



Tribal Technical Advisory Group



To the Centers for Medicare & Medicaid Services

c/o National Indian Health Board | 50 F Street NW | Washington, DC 20001 | (202) 507-4070 | (202) 507-4071 fax

June 24, 2025

Mr. Drew Snyder
Deputy Administrator and Director
Center for Medicaid and CHIP Services
Centers for Medicare and Medicaid Services
200 Independence Avenue SW
Washington, DC 20201

Re: Request to Protect the Tribal Reimbursement Policy

Dear Deputy Administrator and Director Snyder:

On behalf of the CMS Tribal Technical Advisory Group (TTAG), I write to respectfully request that the Centers for Medicare and Medicaid Services (CMS) protect the Indian Health Service (IHS) Office of Management and Budget (OMB) all-inclusive rate (AIR) for services provided at Tribal facilities. The AIR provides consistent and predictable reimbursements that are critical to sustaining healthcare services in Tribal communities.

CMS has a longstanding policy of reimbursing IHS and Tribal providers at the IHS OMB AIR for Medicare and Medicaid services. This rate is based on actual costs for all Indian health facilities that submit Medicare cost reports to CMS and OMB, and which are also examined annually by IHS's rate setting contractor. IHS reviews the cost reports, workload reports, and upon completion, IHS submits recommended rates to OMB for final approval through the Department of Health and Human Services and CMS. Upon approval by OMB, the rates are published annually in the Federal Register. Audited financial statements are also used in Medicare cost reports and serve as a valuable resource for information such as utilization data, costs and charges by cost center, and Medicare settlement data.

OMB AIRs are sometimes explained as an average reimbursement rate that covers all the qualifying services and supplies provided during a visit. For some visits facilities may be paid more than their actual cost, and for other visits, they will lose money. The goal is that these costs will be an average over time and the facilities will break even based on the rates paid.

The AIR is an appropriate, efficient and rational method for making Medicare and Medicaid outpatient service reimbursements to Indian health care providers. The policy is essential in enabling Tribal health programs to operate in rural and remote areas, where service delivery is often complex and costly. Tribal facilities typically receive limited funding from the IHS and depend heavily on third-party reimbursements to support staffing and operations. Medicaid reimbursements account for approximately 30-60% of operating budgets at many Tribal health programs. The AIR policy provides financial protection to Tribal facilities and fulfills the federal government's trust and treaty responsibilities to Tribal Nations.

CMS' longstanding policy on the AIR is based on the government-to-government relationship that it has with Tribes and the organization and structure of the IHS. In certain cases, there have been changes in the status or alignment of IHS facilities that have been contracted or compacted under the Indian Self-Determination and Education Assistance Act (ISDEAA or Pub. Law 93-638). For example, certain health facilities may have been operated by the IHS and are now operated by Tribal governments. The realignment of these facilities—and in some instances closures—made it extremely difficult and costly to comply with other CMS payment policies. CMS and IHS agreed that, to preserve access to quality care for the American Indian and Alaska Native beneficiaries, IHS and Tribal health programs would continue to bill the OMB-approved AIR when providing Medicare and Medicaid services. Since the formation of the TTAG, we have always understood that it is CMS' intention to uphold and honor this critically important payment policy for IHS and Tribal programs.

The TTAG leadership is concerned about a recent State Plan Amendment (SPA) submitted by the Commonwealth of Virginia, which proposes reimbursing Tribal providers at the OMB AIR for AI/AN beneficiaries, while applying the state's fee-for-service (FFS) rate for non-AI/AN patients. While we recognize the unique context in Virginia, we are concerned that approval of this SPA could inadvertently set a national precedent that would undermine decades of this established CMS policy. CMS has long supported the use of the OMB AIR as a reflection of the government-to-government relationship and the unique legal status of Tribal health programs. Tribal facilities have repeatedly demonstrated their success in managing these reimbursements responsibly in alignment with federal guidelines.

Our TTAG Tribal Leaders respectfully request that CMS reaffirm its longstanding commitment to the OMB AIR for all Medicare and Medicaid services provided by Tribal facilities and ensure that any state SPA does not compromise the integrity of this policy. We greatly appreciate your attention to this important matter and your continued partnership in upholding the federal trust responsibility to Tribal Nations.

Sincerely,

A handwritten signature in black ink that reads "W. Ron Allen". The signature is written in a cursive, flowing style.

W. Ron Allen, CMS TTAG Chair
Jamestown S'Klallam Tribe, Chairman/CEO