FY 2013 TRIBAL BUDGET RECOMMENDATIONS TO THE U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES

Budget Formulation Workgroup Presenters:

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Ute Mountain Ute Tribe, Albuquerque Area

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Tohono O’odham Nation, Tucson Area

Vice President Rex Lee Jim
Navajo Nation, Navajo Area

March 4, 2011
DHHS Hubert Humphrey Building, Washington, DC
Promises of Justice, Health & Prosperity…

OUR VISION

Eliminate disparities for all
American Indian / Alaska Native people

OUR COMMON GOAL

To fully fund the Indian Health System at $22.1B

National Tribal Budget Recommendations to DHHS - FY2013
Promises of Justice, Health & Prosperity…

Legal Basis for Federal Services

- United States Constitution
- The Snyder Act of 1921
- The Transfer Act of 1954
- Indian Sanitation Facilities and Services Action of 1959
- The Indian Self-Determination and Education Assistance Act (enacted 1975)
- Indian Health Care Improvement Act of 1976
- The Indian Alcohol and Substance Abuse Prevention and Treatment Act of 1986
- The Indian Child Protection and Family Violence Prevention Act of 1990

National Tribal Budget Recommendations to DHHS - FY2013
FY 2013 Tribal National Health Care Priorities

1. Behavioral Health/ Mental Health
   Alcohol & Substance Abuse/
   Family Violence
2. Diabetes/Chronic Disease
3. Cancer
4. Health Promotion / Disease
   Prevention/ Obesity
5. Heart Disease/ Stroke /
   Cardiovascular Disease

National Tribal Budget Recommendations to DHHS - FY2013
6. Maternal Child Health/Child Adolescent Health
7. Dental
8. Injuries/Injury Prevention
9. Elder Health
10. Long Term Care
Our Budget Recommendations

FY2013
FY 2013 Tribal Top Budget Recommendations

1. Hold Indian health programs harmless and protect prior year and proposed FY2011 and FY2012 increases from budget roll-backs, freezes and rescissions

Historical and Continued Funding Disparities
- Diminished purchasing power
- Underfunded medical inflation
- Underfunded binding obligations

National Tribal Budget Recommendations to DHHS - FY2013
**Diminished Purchasing Power** - A Twenty-five Year Look at the IHS Health Services Accounts: Actual expenditures adjusted for inflation and compared to lost purchasing power when adjusted for inflation and population growth. (Fiscal Years 1984 to 2012)

- **IHS Health Service Accounts**: $3.9 billion in FY 2011
- **Real Resources Lost**: $4.5 billion
- **Actual IHS Budget**: Leveling off due to substantial in FY 2010 and 2011 & 2012 requests

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**Graph Details**

- **Y-axis**: $0 to $9,000,000
- **X-axis**: Year (1984 to 2012)
- **Legend**:
  - IHS Budget Adjusted for Inflation - Base Year 1983
  - Actual IHS Budget
  - Diminished Purchasing Power - A Twenty-five Year Look at the IHS Health Services Accounts: Actual expenditures adjusted for inflation and compared to lost purchasing power when adjusted for inflation and population growth. (Fiscal Years 1984 to 2012)
§ 1680p. Annual budget submission

“Effective beginning with the submission of the annual budget request to Congress for fiscal year 2011, the President shall include, in the amount requested and the budget justification, amounts that reflect any changes in-

(1) the cost of health care services, as indexed for United States dollar inflation (as measured by the Consumer Price Index); and

(2) the size of the population served by the Service.”

U.S. Code, Title 25, Chapter 18
Comparing IHS Hospital & Clinic increase to CPI Hospital Services Inflation

Hospital & Clinics Line Item
1985 - 2010

-15.0% -10.0% -5.0% 0.0% 5.0% 10.0% 15.0% 20.0% 25.0%

- IHC - Actual Increase
- Hospital & Related Services CPI
2. Fully fund the IHS Total Need of $22.1 Billion over the next ten years

This amount includes funding for:

- Personal health services
- Community & public health services
- Health facilities & sanitation
- Contract support costs
Percent of Increase Required to Achieve Full Funding in 10 Years - $22.1 Billion

National Tribal Budget Recommendations to DHHS - FY2013
Average LNF Score for IHS AREAS - FY 2010

- Bemidji: 50.0%
- Albuquerque: 51.8%
- California: 54.6%
- Oklahoma: 54.8%
- Portland: 55.7%
- Tucson: 55.8%
- Billings: 55.8%
- IHS-WIDE: 56.5%
- Navajo: 56.5%
- Aberdeen: 57.2%
- Phoenix: 60.3%
- Nashville: 61.0%
- Alaska: 62.2%

National Tribal Budget Recommendations to DHHS - FY2013
FY 2013 Tribal Top Budget Recommendations

3. Fully Funding Current Services, including binding obligations, is a Fundamental Budget Principle. Failure to Fund Current Services:

- Equates to a breach of the trust and commitment to adequately resource Indian programs
- Severely compromises access to care and quality of services
- Weakens the partnership with Tribes

Direct Patient Care Suffers!

