DEPARTMENT OF HEALTH AND HUMAN SERVICES

STATEMENT

OF

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ACTING DIRECTOR

INDIAN HEALTH SERVICE

BEFORE THE

HOUSE INTERIOR, ENVIRONMENT AND RELATED AGENCIES
APPROPRIATIONS SUBCOMMITTEE

OF THE

UNITED STATES CONGRESS

BUDGET HEARING

ON

THE PRESIDENT'S FY 2009 BUDGET REQUEST

FOR THE

INDIAN HEALTH SERVICE

April 2, 2008
Mr. Chairman and Members of the Committee:

Good Morning. I am Robert McSwain, Acting Director of the Indian Health Service. Today I am accompanied by Dr. Richard Olson, Acting Director of the Office of Clinical and Preventive Services, Mr. Gary Hartz, Director, Environmental Health and Engineering, and Mr. Richard Turman, Deputy Assistant Secretary for Budget, Department of Health and Human Services. We are pleased to have the opportunity to testify on the President's FY 2009 budget request for the Indian Health Service.

The IHS provides health services to nearly 1.9 million American Indians and Alaska Natives. In carrying out this responsibility, the IHS maintains a unique relationship with more than 560 sovereign Tribal governments that represent this service population in some of the most remote and harsh environments within the United States as well as in modern metropolitan locations such as Anchorage and Phoenix. These relationships and the geographic diversity offer extraordinary opportunities and challenges to managing and delivering health services.

The IHS and Tribal programs provide a comprehensive scope of individual and public health services, including preventive, clinical, and environmental health services. In addition, medical care and urgent health services are purchased through the Contract Health Services program when the care is otherwise not available at IHS and Tribal facilities. For all of the American Indians and Alaska Natives served by these programs, the IHS is committed to its mission to raise their physical, mental, social, and spiritual health to the highest level.

This mission is supported by the Department of Health and Human Services (HHS), as reflected in the many partnerships we have established with other HHS operating divisions and the Department's commitment to its Intradepartmental Council on Native American Affairs (ICNAA). The role of ICNAA is to assure coordination across HHS in support of American Indian, Alaska Native, and Native American health and human services issues. The Administration takes seriously its commitment to honor the unique legal relationship with, and responsibility to, eligible American Indians and Alaska Natives by providing effective health care services.

Through the government's longstanding support of Indian health care, the IHS, in partnership with the people we serve, has demonstrated the ability to effectively utilize available resources to improve the health status of American Indians and Alaska Natives. From 1997 to 2007, American Indian and Alaska Native communities have used Special Diabetes Program for Indians funding to make evidence-based, quality diabetes practices commonplace in local Indian health care facilities according to locally-defined objectives and priorities for diabetes treatment and prevention. During
this time period, key clinical outcome measures among American Indians and Alaska Natives with diabetes have improved, such as:

- Blood sugar control improved 13%
- Blood lipid levels improved 14%
- Kidney function improved 18%

These types of improvements have been shown in the scientific literature to significantly reduce the incidence of diabetic complications. In addition, the IHS has consistently met 80 percent or more of its annual Government Performance and Results Act measures since FY 2005.

Although we are very pleased with these achievements, we recognize that there is still progress to be made. American Indian and Alaska Native mortality rates for alcoholism, cervical cancer, motor vehicle crashes, diabetes, unintentional injuries, homicide, and suicide continue to be higher than the mortality rates for other Americans. Many of the health problems contributing to these higher mortality rates are behavioral. For example, the rate of violence for American Indian and Alaska Native youth aged 12-17 is 65 percent greater than the national rate for youth. And while diabetes is a major focus of prevention and treatment efforts across Indian country, the prevalence is still growing and occurring in an increasingly younger population.

The IHS and our stakeholders remain resolved and deeply committed to addressing these disparities. We are joined in the implementation of three health initiatives, launched in FY 2005, with the specific intent of achieving positive improvements in these areas of preventable health problems. The Health Promotion/Disease Prevention, Behavioral Health, and Chronic Care Initiatives target underlying risk factors for morbidity and mortality as well as the reengineering of the IHS and Tribal health delivery system to incorporate best practices documented in the scientific literature. Collaborations with other Federal agencies, States, and foundations are also integral components of each Initiative.

