

National Indian Health Board



Submitted via e-mail: Director@ihs.gov

March 10, 2016

Mary Smith,
Principle Deputy Director
Indian Health Service
5600 Fishers Lane
Mail Stop: 08E86
Rockville, MD 20857

Re: January 7, 2016 Dear Tribal Leader Letter Regarding Consultation on Contract Support Costs Policy

Dear Ms. Smith:

On behalf of the National Indian Health Board (NIHB), this letter responds to the Dear Tribal Leader Letter of January 7, 2016 that initiated Tribal consultation on the Indian Health Service (IHS) Contract Support Costs (CSC) Policy. The policy was initially developed in 1992 and has been revised several times since then. Given the 2012 Supreme Court decision in *Salazar v. Ramah*, IHS is now working with Tribes through its CSC Workgroup to update its policy to provide full funding of CSC.

The current IHS CSC policy is an artifact of the “cap” era, when Congress capped the amount of CSC available to IHS each year at a level insufficient to pay 100% of Tribes’ CSC needs. IHS therefore underpaid the vast majority of contractors, as documented in the agency’s annual “shortfall reports” to Congress. We look forward to having a new policy in place that does not implement “incurred costs” and duplication analysis on an ad hoc basis that is inconsistent across the IHS Areas.

We continue to support the Workgroup’s efforts and applaud you for taking an active role in moving this policy forward. The Workgroup has held five face-to-face meetings in the last three months and several calls to create a new CSC policy. It has been a difficult process with many redline drafts exchanged back and forth. We appreciate your honesty and transparency as work on this policy continues to develop. Once the new policy is finalized with exhibits and released to Tribes for formal consultation, NIHB will provide more extensive comments.

We are confident that, together, we can work toward improving healthcare delivery for American Indians and Alaska Natives.

Respectfully



Lester Secatero
Chairman

cc: NIHB Board of Directors
NIHB Executive Director
NIHB Member Tribal Organizations