National Tribal Budget Recommendations to DHHS - FY2013
4. Commit to fully fund the IHS FY2013 increase of $1.431B over FY2012 President’s Budget Request (Total $6.054B)

- Current Services & Binding Obligations
- Program Expansion Increases - Services
- Program Expansion Increases – Facilities
FY 2013 Tribal Budget Recommendations

<table>
<thead>
<tr>
<th>Current Services &amp; Binding Obligations</th>
<th>Recommended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal &amp; Tribal Pay Costs</td>
<td>$24,352,000</td>
</tr>
</tbody>
</table>

- 1.4% increase for both Federal and Tribal employee pay cost
- Exempt members of the Commissioned Corps and all Tribal and Federal IHS employees from any pay freezes that may be imposed through FY2013.
**FY 2013 Tribal Budget Recommendations**

<table>
<thead>
<tr>
<th>Current Services &amp; Binding Obligations</th>
<th>Recommended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inflation (Medical &amp; Non-Medical)</td>
<td>$59,977,000</td>
</tr>
</tbody>
</table>

- Based on 1.5% non-medical inflation rate and 3.3% medical inflation rate identified by OMB. Actual inflation is higher meaning fewer services can be provided. “Don’t get sick after June”
- Current CPI is 9% for inpatient and 5% for outpatient
- IHS rates should be adjusted for parity among HHS OPDIVs
## FY 2013 Tribal Budget Recommendations

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<thead>
<tr>
<th>Current Services &amp; Binding Obligations</th>
<th>Recommended</th>
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<tbody>
<tr>
<td>Population Growth</td>
<td>$52,466,000</td>
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</table>

- Addresses the increased service need arising from the growth in the AI/AN population which is increasing at an average rate of 1.3%
## FY 2013 Tribal Budget Recommendations

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<tr>
<th>Current Services &amp; Binding Obligations</th>
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<tr>
<td>Staffing for New/Replacement Facilities</td>
<td>$50,000,000</td>
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- Supports staffing and operating costs for new and expanded facilities scheduled for FY2013
- Will require adjustment to cover the total staffing requirement for actual facilities completed
FY 2013 Tribal Budget Recommendations

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<tr>
<th>Current Services &amp; Binding Obligations</th>
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<td>Contract Support Costs – Shortfall</td>
<td>$212,592,000</td>
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- ISDEAA requires IHS fully reimburse tribal contractors for CSC necessary to carry out federal contracts.
- Absent full funding, tribes are forced to reduce direct services.
- Present shortfall = 2,100+ lost clinical positions
## FY 2013 Tribal Budget Recommendations

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<th>Current Services &amp; Binding Obligations</th>
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<tr>
<td>Health Care Facilities Construction 5-yr Plan</td>
<td>$343,596,000</td>
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- To fund previously approved construction projects in accordance with the IHS Health Care Facilities FY2012 Planned Construction Budget (5-year plan)
- May need to be adjusted based on actual project status
**FY 2013 Tribal Budget Recommendations**

<table>
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<tr>
<th>Program Increases</th>
<th>Recommended</th>
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<tbody>
<tr>
<td>Services</td>
<td>$621,230,000</td>
</tr>
</tbody>
</table>

- Hospitals & Clinics - $219,170,000
  - IHCIF - $45,000,000
  - Health Information Technology - $30,000,000
  - Maternal Child Health - $6,500,000
  - Health Promotion / Disease Prevention - $30,000,000
  - Diabetes / Cancer / Heart Disease - $32,000,000
  - New/Expanded (local priorities) - $75,670,000

National Tribal Budget Recommendations to DHHS - FY2013
FY 2013 Tribal Budget Recommendations

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<th>Program Increases</th>
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<tr>
<td>Contract Health Services (inc. CHEF)</td>
<td>$230,000,000</td>
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- Contract Health Services - $200,000,000
  - Purchases an additional 9,657 inpatient services, 367,356 outpatient services and 13,359 one way transports.

- Catastrophic Health Emergency Fund - $30,000,000
  - In previous years CHEF funds have been exhausted prior to the end of the fiscal year. IHCIA decreases the CHEF threshold from $25k to $19k – which will increase demand.

National Tribal Budget Recommendations to DHHS - FY2013
FY 2013 Tribal Budget Recommendations

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<td>Contract Support Costs – New/Expanded</td>
<td>$12,000,000</td>
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- Covers CSC requirements related to new and expanded P.L 93-638 contracts
## FY 2013 Tribal Budget Recommendations

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<tr>
<td>Targeted Increases for Top Health and Budget Priorities</td>
<td>$160,000,000</td>
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</table>

- Dental - $21,000,000
- Mental Health - $40,000,000
- Alcohol / Substance Abuse - $40,000,000
- Public Health Nursing - $12,600,000
- Health Education - $11,400,000
- Community Health Reps - $15,400,000
- Urban Health - $7,500,000
- Indian Health Professions - $3,300,000
- Tribal Management - $660,000
- Direct Operations - $8,200,000

National Tribal Budget Recommendations to DHHS - FY2013
# FY 2013 Tribal Budget Recommendations

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<th>Program Increases</th>
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<tr>
<td><strong>Facilities</strong></td>
<td>$66,800,000</td>
</tr>
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- Maintenance & Improvement - $11,500,000
- Sanitation Facilities Construction - $10,700,000
- Health Care Facilities Construction Authorities - $10,400,000
- Small Ambulatory - $4,500,000
- Youth Regional Treatment Centers - $3,300,000
- Facilities & Environmental Support - $20,000,000
- Injury Prevention - $2,600,000
- Equipment - $1,800,000
- Ambulance - $2,000,000

National Tribal Budget Recommendations to DHHS - FY2013
Permanent Reauthorization of the Indian Health Care Improvement Act

- Continued Consultation Required to Address Provisions of the Indian Health Care Improvement Act
- Of the over 80 amended or new IHCIA authorities, many are seen as potential opportunities for Indian health programs to expand the range of health care services.
- These opportunities align with the Director’s priority to improve the quality of and access to care.
Let us put our minds together and see what life we can make for our children

Chief Sitting Bull