

National Indian Health Board



NATIONAL INDIAN HEALTH BOARD'S FY 2010: INDIAN HEALTH SERVICES (IHS) BUDGET RECOMMENDATIONS

For the last ten years, the Indian Health Service (IHS) budget recommendations has been developed using a budget formulation process that involves IHS direct operated programs, tribally-operated programs, and Urban Indian health programs (I/T/Us). Representatives from each of the 12 IHS Areas serve on a I/T/U budget workgroup to discuss their health and budget priorities and develop funding recommendations. The workgroup, including representatives from IHS Headquarters and national tribal organizations, meet to discuss IHS Area budget recommendations and develop consensus on the IHS budget priorities for that year. The I/T/U workgroup drafts a report outlining its budget recommendations and presents the report to the Department of Health & Human Services (HHS) at an annual Tribal budget consultation meeting. In the past, the I/T/U budget workgroup would present its budget recommendations directly to the Office of Management & Budget (OMB), but this has not happened in the last seven years.

In March 2008, the I/T/U budget workgroup presented to the HHS the Tribal FY 2010 Budget Recommendation: *Restoring the Trust and Leaving a Legacy*, enclosed herein as part of this memorandum for reference and additional detail. The I/T/U budget workgroup recommends a \$908 million increase above the FY 2009 funding levels. Pursuant to a Continuing Resolution, S. Con. Res. 70, the IHS budget levels for FY 2009 are set at FY 2008 levels of \$3.3 billion. Thus, the I/T/U budget workgroup recommendation for FY 2010 is \$4.2 billion, or a 27% increase.

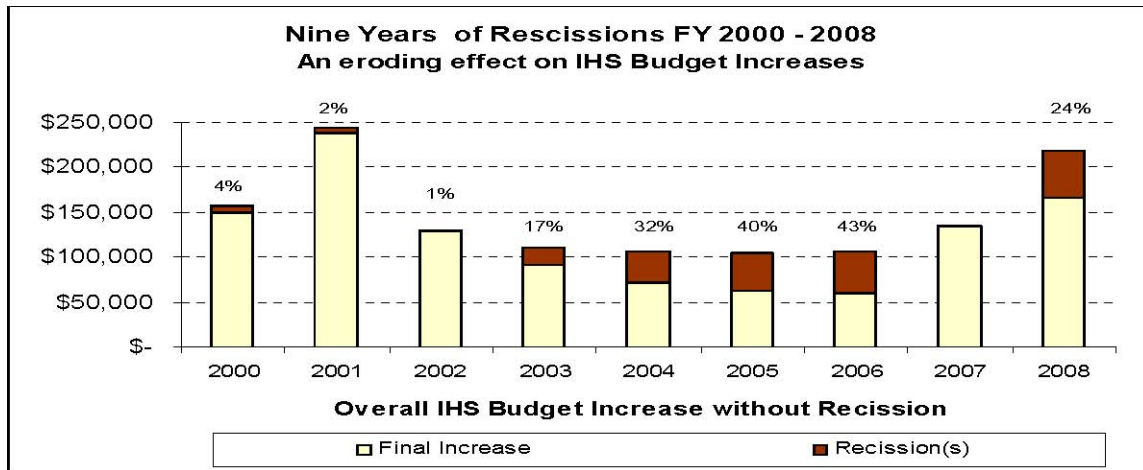
The I/T/U budget workgroup recommends a \$449.3 million increase in current services. The recommended increases are detailed in the table below but include funding needed to meet actual inflationary costs experienced by I/T/U programs, population growth, staffing needs of new facilities, long-needed backlog of health care facility construction, and restoration of the urban Indian program funding.



FY 2010 Current Services Increases

Pay Costs	\$	47,730,000
Inflation	\$	51,038,000
Additional Medical Inflation	\$	36,349,000
Contract Support Costs	\$	143,259,073
Population Growth	\$	22,544,792
Health Care Facilities Construction	\$	93,556,187
Staffing New/Replaced Facilities	\$	15,118,568
Restore Urban Programs	\$	35,000,000
Restore FY 2005 Rescission	\$	3,500,000
Restore FY 2006 Rescission	\$	1,250,000
TOTAL CURRENT SERVICES:	\$	449,345,620

An important component of the \$449.3 million increase in current services is restoration of the FY 2005 and FY 2006 rescissions. Tribal and Urban Indian leaders vigorously request an exemption for the IHS budget to any rescissions that are passed down by Health and Human Services.



