National Indian Health Board

The FY 2017 President's Budget Request and Its Impact on Indian Health

Summary

On February 9, 2016, the President Released his FY 2017 Budget Request to Congress. This yearly process kicks off the annual budget process in Congress. Republican leaders in Congress have noted that this proposal will be considered "dead on arrival," as they consider many of the proposals contained in the budget to be too progressive. However, funding for Tribal programs, and especially Tribal health, continue to garner bipartisan support in Congress and the National Indian Health Board (NIHB) will advocate that many of the important policy and funding proposals that are specifically targeted to benefit Indian Country will remain in the final FY 2017 enacted budget.

For FY 2017, the Administration has proposed **$5.2 billion** in discretionary funding[1] for the Indian Health Service (IHS), which is an increase of $377 million (7.28%) from the FY 2016 enacted level. Major increases come in the areas of Mental Health, Alcohol and Substance Abuse, and Healthcare Facilities and Construction.[2] The budget also continues to fully fund Contract Support Costs (CSC) ($800 million) and proposes that CSC be included as mandatory spending starting in FY 2018. The FY 2017 request for IHS includes a legislative proposal to permanently fund the Special Diabetes Program for Indians (SDPI) at $150 million/ year. The current authorization for the program expires on September 30, 2017.

Indian Health Service

The FY 2017 budget request for the Indian Health Service includes an increase of $377 million for IHS above the FY 2016 enacted level and $82 million more than was requested by the Administration last year. In the FY 2017 budget request, funding for current services, or "fixed costs," to maintain services at the current year level, is increased by $159 million. This includes $26 million in pay costs; $14.4 million in non-medical inflation; $75.4 million in medical inflation; and $43.2 million in population growth.

The budget also provides $185.4 for program increases including staffing for new facilities, improvements to the Resource Patient Management System (RPMS); Domestic violence Prevention and Tribal clinic leases and maintenance costs. The budget also proposes $2 million to create a "quality consortium" which would coordinate "quality improvement activities among the 28 IHS Hospitals and Critical Access Hospitals to reduce Hospital Acquired Conditions and Avoidable Readmissions." The budget hopes to

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[1] Discretionary Funding is that which is allocated by Congress each year through the appropriations process. "Mandatory funding" is funding that is already allocated by a separate statute, so it is not part of the annual appropriations process.

[2] The FY 2017 Tribal Budget Formulation Workgroup's top five budget priorities included Hospitals and Clinics; Purchased/Referred Care; Alcohol and Substance Abuse; Mental Health; and Dental Services

continue behavioral health integration between medical care, behavioral health, and Tribal community organizations to improve health outcomes. The proposal also adds $3.6 million for implementation of the "Zero Suicide Initiative."

The FY 2017 budget changes the name of the Methamphetamine and suicide Prevention Initiative to the "Substance use and Suicide Prevention Program" and proposes an increase of $15 million. It also provides $1.8 million for a Pilot project that would fill the gap in services for American Indian and Alaska Native (AI/AN) youth after they return home from regional treatment centers.

Legislative Proposals:

Special Diabetes Program for Indians: The budget proposes that Congress permanently authorize SDPI at current funding levels of $150 million/ year. Since 1997, this critical program has provided funding for diabetes treatment and prevention in Indian Country and consistently demonstrates success in slowing the prevalence of Type 2 diabetes in AI/ANs and complications due to diabetes. However, Tribes may be concerned that this proposal would enact funding at only $150 million permanently when the program has not received an increase since 2002.

Definition of Indian: The FY 2017 Budget Proposal includes a legislative proposal to adopt a consistent statutory definition of "Indian" to use in implementing the Affordable Care Act (ACA). This inconsistency affects the ACA's waiver of cost sharing, special monthly enrollment periods, and individual responsibility requirements. The Administration has determined that they do not have the authority to fix this inconsistency via regulation. However, last year, Congress directed the Department of Health and Human Services to write a regulation to do the fix. Last year, Senator Lisa Murkowski (R-AK) introduced legislation to correct the definition of Indian in the ACA (S. 2114).

Extension of 100% FMAP: IHS proposes to extend the 100% Federal medical assistance percentage (FMAP) under the Medicaid program to all Indian health programs for AI/AN patients, including urban Indian health programs (UIHP). FMAP determines what percentage of a payment for State Medicaid services the Federal government will match. States may pay for Medicaid services not covered by private insurance and the Federal government will reimburse the state for a percentage of its costs. Currently, the Medicaid statute provides that the 100% FMAP rate applies to state expenditures for Medicaid services "received through an Indian Health Service facility, whether operated by the Indian Health Service or by an Indian tribe or tribal organization." 42 U.S.C. § 1396d(b). Under this proposal, the 100% FMAP would be extended to expenditures for any service furnished by an Indian health program, including the whole scope of the IHS/Tribal/Urban (I/T/U) service delivery network. The proposal will help both the State and the UIHP access more federal dollars to support health care.

