subsidies is not a sustainable long-term model.

In December 2025, the Centers for Medicare & Medicaid Services launched the Rural Health Transformation Program, a major federal initiative aimed at strengthening healthcare systems in rural communities. Alaska received more than \$272 million in first-year funding. IFHS is collaborating with other rural Community Health Centers statewide to submit a proposal focused on emergency services reimbursement reform, workforce stability, diagnostic capacity, and facility modernization.

The proposal aligns with the State's RHTP goals, including expanding access to healthcare, strengthening the rural workforce, modernizing clinical capacity, improving financial sustainability, and promoting collaboration among rural providers. Adoption of Resolution 2026-11 will formally document the City's support and strengthen IFHS's application.

ALTERNATIVES: Council may adopt the resolution as presented, modify the language, or decline to take action.

FINANCIAL IMPLICATIONS: There is no direct financial impact associated with adopting the resolution. Successful RHTP funding may reduce future reliance on City subsidies for emergency healthcare services.

LEGAL: No legal review is required.

PROPOSED MOTION: I move to adopt Resolution 2026-11.

CITY MANAGER COMMENTS: IFHS plays a critical role in ensuring access to emergency and routine healthcare in Unalaska. The Rural Health Transformation Program represents a significant opportunity to address long-standing reimbursement challenges and strengthen the sustainability of emergency services in our community. This resolution and the accompanying letter of support will help advance that effort, and I recommend Council's approval.

ATTACHMENTS: IFHS RHTP Funding Requests-2026.

Rural Health Transformation Program Funding Requests 2026:

IFHS anticipates requesting funds in the for the following:

- **Retail Pharmacy – IFHS is requesting \$690,750.00 for initial start-up cost and cost of year one.** Currently there is no retail pharmacy on Unalaska Island and community members must either wait for mail in medications or come to IFHS to be seen by a provider and receive a very short-term supply of medication. IFHS currently has a dispensary license, which limits the allowable amount of medication dispensed to patients. In addition, patients' insurance can't be billed for medications under the dispensary license, which increases their healthcare costs and limits our opportunity for revenue. IFHS has partnered with a tele-pharmacy management company to use innovative technology to bring Unalaska Island its first retail pharmacy.
- **Updating Current Diagnostic Equipment – IFHS requests \$1,500,000.00 in grant funding to update essential equipment and have designated education funds for year one.** IFHS remains the only emergency care provider on Unalaska Island; which demands we have proper, operational diagnostic equipment. Our current diagnostic imaging equipment is beyond serviceable and in dire need of upgrade. Continuing to provide access to advanced diagnostic imaging, not only improves the quality of care provided but can significantly decrease the cost of unnecessary med-evac transfers (ex: rule out appendicitis, diverticulitis, SDH, etc.) This also entails the cost of continuing education for our technicians to stay up to date on evidence-based practice.
- **Mammogram Services - IFHS requests a grant in the amount of \$350,000 for the cost of the mammogram machine and cost to bring technicians to the island of Unalaska quarterly for year one.** IFHS residents are at a significant disadvantage in receiving routine, preventive care due to Unalaska's remote location and the difficulty in affordable transportation in order to receive routine screenings, such as mammograms. While, The State of Alaska has a mammogram bus that travels the state due to adverse weather conditions and mechanical problems with equipment, the residents of Unalaska only had access to this very, affordable and covered preventative care by incurring significant financial burdens. For example, the cost of round-trip airline ticket to Anchorage is approximately \$2100.00; hotel stays can average \$300.00 per night (depending on season) transportation in Anchorage (average Uber ride is ~\$25.00/one way), with these significant cost, many Unalaska residents cannot afford to obtain the preventive care they deserve. Providing funds that would allow IFHS to purchase a mammogram machine and funding to bring a mammogram technician to on island bi-annually would decrease the barriers to routine service that Alaskan's deserve leading to decrease mortality.

- **Continued 24/7 Emergency Care** - IFHS is requesting funds in the amount of **\$1,500,000.00** to sustain the services now provided for year one of the RHTP funding while working with federal and state agencies to improve regulations that will allow revenue to increase and allow sustainability. IFHS is striving tirelessly to continue to provide the emergency services needed in Unalaska the much-needed accessible healthcare the community and residents deserve. Without financial support in the interim, IFHS may have to discontinue emergency services which would be detrimental to the community and the nation's largest fishing fleet. Although IFHS provides all emergent and urgent care 24/7, billing for reimbursement is limited to rates that are allowable by CMS for FQHC's. This leaves IFHS with a very finite number of financial resources to provide high quality and innovative healthcare often requiring the City of Unalaska to supplement a large portion of the annual budget needed to continue to provide emergency care. While IFHS continues to work to change the regulatory requirements needed to be reimbursed appropriately, funds are needed to provide these services now.