This budget request allows the IHS to continue these efforts and address needs expressed by Tribes. As partners with the IHS in delivering needed health care to American Indians and Alaska Natives, Tribal leaders and health program representatives participate in an extensive consultation process on the IHS budget. In addition, the Department holds annual budget consultation sessions, both regionally and nationally, to give Indian Tribes opportunities to present their budget priorities and recommendations to the Department.

The FY 2009 President's Budget request in budget authority for the IHS totals $3.3 billion, a net decrease of $21 million, or .06 percent, below the final enacted FY 2008 Consolidated Appropriations funding level. In comparison, the overall budget request for all HHS discretionary programs is a decrease of $2.2 billion, or 3 percent, below the enacted FY 2008 Consolidated Appropriations funding level.
The FY 2009 Budget for IHS includes increases that prioritize the provision of clinical and preventive care, including primary care services, mental health, dental care, and public health nursing and education. Some of these increases include $25 million for staffing and operating costs for newly constructed or expanded health facilities. These facilities are the Lawton Outpatient Expansion in Oklahoma and the Phoenix Indian Medical Center SW Ambulatory Center in Arizona. The other is a Joint Venture project that will be ready for funding during FY 2009. The FY 2009 President’s Budget also includes $10 million for the Indian Health Care Improvement Fund, to be allocated to IHS and Tribal service sites with the greatest deficiencies as measured by the Federal Disparities Index. This funding will allow highly deficient sites to expand health care services and reduce backlogs for primary care. Also included, is an increase of $9 million over the FY 2008 Enacted level for Contract Health Services, specifically for catastrophic and high-cost cases, and an increase of $4 million for Contract Support Costs to support Tribes that assume the administrative role for programs previously carried out by the Federal government.

There are also decreases for the following activities, which primarily fund non-clinical functions, to focus IHS resources on provision of health care services on or near reservations. The FY 2009 President’s Budget proposes $162 million for the Alcohol and Substance Abuse program, a reduction of $11.3 million. The Indian Health Professions program budget of $21.9 million reflects a reduction of $14.4 million. The program will prioritize existing scholarship awards and extension of loan repayment contracts to meet immediate staffing needs and fill provider vacancies. The Health Care Facilities Construction budget of $15.8 million (a reduction of $20.8 million) will continue the construction of the replacement hospital at Barrow, Alaska. The Budget also continues to propose elimination of the Urban Indian Health program (which was funded at $34.5 million in FY 2008), as the beneficiaries of this program have access to other health care in urban areas where they reside.

The focus of the President’s Budget request for IHS is on provision of health care services and ensuring that the basic needs of all IHS and Tribal health programs are met. Therefore, the budget request targets additional funding for the provision of health care on or near Indian reservations in order to serve a population who cannot readily access health care from outside the IHS or Tribal system.

The proposed budget reflects a continued Federal commitment to basic primary and preventive health care for American Indians and Alaska Natives.

Thank you for this opportunity to present the President’s FY 2009 budget request for the IHS. We are pleased to answer any questions that you may have.
Robert G. McSwain
Acting Director
Indian Health Service

Robert G. McSwain, a member of the North Fork Rancheria of Mono Indians of California, is the Acting Director of the Indian Health Service (IHS). The IHS, an agency within the Department of Health and Human Services, is the principal federal health care advocate and provider for American Indians and Alaska Natives.

As the IHS Acting Director, Mr. McSwain administers a $4 billion nationwide health care delivery program composed of 12 administrative Area (regional) Offices. As the principal federal health care provider and health advocate for Indian people, the IHS is responsible for providing preventive, curative, and community health care to approximately 1.9 million of the nation’s 3.3 million American Indians and Alaska Natives in hospitals, clinics, and other settings throughout the United States.

