


## EXEMPT INDIAN HEALTH SERVICE BENEFICIARIES FROM MEDICAID WORK REQUIREMENTS

The United States is legally and morally required by its trust and treaty obligation to provide for the health and well-being of Tribal Nations. All federal agencies are bound by this obligation, including the Indian Health Service (IHS) and the Centers for Medicare & Medicaid Services (CMS). Despite this, American Indians and Alaska Natives (AI/ANs) suffer from some of the worst health disparities in the U.S. This is largely due to chronic underfunding of the Indian health system—IHS appropriations have never met federal obligations to Indian Country. In 1976, Congress granted the Indian health system the authority to bill Medicaid to supplement the meager appropriations the IHS receives every year.<sup>1</sup> Access to Medicaid revenue is essential for Tribes that wish to take over programs from the IHS. Every successful example of Tribes taking over programs from the IHS has depended on the ability to bill the Medicaid program for the AI/AN patients they serve. Reducing access to Medicaid to AI/ANs will make it more difficult for Tribes to take over programs from the IHS.

As Congress considers Medicaid reform in the 119th Congress, it should ensure that any legislation exempts AI/AN individuals eligible for services through the Indian health system from Medicaid work requirements. Tribal Nations fully support work programs that encourage full employment, but doing so through Medicaid is ineffective and harmful for Indian Country. AI/ANs have unique barriers to complying with the paperwork required to satisfy work requirements:

1. *Tribal citizens often lack access to reliable post.* Many AI/ANs do not have a permanent address, move often, or are located in extremely remote areas without post addresses that make it difficult or impossible to receive or send the required forms by mail in time to meet the requirements.
2. *Many reservations are without reliable broadband,* which makes communication by email or other electronic means difficult or impossible and prevents electronic verification of employment.
3. *Transportation infrastructure is extremely poor in many Tribal communities.* Many AI/ANs are located in some of the most remote frontier communities and may lack access to Tribal or state officials who could help them correctly fill out the required paperwork.

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4. *Language barriers are common in Indian Country* and can make it impossible for AI/ANs to understand and complete the required paperwork.
  5. *Many AI/ANs have jobs with no employment documentation, making it difficult to prove they meet the requirements.* These include subsistence farming, fishing, and hunting, but also includes tax- and Medicaid-exempt sources of income from Tribal logging, fishing, or mining of trust resources.

Work requirements are likely to cause a large number of AI/ANs to lose their coverage not because they are ineligible, but because they could not clear the often disproportionately burdensome procedural hurdles in their way. This will result in a loss of desperately needed income for IHS, Tribal, and Urban programs and may force Indian health programs to roll back the services they currently<sup>2</sup> offer. This is inconsistent with the federal trust and treaty obligation, and does not make any meaningful difference to the federal deficit. Total Medicaid reimbursements to the IHS in FY2025 only account for 0.2% of total federal medical assistance payment forecasted in FY 2025. Therefore, Congress should protect IHS, Tribal, and Urban programs by exempting AI/ANs from work requirements like the previous Trump Administration did through the Section 1115 waivers it approved.

**In the first Trump Administration, CMS approved a number of state Section 1115 Demonstration waivers that imposed work requirements on state Medicaid programs but exempted AI/ANs. CMS approved waivers in Arizona, Indiana, South Carolina, and Utah that all exempted AI/ANs from work requirements. If Congress is considering work requirements for the Medicaid program, it should do the same.**



## REFERENCES

1. IHS, Tribal, and Urban facilities are the payor of last resort relative to Medicaid and legally required to spend third-party revenue, including Medicaid, on healthcare services.
  2. During Medicaid unwinding, many AI/ANs lost their coverage for paperwork reasons due to the barriers listed above.
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