



INDIAN HEALTH SERVICE

<i>dollars in millions</i>	2013	2014	2015	2015 +/- 2014
Services				
Clinical Services:	3,987	4,271	4,440	+169
<i>Purchased/Referred Care (non-add)</i>	801	879	929	+50
<i>Medicaid (non-add)</i>	720	828	850	+22
Preventive Health	143	148	156	+8
Contract Support Costs	448	587	617	+30
Tribal Management/Self-Governance	8	6	8	+2
Urban Health	41	41	41	+1
Indian Health Professions	38	33	38	+5
Direct Operations	68	68	68	--
Diabetes Grants	147	147	150	+3
Subtotal, Services	4,880	5,302	5,519	+217
Facilities				
Health Care Facilities Construction	77	85	85	--
Sanitation Facilities Construction	75	79	79	--
Facilities and Environmental Health Support	194	211	221	+10
Maintenance and Improvement	59	62	62	--
Medical Equipment	21	23	23	+1
Subtotal, Facilities	427	460	470	+10
Total, Program Level	5,307	5,761	5,989	+228
Less Funds From Other Sources				
Health Insurance Collections /1	-1,021	-1,172	-1,197	-25
Rental of Staff Quarters	-8	-8	-8	--
Diabetes Grants /2	-147	-147	-150	-3
Total, Budget Authority	4,131	4,435	4,634	+200
Full-time Equivalents	15,393	15,610	15,760	+150
<p>1/ The FY 2014 President's Budget estimated reimbursements from the Department of Veterans Affairs at \$52 million. Estimates are revised to \$36 million for FY 2014 and \$39 million for FY 2015. The FY 2013 and FY 2014 actual collections to date may be an indication that the FY 2014 and FY 2015 collections are overestimated and future year estimates will need to be adjusted accordingly.</p> <p>2/ These mandatory funds were pre-appropriated in P.L. 111-309, the Medicare and Medicaid Extenders Act of 2010, P.L. 112-240, the American Taxpayer Relief Act of 2012, and are proposed for reauthorization in FY 2015.</p>				



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The mission of the Indian Health Service is to raise the physical, mental, social, and spiritual health of American Indians and Alaska Natives to the highest level.

The FY 2015 Budget requests \$6 billion for the Indian Health Service (IHS), an increase of \$228 million or 4 percent over FY 2014. The Administration seeks to reduce health disparities in Indian Country through targeted funding increases and a continued commitment to fulfilling the federal government’s obligations to American Indians and Alaska Natives. The FY 2015 Budget includes an increased investment for the Purchased/Referred Care Program to cover increases in health care services costs due to medical inflation, provides funding to support the purchase of services for newly restored, reaffirmed, and federally recognized tribes, and provides funding for staffing and operating costs for new and replacement tribal and IHS health care facilities. Also, the Budget strengthens Indian self-determination and self-governance by supporting tribes and tribal organizations that administer health programs and by fully funding estimated Contract Support Costs.

Fulfilling the Mission of the Indian Health Service

The mission of the IHS is to raise the physical, mental, social, and spiritual health of American Indians and Alaska Natives to the highest possible level. IHS partners with tribes as authorized by the Indian Self-Determination and Education Assistance Act to provide health care and facilities services to a growing population of almost 2.1 million eligible American Indians and Alaska Natives. IHS and its tribal partners provide primary health care, behavioral health care, community health, and sanitation services through

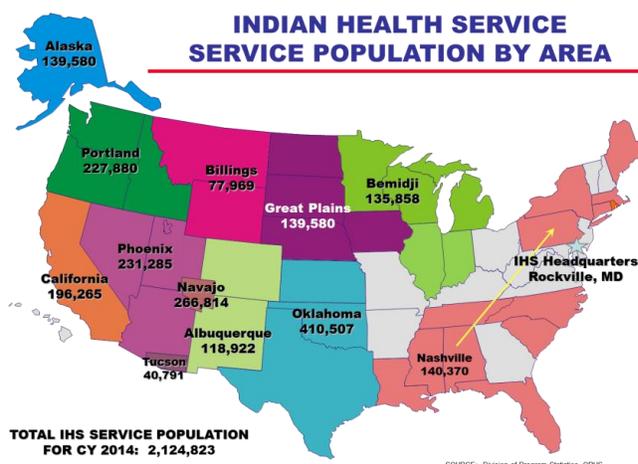
both IHS and tribally managed health care facilities. Tribal partnerships ensure appropriate, culturally competent care is a focus for programs that impact tribal communities directly.