Mr. McSwain served as the IHS Deputy Director from February 2005 until his appointment as the Acting IHS Director in September 2007. He participated in setting overall agency priorities, policies, and strategic direction. Mr. McSwain provided significant input in managing the formulation, presentation, justification, and execution of the Agency budget. His participation influenced program and resource allocation decisions that impacted the total Agency budget. He was responsible for the development of and justification for testimony presented to congressional appropriation and legislative committees and was a principal witness before such committees. Mr. McSwain also supervised the 12 IHS Area Directors.

Prior to beginning his federal service, Mr. McSwain served as Program Director of Central Valley Indian Health, Inc., a tribal health program in Clovis, California. From 1974 to 1976 he served as the Executive Director of the California Rural Indian Health Board, Inc. Mr. McSwain began his federal career with the Indian Health Service in 1976 as Director for the IHS California Area Office. In 1984 he was named Special Assistant to the Director, IHS, and assigned to long-term training at the University of Southern California. In 1986, he was transferred to the IHS Headquarters in Rockville, Maryland, where he held positions of increasing responsibility and diversity, including Director of the Division of Health Manpower and Training for the Office of Health Programs, Deputy Associate Director for the Office of Administration and Management, and Management Analysis Officer for the Office of the Director. From 1992 to 1997 he served as the Acting Associate Director for the Office of Human Resources.
Mr. McSwain was selected as the Director of the Office of Management Support in March 1997. From August 2004 until February 2005, he served as the Acting Deputy Director for Management Operations.

After receiving an associate of science degree in accounting from Fresno City College in Fresno, California, Mr. McSwain obtained a bachelor of science degree in business administration (economics minor) from California State University - Fresno in 1969. In 1986 he earned a masters degree in public administration (health services administration concentration) and pursued doctoral studies in public administration from the University of Southern California.

Mr. McSwain has received numerous honors, including the President’s Rank Award for Meritorious Service in 2002 and the President’s Rank Award for Distinguished Service in 2006.
Richard D. Olson, M.D., M.P.H
Acting Director
Office of Clinical and Preventive Services
Indian Health Service

Richard D. Olson, M.D., began his career with the Indian Health Service (IHS), an agency within the Department of Health and Human Services (HHS), in 1973 at the IHS W.W. Hastings Indian Hospital in Tahlequah, Oklahoma. He was a member of the PHS Commissioned Corp for over 30 years until his recent retirement as a Commissioned Officer.

In 2002, Dr. Olson assumed the duties as Acting Director for the Office of Clinical and Preventive Services (OCPS), which includes all aspects of Indian health care. The OCPS focuses on health program policy development, agency budget development, national health professional recruitment, program implementation, and managing several grant programs, including those in the Special Diabetes Program for Indians which total $150 million annually. His special area of expertise is in health facilities planning.

From 1995 to 2002 Dr. Olson served as the Chief Medical Officer for the Phoenix Area IHS. In this position, he served as primary advisor to the Area Director and other Area executive staff concerning health program and policy issues for the Phoenix Area hospitals, health centers, and Urban Indian and community health programs in Nevada, Utah, and portions of Arizona. Prior to this assignment, he served as the Director of Patient Care Professional Affairs, Office of Health Programs, at IHS Headquarters in Rockville, Maryland, where he instituted the IHS credentialing and privileging system of records and developed the IHS medical tort claim review system. For 10 years Dr. Olson served as the Clinical Director at the W. W. Hastings Indian Hospital, which at the time had the second largest outpatient workload in the entire IHS. He helped established a multi-departmental medical staff, the intensive care unit, and an oncology program.

Dr. Olson is a member of the IHS Director’s Executive Council, which is a decision-making body for the Agency on broad issues of policy, programs, and public health advocacy. The Council is composed of senior leadership from Headquarters, Area Offices, and the four IHS National Professional Councils.
In 1967, Dr. Olson earned a bachelor of arts degree in biology from Rice University in Houston, Texas, and in 1971 he earned his medical degree from Vanderbilt University School of Medicine, Nashville, Tennessee. He completed an internal medicine residency at Parkland Memorial Hospital in Dallas, Texas, and at the Rush Presbyterian-St. Luke’s Medical Center in Chicago, Illinois; he is board certified in internal medicine.