Student Loan Repayment and Scholarship Program: The FY 2017 request continues their proposal to seek tax exempt status for student loan repayment and scholarship programs. Currently, benefits awarded in the form of scholarship awards and loan repayments are regarded as federal taxable income by the IRS. But, IHS is still paying these taxes for loan and scholarship recipients so as not to create disincentives for participation in the program. Other similar federal programs, such as the on administered by the National Health Service Corps, already receive this exemption. This proposal would allow IHS to aware additional

loans and scholarships within the appropriated funds available. Bipartisan legislation has been introduced in both the House and Senate (H.R. 1842 and S. 536). The budget also proposes to allow loan and scholarship recipients to fulfill their service obligations through half-time clinical practice as a means to attracting additional medical professionals to IHS.

Behavioral Health

The FY 2017 IHS budget request also asks for $25 million in "mandatory" appropriations for two behavioral health initiatives. The first initiative – the Tribal Crisis Response Fund – would request authorization for 2 years of mandatory funding at $15 million per year for to address AI/AN behavioral health crisis situations. Funds will be used to cover emergency funds requests from Tribes during mental health crises.

The second proposal, -- the Behavioral Health Professions Expansion Fund – would specifically help expand the number of behavioral health professionals providing high quality health services to AI/AN communities. The funds will be used to provide 202 additional loan repayment awards per year to psychiatrists, clinical psychologists, counseling psychologists, chemical dependency/addiction counselors, family and marriage therapy counselors, licensed professional counselors and social workers working in Indian health facilities. Additionally, the funding will support 67 health professions scholars training to be chemical dependency counselors, clinical psychologists, counseling psychologists, psychiatric nurses, and social workers. It is proposed to be funded at $10 million per year for two years.

Substance Abuse and Mental Health Services Administration

The Budget provides **$30 million** in SAMHSA for Tribal Behavioral Health Grants (currently funded at $15 million in FY 2016) to Tribal entities to promote mental health and address substance abuse among American Indian and Alaska Native young people. In collaboration with IHS and in consultation with Tribal leaders, this funding is designed to help to address the disproportionate burden of mental illness, substance abuse, and suicide faced in many AI/AN communities by helping Tribes implement evidence-based suicide prevention programs and integrate systems that address issues of child abuse and neglect, family violence, trauma, and substance abuse. In addition, $5 million in new funding will be available under Zero Suicide to ensure Tribes have access to the best evidence-based practices to prevent suicide within existing health systems.

Centers for Disease Control and Prevention

The Budget also provides **$15 million** in additional funding, for a program total of $29 million, to expand Centers for Disease Control and Prevention's (CDC) Comprehensive Approach to Good Health and Wellness in Indian Country. CDC works collaboratively with Tribes, Tribal organizations, and Tribal Epidemiology Centers to prevent heart disease, diabetes, stroke, and associated risk factors, such as tobacco. This funding will expand existing efforts to address these diseases and risk factors, in addition to other critical problems within this population, including suicide, prescription drug overdose, and alcohol related motor vehicle injuries.

While this is a step in the right direction, NIHB remains committed to ensuring that CDC continues to include funding streams specific to Tribal communities. Tribes were ignored during the formation of the

US public health system and it is time to redress this wrong. For 2016, NIHB has proposed to create an AI/AN specific public health block grant at the CDC so that we do not have to rely on funds passed through state governments. We have also asked for each center or institute at the CDC to dedicate specific funding to Tribal communities and for additional support to be given from CDC for Tribal public health workforce development.

Medicare, Medicaid, and CHIP

The FY 2017 Budget proposal for the Centers for Medicare & Medicaid Services (CMS) is $1.0 trillion in mandatory and discretionary outlays, which is a net increase of $26 billion above the FY 2016 enacted Budget level. The FY 2017 Budget estimate finances Medicare, Medicaid, the Children's Health Insurance Program (CHIP), private health insurance programs, program integrity efforts, and operating costs. The FY 2017 Budget proposal of $1.0 trillion includes 59.5% for Medicare, 37.9% for Medicaid, 1.5% for CHIP; 1.3% for private health insurance programs, 0.2% for the Innovation Center, and 0.1% to state grants and demos.

