

National Indian Health Board



February 5, 2019

FAQ'S ON ADVANCE APPROPRIATIONS FOR INDIAN HEALTH SERVICE

REQUEST: Enact Advance Appropriations for the Indian Health Service (IHS)

The 35 day partial government shutdown at the start of 2019 had a devastating impact the Indian health system. Tribes throughout the country reported rationed care, reduced services, and some facilities closed altogether. This reckless shutdown destabilized Native health delivery and health care provider access; as well as Tribal Governments, families, children and individuals. With the further likelihood of shutdowns and delayed federal appropriations, Tribes firmly believe that advanced appropriations for IHS will allow for greater planning, more efficient spending, and higher quality care for American Indian and Alaska Native (AI/AN) patients.

These funding delays and deficiencies have led to significant health disparities for AI/ANs. Overall life expectancy for AI/ANs is 5.5 years less than the national average. According to the Centers for Disease Control and Prevention, in 2016, AI/ANs had the second highest age-adjusted mortality rate of any demographic nationwide at 800.3 deaths per 100,000 people. In addition, AI/ANs have the highest uninsured rates (25.4%); higher rates of infant mortality (1.6 times the rate for Whites); higher rates of diabetes (7.3 times the rate for Whites); and significantly higher rates of suicide deaths (50% higher). AI/ANs also have the highest Hepatitis C mortality rates nationwide (10.8 per 100,000); and higher rates of chronic liver disease and cirrhosis deaths (2.3 times that of Whites). Further, while overall cancer rates for Whites declined from 1990 to 2009, they rose significantly for AI/ANs. A contributing factor in not adequately addressing these disparities is that IHS funding for the provision of health care services is not received in a timely manner.

According to the Government Accountability Office (GAO) IHS and Tribal providers have significant challenges recruiting and retaining health providers with the current system of continuing resolutions and delayed full-year appropriations. GAO also found that IHS and Tribes are given significant administrative burdens due to the fact that the IHS has to modify hundreds of contracts each time there is a CR. In addition, the GAO reported that “uncertainty resulting from recurring CRs and from government shutdowns has led to adverse financial effects on tribes and their health care programs” (GAO-18-652).

Advance appropriations would allow Indian health providers to effectively and efficiently manage budgets, coordinate care, and improve health quality outcomes for AI/ANs. This change in the appropriations schedule will help the federal government meet its trust obligation to Tribal governments and bring parity to federal health care system. Adopting advance appropriations for IHS would result in the ability for health administrators to continue treating patients without wondering if –or when– they would have the necessary funding. IHS administrators would not waste valuable resources, time and energy re-allocating their budget each time Congress passed a continuing resolution. Indian health providers would know in advance how many physicians and nurses they could hire without wondering if funding would be available when Congressional decisions funnel down to the local level.

What are advance appropriations?

An advance appropriation is funding that becomes available one year or more *after* the year of the appropriations act in which it is contained. For example, if the FY 2021 advance appropriations for the IHS were included in the

FY 2020 appropriations bills, those advance appropriations would not be counted against the FY 2020 funding allocation but rather, against the FY 2021 allocation.¹

What will advance appropriations cost?

To begin an advance appropriations cycle, there must be an initial transition which contains an appropriation for the current year (FY 2020, for example) and the following year (FY 2021). Following this, Congress can revert to appropriations containing only one year of funding. The funding for the second year, would count on that budget year, not the current one. The Congressional Budget Office has noted that enacting advance appropriations does not affect direct spending or revenue.²

How will this affect the budget resolution?

Nearly every year since 2003, the budget resolution limits how much and for what purpose advance appropriations can be made. IHS must be included in future budget resolutions to ensure the agency, Tribal governments, & urban Indian health care providers can continue to improve the quality of and expand access to health services.

Do other agencies receive advance appropriations?

Yes. In FY 2010, the Veterans Health Administration (VHA) achieved advance appropriations. IHS, like the VHA provides direct medical care to fulfill legal promises made by the federal government. In the 111th Congress, which ultimately enacted the advance appropriations for the VHA, the House bill (H.R. 1016) had 125 bi-partisan cosponsors. The Senate bill (S. 423) had 56 co-sponsors. A hearing on July 17, 2013 before the House Veterans Affairs Committee showed very strong support among committee members and veterans organizations for the operation of advanced appropriations for veterans' health programs. Other discretionary programs receiving advance appropriations include Education Title I Grants, Special Education Grants, Training and Employment Services and Tenant Based Rental Assistance.

What are the benefits of advance appropriations?

Since FY 1998, there has been only one year (FY 2006) when the Interior, Environment, and Related Agencies budget, which contains the funding for IHS, has been enacted by the beginning of the fiscal year. The lateness in enacting a final budget during that time ranges from 5 days (FY 2002) to 197 days (FY 2011). These delays – and government shutdowns – make it very difficult for Tribal health providers and IHS to adequately address the health needs of AI/ANs. Advance appropriations will allow IHS and Tribal health professionals time to plan and tackle many other administrative hurdles, thereby enriching access to care. This includes improved budgeting, retention, recruitment, provision of services, facility maintenance and construction efforts, particularly:

- Better recruitment and retention ability, because IHS and Tribal health professionals will know in advance how many positions they can hire or retain since staff resign when funding is in doubt
- Better ability to plan programmatic activity over several years, thereby leading to better health outcomes for AI/AN people and decreased long-term healthcare costs
- Decreased costs to health programs by allowing long-term contracts with outside vendors and suppliers
- No additional costs to the federal government

Can the IHS budget be planned this far in advance?

The IHS budget has remained relatively stable over time. While we experience cost increases for inflation and population growth, the actual funding levels are fairly steady. In fact, the Tribal Budget Formulation Workgroup already proposes their budget 2 years in advance to the Department of Health and Human Services (HHS). Yes, this might be a new process for IHS and HHS, but we already have a lot of the tools to accomplish an advanced budget. The VA is also able to request an adjustment to the amount provided in the previous year in order to address pressing funding needs. IHS budgets would have that same ability.

¹ Advance appropriations *differs from* “forward funding,” which allows funds to become available beginning late in the budget year and is carried into at least one following fiscal year. Forward funding is counted against the same budget year. Advance appropriations is counted only in the budget year for which the appropriated dollars will be spent.

² CBO Cost Score, H.R. 1016, Veterans Health Care Budget Reform and Transparency Act of 2009, June 16, 2009.