In 1987 Dr. Olson earned a masters of public health degree in health care administration from the Uniformed Services University of the Health Sciences, Bethesda, Maryland.

Dr. Olson has received the PHS Meritorious Service Medal, the Government Technology Leadership Award, and numerous other PHS and IHS awards and honors.
Gary J. Hartz, P.E., retired U.S. Public Health Service (PHS) Rear Admiral, is the Director of the Indian Health Service (IHS) Office of Environmental Health and Engineering (OEHE). The IHS is an agency within the Department of Health and Human Services (HHS) that is the principal federal health care provider and health advocate for American Indian and Alaska Native people. Mr. Hartz oversees health care facilities and staff quarters construction, facility maintenance and operations, and realty. He also has responsibility for a comprehensive environmental health program including institutional environmental health, injury prevention, and sanitation facilities construction services throughout Indian Country.

Mr. Hartz began his career with the IHS in 1971. His first assignment as a PHS Commissioned Corps Officer and Field Engineer was with the IHS Navajo Area in Tohatchi, New Mexico, followed in 1974 with an assignment to the IHS Alaska Area in Ketchikan with responsibilities for sanitation facilities construction throughout Southeast Alaska. In 1977, he transferred to the IHS Headquarters in Rockville, Maryland, where he was subsequently promoted to positions of increasing responsibility within OEHE, including Chief of the Sanitation Facilities Construction Branch, Director for the Division of Environmental Health, and ultimately to his current position of Director, OEHE. He has also been in numerous special assignments such as the Technical Training Director for the Moroccan Peace Corps Volunteer Skill Training Unit, a Self-Governance negotiator, and an agency witness before numerous congressional committees addressing budget and technical issues. He was promoted to Assistant Surgeon General in January 1996.

In August 1998, Mr. Hartz was named Acting Director for the Office of Public Health. The Office of Public Health had responsibilities for a wide range of health activities related to health leadership, policy development, and advocacy for American Indian and Alaska Native public health issues. He managed a staff that assisted the agency on budget formulation and resource allocation regarding the operation and management of IHS direct, tribal, and urban public health programs; program evaluation and assessment; research agenda; and special public health initiatives for the agency.
During the period of the IHS restructuring, Mr. Hartz held the position of Acting IHS Deputy Director from August 2004 to February 2005. He shared the responsibility for management of a national health care delivery program responsible for providing preventive, curative, and community care for approximately 1.8 million American Indians and Alaska Natives.

Mr. Hartz received his bachelor of science degree in civil engineering from the University of North Dakota, Grand Forks, North Dakota. In 1977, he earned a master of science degree in civil engineering: construction engineering and management from Stanford University, Palo Alto, California. He also has completed postgraduate studies at Syracuse University, Syracuse, New York, and continued management development at the Federal Executive Institute and the Senior Managers in Government program at the John F. Kennedy School of Government at Harvard University. Mr. Hartz is a registered professional engineer.

In May 2005, he was one of two U.S. representatives to the World Health Organization (WHO) in Geneva, Switzerland, to finalize the Third Edition of the WHO Guidelines for the Safe Use of Wastewater, Excreta, and Greywater. A recipient of numerous PHS and IHS awards and honors, Mr. Hartz has received two Hazardous Duty Awards, two Isolated Hardship Awards, several Unit Citations, the Special Assignment Award, two Outstanding Service Medals, the Meritorious Service Medal, the Surgeon General Award for Exemplary Service, and the Distinguished Service Medal, the highest award of the Public Health Service. In 1986, Mr. Hartz received the HHS Federal Engineer of the Year Award presented by the National Society of Professional Engineers. He has been an active participant and leader in his community, church, and professional organizations.
Mr. Turman is the Deputy Assistant Secretary for Budget, HHS. He joined federal service as a Presidential Management Intern in 1987 at the Office of Management and Budget, where he worked as a Budget Examiner and later as a Branch Chief. He has worked as a Legislative Assistant in the Senate, as the Director of Federal Relations for an association of research universities, and as the Associate Director for Budget of the National Institutes of Health. He received a Bachelor's Degree from the University of California, Santa Cruz, and a Masters in Public Policy from the University of California, Berkeley.