- **Strengthening Workforce Through Education- IFHS requests \$44,500.00** for year one to allow all healthcare providers (MD, DO, NP, PA, RN, EMT) the ability to obtain required ongoing certification. The dedicated funding will strengthen our workforce through education of current and future healthcare providers, specifically related to maintaining Level V Trauma status. IFHS became the first Level V Trauma center in the State of Alaska through hard work, determination, and dedication of staff members. To keep the Level V Trauma certification that we received, specific training is required for IFHS healthcare providers, nurses, and paramedics that routinely provide emergency trauma care. Receiving RHTP funds will allow IFHS to maintain Level V Trauma certification which increases the health care access, to Unalaska Island that would otherwise become nonexistent.

- **Existing Building Renovations - IFHS is requesting \$9,000,000** to repair and update the existing building. A critical needs assessment was performed along with an estimated renovation cost to bring the current IFHS structure up to basic required standards to continue to meet the healthcare needs of Unalaska.

- **Behavioral Health Services Access - IFHS requests an additional \$653,000.00** to develop and build a behavioral health specific space within the current building to better provide access to services for uninsured or underinsured patients. IFHS wants to develop a behavioral health safe space where patients can be monitored and begin receiving behavioral health therapy while awaiting transfer to inpatient settings. In developing this safe space, IFHS would also use the funds to provide increased and improved access to

behavioral health services using telehealth and partnering with local entities.

Iliuliuk Family and Health Services, Inc. understands the importance of compliance regarding grant funding from the State of Alaska Department of Health through the Rural Health Transformation Program. We are prepared to submit a detailed proposal of our request and how they meet the following initiatives:

1. Expanding access to healthcare
2. Strengthen workforce
3. Update technology and implement innovative ways to improve healthcare
4. Maintaining financial sustainability
5. Promoting healthy communities

CITY OF UNALASKA

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February 12, 2026

Commission Heidi Hedberg
Department of Health
State of Alaska
3601 C Street, Suite 902
Anchorage, AK 99503

Dear Commissioner Hedberg:

Healthcare in many remote towns and villages in Alaska is provided by Community Health Centers such as Iliuliuk Family and Health Services (IFHS) in Unalaska. IFHS is a Federally Qualified Health Center and the sole provider of healthcare services for our community, serving year-round residents, residents of surrounding islands, and a substantial transient population of seasonal workers and visitors.

Unalaska is a remote and geographically isolated community, with the nearest hospital located approximately 800 miles away in Anchorage and accessible only by air. In addition to routine clinical care, IFHS serves as the community's only access point for 24/7 emergent and urgent care. Because IFHS is not a licensed emergency department or affiliated with a local hospital, emergent and urgent care services must be billed using office-based professional fee schedules rather than facility-based reimbursement. This creates a structural mismatch between the level of care provided and the reimbursement mechanisms available, resulting in significant financial strain.

Extreme weather and geographic isolation frequently delay patient transport, requiring IFHS to provide extended, life-sustaining care while awaiting air medevac availability. The City of Unalaska has historically provided substantial financial support to help offset uncompensated and under-reimbursed emergent care, demonstrating the City's longstanding commitment to maintaining access to essential healthcare services. However, reliance on local subsidies is not a scalable or sustainable solution for Unalaska or for similarly situated communities across Alaska.

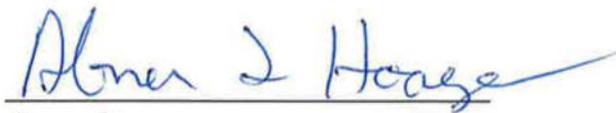
For these reasons, the City of Unalaska strongly supports the Community Health Center Emergency Services proposal submitted by IFHS for funding through the Rural Health Transformation Program (RHTP). This proposal directly addresses the systemic reimbursement limitations and operational challenges faced by geographically unique healthcare providers like IFHS and offers a long-term, structural approach to sustaining emergency services in remote communities.

Importantly, the proposal aligns with the State of Alaska's goals for the RHTP, including expanding access to healthcare, strengthening the rural workforce, modernizing clinical capacity, improving financial sustainability, and promoting collaboration among Community Health Centers. IFHS's partnership with Dahl Memorial Clinic, Camai Community Health Center, and Cross Road Health Ministries further demonstrates the statewide relevance and collaborative strength of this initiative.

While this proposal is critical for Unalaska, it also represents a model that can improve emergency healthcare access and sustainability across Alaska's remote and frontier communities. We respectfully encourage the Department of Health to give this proposal full and favorable consideration.

Sincerely,

CITY OF UNALASKA

A handwritten signature in blue ink that reads "Abner J Hoage". The signature is written in a cursive style and is positioned above a horizontal line.

Abner Hoage
Interim City Manager