



APR 16 2021

Dear Tribal Leader and Urban Indian Organization Leader:

On behalf of the Indian Health Service (IHS), I am writing to announce allocation decisions for approximately \$4.3 billion in new resources appropriated to the IHS in the American Rescue Plan Act, 2021, Pub. L. No 117-2, Div. XI (ARPA). These funds are one-time, non-recurring, and can only be used for the purposes specified in the statute. They may also cover costs that were incurred to prevent, prepare for, and respond to COVID-19 during the period beginning January 31, 2020, through March 11, 2021.

During the week of March 15, 2021, we hosted a Tribal Consultation conference call with Tribal Leaders, and an Urban Confer conference call with Urban Indian Organization Leaders to seek rapid input regarding the allocation of \$6.094 billion in ARPA resources. The IHS also received written comments through the Tribal Consultation and Urban Confer e-mail boxes.

In general, commenters:

- Support maximum flexibility to allow Tribal communities and Urban Indian Organizations (UIOs) to respond to the unique needs of the patients they serve.
- Support rapid funding distribution so that urgently needed resources are put to work as soon as possible.
- Support allocating resources using existing distribution and Tribal share methodologies, including distribution to Tribal health programs¹ (THPs) and UIOs through funding mechanisms authorized by the Indian Self-Determination and Education Assistance Act (ISDEAA) and the Indian Health Care Improvement Act (IHCIA).

The allocation decisions for this initial distribution of \$4.324 billion from the ARPA are described below.

Tribal Health Programs will receive these one-time, non-recurring funds through unilateral modifications and/or amendments to their existing ISDEAA agreements. As noted above, these funds must be used for the purposes for which they are appropriated, and must be used consistent with the conditions established by law and the modifications/amendments.

Urban Indian Organizations will receive these one-time, non-recurring funds through existing IHCIA contracts. These funds must be used for the purposes for which they are appropriated, consistent with a modified scope of work, budget, and bilateral modification for each IHCIA contract.

¹ 25 U.S.C. 1603(25). The term “tribal health program” means an Indian tribe or tribal organization that operates any health program, service, function, activity, or facility funded, in whole or part, by the IHS through, or provided for in, a contract or compact with the IHS under the ISDEAA.

\$2 billion for Lost Reimbursements

Of the \$2 billion appropriated in the ARPA for lost reimbursements, the IHS will allocate \$1.920 billion to IHS federal health programs and THPs, using existing distribution methodologies for proportionate increases based on Hospitals and Health Clinics, Dental Health, Alcohol and Substance Abuse, and Mental Health funding amounts. These funding lines are the main revenue-generating funding lines in the IHS budget. Contract Support Costs (CSC) do not apply to these funds. Contract Support Costs are not authorized to support expenditures from third-party revenue.

The IHS will provide \$80 million to support UIOs. Urban Indian Organizations that bill for reimbursements will receive a one-time, equal payment amount, and an additional one-time payment based on their UIO's total number of Urban Indian users.

\$500 million for Additional Health Care Services, including Purchased/Referred Care

Of the \$500 million appropriated in the ARPA for additional health care services, including Purchased/Referred Care (PRC), the IHS will allocate \$480 million to IHS federal health programs and THPs, using existing distribution methodologies for proportionate increases based on Hospitals and Health Clinics and PRC funding amounts. A Tribal Health Program's eligible CSC may be added to this funding, and the IHS and each Tribal Health Program will negotiate these amounts after these payments are made.

The IHS will provide \$20 million to support UIOs. Each Urban Indian Organization will receive a one-time, equal payment amount, and an additional one-time payment based on each Urban Indian Organization's total number of Urban Indian users.

\$84 million for Maintaining Operations of the Urban Indian Health Program

The IHS will provide \$84 million to support UIOs. Each Urban Indian Organization will receive a one-time, equal payment amount, and an additional one-time payment based on each Urban Indian Organization's total number of Urban Indian users.

\$140 million for Information Technology, Telehealth Infrastructure, and the IHS Electronic Health Record

Of the \$140 million appropriated in the ARPA for information technology, telehealth infrastructure, and the IHS electronic health record, the IHS will allocate \$67 million to IHS federal health programs and THPs, using existing distribution methodologies for proportionate increases based on Hospitals and Health Clinics, Mental Health, and Alcohol and Substance Abuse funding amounts. A Tribal Health Program's eligible CSC may be added to

this funding, and the IHS and each Tribal Health Program will negotiate these amounts after these payments are made.

The IHS will provide \$3 million to support UIOs. Each Urban Indian Organization will receive a one-time, equal payment amount, and an additional one-time payment based on each Urban Indian Organization's total number of Urban Indian users.

The IHS will also allocate \$70 million for IHS electronic health record modernization.

\$600 million for COVID-19 Vaccine-related Activities

Of the \$600 million appropriated in the ARPA for COVID-19 vaccine-related activities, the IHS will allocate \$526 million to IHS federal health programs and THPs, using existing distribution methodologies for proportionate increases based on Hospitals and Health Clinics, PRC, Public Health Nursing, and Community Health Representatives funding amounts. A Tribal Health Program's eligible CSC may be added to this funding, and the IHS and each Tribal Health Program will negotiate these amounts after these payments are made.

The IHS will provide \$24 million to support UIOs. Each Urban Indian Organization will receive a one-time, equal payment amount, and an additional one-time payment based on each Urban Indian Organization's total number of Urban Indian users.

In addition, the IHS will allocate \$50 million to maintain systems improvements necessitated by the Agency's role in vaccine distribution, as both the principal health care provider to American Indians and Alaska Natives, and as a distinct jurisdiction under the vaccine distribution effort. A portion of these funds will also be used for critical vaccine-related public health support activities.

\$1 billion to Detect, Diagnose, Trace, Monitor, and Mitigate COVID-19 Infections

Of the \$1.5 billion appropriated in the ARPA for these purposes, the IHS will allocate \$1 billion in this first distribution of funds. The IHS will provide \$960 million for IHS federal health care programs and THPs, using existing distribution methodologies for proportionate increases based on Hospitals and Health Clinics, PRC, Mental Health, Alcohol and Substance Abuse, Public Health Nursing, and Community Health Representatives funding amounts. A Tribal Health Program's eligible CSC may be added to this funding, and the IHS and each Tribal Health Program will negotiate these amounts after these payments are made.

The IHS will provide \$40 million to support UIOs. Each Urban Indian Organization will receive a one-time, equal payment amount, and an additional one-time payment based on each Urban Indian Organization's total number of Urban Indian users.

I am grateful to the Tribal Leaders and Urban Indian Organization Leaders who shared essential feedback and recommendations on these funding decisions. We will begin the distribution of these funds as soon as possible.

I sincerely value your support and rapid and robust input, as we work together on a significantly accelerated timeline. We will continue to work in partnership with you to distribute these critical resources. The IHS will share the decisions for the distribution of the remaining \$1.770 billion appropriated in the ARPA in a forthcoming letter.

Sincerely,

/Elizabeth A. Fowler/
Acting Director