IHS and tribes deliver comprehensive health services to members of 566 federally recognized tribes through direct services in over 632 hospitals, clinics, health stations on or near Indian reservations, and urban Indian health programs. IHS provides care in two ways both directly through the IHS system and by contracting with hospitals and other health care providers to purchase care when IHS is unable to provide it through its own network as part of the growing Purchased/Referred Care Program.

Additionally, IHS provides a number of services beyond the provision of health care. IHS also partners with other federal agencies to build sanitation systems to provide safe water and waste disposal for Indian homes, supports tribal self-governance and consultation to ensure American Indians and Alaska Natives can take part in determining budget needs and priorities, and provides scholarships and loan repayment awards to recruit health professionals to serve in areas with high provider vacancies.

Prioritizing Health Care Services

The Budget includes an increase of \$200 million to support and expand the provision of health care services and public health programs for American Indians and Alaska Natives.



The Affordable Care Act and the permanent reauthorization of the Indian Health Care Improvement Act strengthens the provision of health care services for American Indians and Alaska Natives and provides more options for health coverage. Despite this expansion and the fact that large funding increases have expanded IHS and tribal service levels in recent years, health disparities remain a serious problem across Indian Country. For example, suicide rates remain elevated across American Indian and Alaska Native communities as do the rates of drug-induced deaths. Preventive care screenings are also challenging for tribal communities – screening for colorectal cancer for American Indians and Alaska Natives remains below that for other races. Also, diabetes remains a serious issue, with approximately 14 percent of American Indians and Alaska Natives aged 20 years or older and receiving care by the IHS diagnosed as of 2011. Continued funding increases for health care services are essential to reducing these disparities and ensuring healthier tribal communities.

Increases for Direct Healthcare Services:

Purchased/Referred Care: The Budget includes \$929 million, an increase of \$50 million or 5 percent over FY 2014, for the purchase of medical care from outside the IHS system. The Purchased/Referred Care program is a top tribal priority and ensures access to health care services for eligible American Indians and Alaska Natives. Through the program, IHS purchases care when an IHS facility is unable to provide the needed services. A medical priority criteria system is used to determine preference for purchasing care when funding is limited. Services in this program have expanded to additional medical priorities beyond emergent services care in many facilities in recent years and this budget increase ensures IHS can continue that expansion despite rising system-wide costs and a growing population. With this increased investment, IHS will be able to ensure patients can

receive medically necessary services in FY 2015; purchase more preventive services, such as mammograms and colonoscopies; and increase services over time, resulting in a reduction in unmet need. Absent these increases, additional patients forego vital preventive services or curative treatments.

Construction: The Budget includes \$85 million for Health Care Facilities Construction to begin and complete construction on the Fort Yuma Health Center in Winterhaven, California, to continue construction of the Gila River Southeast Health Center in Chandler, Arizona, and to complete construction of both the Kayenta Health Center in Kayenta, Arizona and the Northern California Regional Youth Treatment Center in Davis, California. Once completed, these facilities are projected to collectively serve a user population of 38,915 patients.

Staffing New and Replacement Health Facilities: The Joint Venture Program is an important cornerstone of the partnership between IHS and tribes to help deliver safe, state-of-the-art facilities within the IHS system and the staff and equipment necessary to support the facilities' operations. Through this arrangement, IHS requests funds from Congress for staffing, equipping, and operating the facility while the participating tribe funds the costs of design and construction. For example, the Choctaw Alternative Rural Healthcare Center, one of the facilities receiving funding in the FY 2015 request, is a joint venture project in which IHS partners with the tribal entity. These important partnerships continue to increase access to care and decrease health disparities faced by American Indians and Alaska Natives. The Budget includes an additional \$71 million to support staffing and operating costs for four new or replacement health facilities to be completed by FY 2015. When fully operational, these four facilities are projected to collectively serve a user population of over 44,885 patients.