Given the unique mission of the IHS as a direct health care provider, and consistent with other government health service agencies like the Department of Defense and Veterans Health Administration, the IHS should be exempt from rescissions. Rescissions equate to a reduction in healthcare delivery and mean elimination of health programs, turning away patients in need. In order to address Indian health disparities, past years' rescissions of must be restored and IHS appropriations must be exempt from future rescissions, consistent with other Federal health programs.

In addition to increases to support current services, the I/T/U budget workgroup recommends program increases in the amount of \$458.7 million. These funds will allow the I/T/Us to provide AI/ANs with access to quality primary and secondary healthcare, basic preventative services, and the infrastructure needed to support those services. The following table outlines the program increases in more detail:

FY 2010 PROGRAM SERVICES INCREASES	
Health Accounts	
Hospitals & Clinics \$	107,391,447
Indian Health Care Improvement Fund (subset of H&C) \$	61,205,765
Information Technology (subset of H&C) \$	4,927,850
Dental \$	17,266,383
Mental Health \$	23,592,385
Alcohol and Substance Abuse \$	32,561,359
Contract Health Services \$	109,833,578
Public Health Nursing \$	7,895,049
Health Education \$	4,392,135
Community Health Representatives \$	8,102,018
Alaska Immunization \$	54,927
Urban Indian Health \$	3,121,335
Indian Health Professions \$	1,555,099
Tribal Management \$	4,976,344
Direct Operations \$	622,357
Self-Governance \$	142,068
Facilities	
Maintenance & Improvement \$	8,103,413
Sanitation Facilities Construction \$	26,195,488
Facilities & Environmental Health Support \$	4,169,464
Equipment \$	1,690,656
HFC Priority System Area Distribution* \$	20,000,000
Other Priority Recommendations	
Ambulatory/Outpatient \$	5,671,807
Pharmacy\$	1,250,000
Diabetes \$	3,151,004
Injury Prevention \$	833,333
TOTAL PROGAM INCREASES \$	458,705,264
* The ADF funding methodology is currently under review by the IHS and HHS.	

In summary, the NIHB requests that the President's FY 2010 Budget request include a \$908 million increase to the FY 2009 funding level of \$3,324, 862,000 for a total amount of \$4,232,912,884. In addition, the NIHB recommends two additional items for consideration in the formulation of the President's FY 2010 budget.

1. The FY 2010 President's Budget request should include an increase of \$250 million as authorized by Title VI of the Tom Lantos and Henry J. Hyde United States Global Leadership Against HIV/AIDS, Tuberculosis, and Malaria Reauthorization Act of 2008 (P.L. 110-293). On July 16, the Senate approved by voice vote amendment offered by Sens. John Thune (R-SD) and Jon Kyl (R-AZ) to the Global AIDS bill, authorizing \$50 billion to help foreign countries combat HIV/AIDS, tuberculosis, and malaria. The Thune-Kyl amendment originally proposed to set aside \$2 billion of the \$50 billion for law enforcement and safe water projects in Indian Country. Sen. Dorgan (D-ND), Chairman of the Senate Committee on Indian Affairs, offered a secondary amendment, which was accepted, that allocates \$250 million of the \$2 billion to support Indian health care: contract health services, construction of health care facilities, and sanitation facilities serving Indian tribes.

P.L. 110-293 authorizes the \$2 billion in appropriations for Indian Country priorities over a five year period beginning October 1, 2008. We request the President's Budget include the total \$2 billion for FY 2010 through FY 2014, with \$400 million allocated in FY 2010 and \$100 million of such amount be allocated for IHS funding for contract health services, and health care and sanitation facility construction. The amount for IHS would be in addition to the \$4.2 billion budget request, outlined above.

2. The FY 2010 President's Budget request should NOT include consideration the IHS Medicare and Medicaid estimates from prior years in determining the budget justifications for the next fiscal year. For instance, the FY 2008 President's Budget Justification includes a \$600 million estimate of Medicare and Medicaid collections as a component of the overall IHS operating expenses and budget needs. The consideration of Medicare and Medicaid collections is in direct violation of the Indian Health Care Improvement Act, see 25 U.S.C. 1641(a) and 1642(b). In 1976, Congress gave the IHS specific authority to bill for and receive Medicare and Medicaid reimbursement for services provided to Medicare and Medicaid eligible American Indians and Alaska Natives. As part of this authority, Congress did not intend for Medicare and Medicaid collections to replace existing IHS appropriations; rather, it was meant as a supplement to IHS appropriations to meet Medicare and Medicaid accreditation and compliance standards.