Tribal Resource Center at CMS: The Budget request includes $500,000 to establish a Tribal Resource Center, where staff would be trained and skilled in responding to inquiries from the Tribal community relating to enrollment into the full range of CMS health insurance programs. This request has been a major request of NIHB and the Tribal Technical Advisory Group (TTAG) to CMS for several years as it is clear that AI/ANs currently do not have access to these types of resources from CMS. It is critical that AI/ANs have a place to turn when they have specific questions about their benefits under the ACA and other federally-operated health programs so that our communities can take advantage of all the benefits given to them by law.

A priority of the Administration is to improve Long-Term Care Services and Supports (LTSS) access through Medicaid coverage through home and community-based services (HCBS). The FY 2017 Budget proposal includes an increase of $10 million for HCBS through the U.S. Department of Health and Human Services Administration for Community Living.

The FY 2017 Budget proposal increases funding for CHIP funding through 2019 for the Medicare Access & CHIP Reauthorization Act of 2015 (MACRA) as well as extending the Outreach and Enrollment Program for two years. Within the $40 million appropriation under MACRA, $32 million will be for outreach and enrollment grants while $4 million will be dedicated to outreach and enrollment grants for American Indian and Alaska Native children, and $4 million will be reserved for the National Enrollment Campaign.

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Detail of Changes of the Indian Health Service Budget
(Dollar in Thousands)

	FY 2015	FY 2016		FY 2017			
	Enacted FY 2015 Omnibus	Pres. Request	Enacted 2016	Pres. Request	2016 Enacted +/- President's Request	President's Request Percentage	Enacted 2017
Services							
Hospitals & Health Clinics	$ 1,836,789	$ 1,936,323	$ 1,857,225	$ 1,979,998	$ 122,773	6.20%	
Dental Services	173,982	181,459	178,286	$ 186,829	$ 8,543	4.57%	
Mental Health	81,145	84,485	82,100	$ 111,143	$ 29,043	26.13%	
Alcohol & Substance Abuse	190,981	227,062	205,305	$ 233,286	$ 27,981	11.99%	
Purchased /Referred Care	914,139	984,475	914,139	$ 962,331	$ 48,192	5.01%	
Total, Clinical Services	*3,197,036*	*3,413,804*	*3,237,055*	*3,473,587*	*236,532*	*6.81%*	
Public Health Nursing	75,640	79,576	76,623	$ 82,040	$ 5,417	6.60%	
Health Education	18,026	19,136	18,255	$ 19,545	$ 1,290	6.60%	
Comm. Health Reps	58,469	62,363	58,906	$ 62,428	$ 3,522	5.64%	
Immunization AK	1,826	1,950	1,950	$ 2,068	$ 118	5.71%	
Total, Preventive Health	*153,961*	*163,025*	*155,734*	*166,075*	*10,341*	*6.23%*	
Urban Health	43,604	43,604	44,741	$ 48,157	$ 3,416	7.09%	
Indian Health Professions	48,342	48,342	48,342	$ 49,345	$ 1,003	2.03%	
Tribal Management	2,442	2,442	2,442	$ 2,488	$ 46	1.85%	
Direct Operations	68,065	68,338	72,338	$ 69,620	$ (2,718)	-3.90%	
Self-Governance	5,727	5,735	5,735	$ 5,837	$ 102	1.75%	
Contract Support Cost	662,970	717,970					
Total, Other Services	*831,150*	*886,431*	*173,598*	*175,447*	*1,849*	1.05%	
Total Services	**$ 4,182,147**	**$ 4,463,260**	**$ 3,566,387**	**$ 3,815,109**	**$ 248,722**	6.52%	
Contract Support Costs			**$ 717,970**	800,000	$ 82,030	10.25%	
Facilities							
Maintenance & Improvement	53,614	89,097	73,614	$ 76,981	$ 3,367	4.37%	
Sanitation Facilities Constr.	79,423	115,138	99,423	$ 103,036	$ 3,613	3.51%	
Health Care Fac. Constr.	85,048	185,048	105,048	$ 132,377	$ 27,329	20.64%	
Facil. & Envir. Hlth Supp.	219,612	226,870	222,610	$ 233,858	$ 11,248	4.81%	
Equipment	22,537	23,572	22,537	$ 23,654	$ 1,117	4.72%	
Total Facilities	**460,234**	639,725	**523,232**	**569,906**	**$ 46,674**	**8.19%**	
Total	**$ 4,642,381**	**$ 5,102,985**	**$ 4,807,589**	**$ 5,185,015**	**$ 377,426**	7.28%	