OPPORTUNITY, GROWTH, AND SECURITY INITIATIVE

Investment Funding for Health Care Facilities Construction Projects

As part of the Opportunity, Growth, and Security Initiative in the FY 2015 Budget, the Administration has requested that Congress provide an additional \$200 million for projects on the IHS Health Care Facilities Construction priority list if funding above the budgetary caps is available. The average age of IHS facilities is over 25 years, well above the industry standard for comparable private sector facilities of 9 to 10 years. Currently IHS needs to spend additional funds to ensure facilities are safe for occupancy. This investment would decrease IHS's construction and maintenance backlogs and help ensure American Indians and Alaska Natives are receiving high-quality, state-of-the-art health care services.

Ensuring Access to Care for American Indian and Alaska Native Veterans

In 2012, IHS and the Department of Veterans Affairs (VA) signed the VAIHS National Reimbursement Agreement. This agreement facilitates reimbursement by the VA to IHS for direct health care services provided to eligible American Indian and Alaska Native Veterans in IHS facilities. Tribally managed health programs were able to enter into reimbursement agreements with individual VA Medical Centers. As of the release of the FY 2015 Budget, implementation plans are in place and all IHS facilities are able to bill the VA. IHS estimates that collections from this agreement for both IHS and tribal programs will be \$39 million in FY 2015, further narrowing the gap in the provision of care to American Indian and Alaska Native populations.

Health Insurance Reimbursements: In addition to funds included in this request, IHS estimates that in FY 2015, it will collect approximately \$1.2 billion in health insurance reimbursements through Medicare, Medicaid, private insurers, and the Veterans Health Administration. These funds may be used to cover the costs of hiring additional medical staff, purchasing equipment, and making necessary building improvements – all essential for maintaining accreditation standards.

Potential that health insurance reimbursements to the IHS will continue to grow as a result of both IHS efforts to ensure quality services are being provided at all facilities through appropriate business planning and implementation of the Affordable Care Act. The Affordable Care Act's Medicaid expansion has ensured that additional American Indians and Alaska Natives are eligible for coverage. In participating states, Medicaid coverage will expand to cover all individuals with incomes up to 133 percent of the federal poverty level. The Affordable Care Act also offers opportunities for the IHS user population to purchase health insurance, which may increase private insurance collections at IHS and tribal facilities, by subsidizing the cost of health insurance for American Indians and Alaska Natives with incomes up to 400 percent of the federal poverty level.

IHS anticipates a \$25 million increase in Medicaid collections in FY 2015. Increased collections will allow IHS to address the needs of its ever-expanding population by providing access to additional health care services, further reducing health disparities in the American Indian and Alaska Native population.

Supporting Indian Self-Determination

IHS understands that the planning and delivery of health services at the local level results in effective, quality health care and that tribes and tribal organizations are the most knowledgeable about what services are needed in their communities. About 62 percent of the IHS budget is administered by tribes primarily through the authority provided to them under the Indian Self Determination and Education Assistance Act, which allows tribes to assume the administration of programs previously carried out by the federal government.

Contract Support Costs: The Budget fully funds the estimated need for Contract Support Costs (CSC) at \$617 million, an increase of \$30 million above FY 2014. These funds enable tribes to support the infrastructure needed to administer federal programs and cover necessary costs in the operation of their own health programs. The estimated increase includes funding for new and expanded contracts and compacts. The Administration and IHS will continue to work with tribes to develop a long-term strategy to manage CSC.

Tribal Consultation: IHS recognizes that tribal leaders are in the best position to understand the unique needs of their diverse communities. It is for this reason that IHS prioritizes consultation, a process during which these tribal representatives play an integral role in the federal decision-making process.

The most important consultation from a budgetary perspective is the HHS annual, Department-wide Tribal Budget Consultation. This event occurs at the beginning of each calendar year and provides tribal leaders an opportunity to communicate with all Departments within HHS. It is also used as an opportunity for participants to exchange updated information about grants, processes, and other forthcoming tribal consultation events. Tribal leaders share their budget priorities and, where possible, this input is reflected in the FY 2015 Budget to help ensure that the unique needs of American Indians and Alaska Natives communities are addressed.