Malisett Health and Wellness Center, Littleton, Maine Photo credit: Flickr/BlakeGumprecht

Health Care

Reducing Disparities in the Federal Health Care Budget

The survival and prosperity of tribal communities depend on the safety, health, and wellness of our citizens. Despite the federal government's trust responsibility to provide health care to our people, American Indians and Alaska Natives (AI/AN) suffer disproportionately from a variety of health concerns. The AI/AN life expectancy that is 4.1 years less than the rate for the US all races population. According to IHS data from 2005-2007, AI/AN people die at higher rates than other Americans from alcoholism (552 percent higher), diabetes (182 percent higher), unintentional injuries (138 percent higher), homicide (83 percent higher), and suicide (74 percent higher). Additionally, AI/AN people suffer from higher mortality rates from cervical cancer (1.2 times higher); pneumonia/influenza (1.4 times higher); and maternal deaths (1.4 times higher). Clearly, this data calls for a better funded Indian health care delivery system.

The Indian Health Service (IHS) has been and continues to be a critical institution in securing the health and wellness of tribal communities. Funding for the IHS is crucial for providing necessary health care for tribal citizens and depends solely on the federal budget. Additionally, the budget for the IHS determines the extent to which the United States honors its federal trust responsibility to American Indian and Alaska Native peoples. The FY 2015 budget for the IHS should support tribal self-determination, uphold the federal government's partnership with tribes to improve Indian health, and work to reduce health disparities for Native people. It is unconscionable that, America's first nations are often the last when it comes to health.

In order to build on the foundation of this partnership, NCAI calls for a long-term plan that brings American Indian and Alaska Native health care into line with the rest of the American population. Despite an historic 29 percent increase over the last four years, the IHS remains severely underfunded at only 56 percent of total need. Combined with the harmful effects of across-the-board sequestration cuts in FY 2013, which cut $220 million from the agency, the IHS, Tribal, and Urban (I/T/U) health programs are desperately trying to continue to serve their people. The Tribal Budget Formulation Workgroup for IHS estimates that a true Needs Based Budget for IHS would be $27.6 billion.

For the IHS budget to grow sufficiently to meet the true and documented needs of tribal nations over a twelve-year period would require the federal government to commit an additional $1.9 billion per year. After a decade, the increase would fully fund the IHS at the $27.6 billion amount required for Native peoples to achieve health care parity with the rest of the American population. This request was put forward as part of the Indian Country Budget Request in FY 2012, 2013, and 2014. Developing and implementing a plan to achieve parity is critical to the future of Indian health and to the fulfillment of the United States' trust responsibility to tribal nations.

The requests listed below focus on specific increases to the IHS that reflect both the priorities of tribal leaders from the 12 IHS Areas and the Agency-wide goals expressed by IHS Acting Director Dr. Yvette Roubideaux. The increases reflect spending level increases *before* FY 2013 sequestration cuts. In addition, recommendations related to supporting Native youth diabetes prevention and strengthening the Native Hawaiian Health Care System program are included.

Key Recommendations

DEPARTMENT OF HEALTH AND HUMAN SERVICES

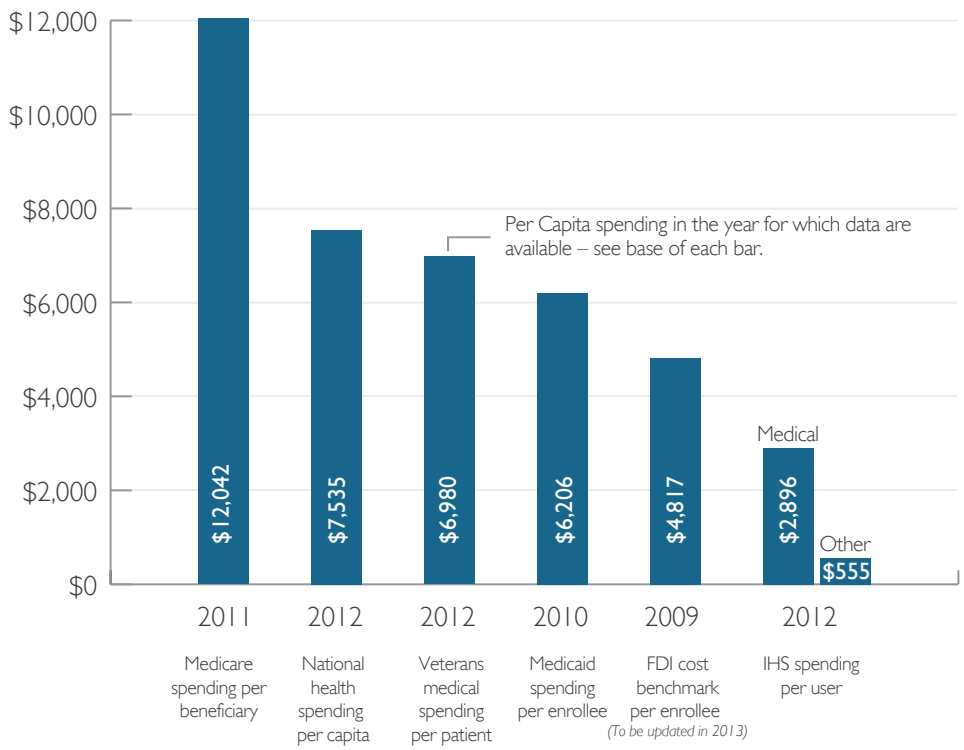
Interior - Environment Appropriations Bill

Indian Health Service (IHS)

- *Provide a $782.8 million increase to the Indian Health Service over the FY 2014 President's proposed budget. This increase includes $342.4 million in order to maintain current services and $440.338 million for program expansion.*

The FY 2015 tribal budget request above the President's FY 2014 Budget addresses funding disparities between the IHS and other federal health programs (Figure 6) while still providing for current service costs (Table 1). About $340 million of that increase is necessary simply to maintain current services, a top priority for tribes. The remainder of the requested budget increase is a modest increase to fund specific programs (Table 2).

Figure 6: 2012 IHS Expenditures Per Capita and Other Federal Health Care Expenditures Per Capita



[Note: "Other" refers to Indian Health Service expenditures for facilities.]

Source: The National Tribal Budget Formulation Workgroup's Recommendations on the Indian Health Service Fiscal Year 2015 Budget

Current Services

Maintaining current funding levels so that existing services can still be provided is a fundamental budget requirement and a top priority for tribal leaders. Any funding decreases would result in a significant reduction of health care services and delivery and prolong the state of emergency facing the IHS. To address this situation, the following budget increases are necessary.

Table 1 – FY 2015 Current Service Costs

Tribal Pay Costs	$18,700,000
Federal Pay Costs	$15,634,000
Inflation Costs (Medical and Non-Medical)	$80,200,000
Population Growth Costs	$49,100,000
Contract Support Costs	$90,000,000[27]
Staffing Costs for New & Replacement Facilities	$31,500,000
Health Care Facilities Construction Costs	$57,300,000
TOTAL CURRENT SERVICE COSTS	$342,434,000

FY 2015 Service Cost Increases

New costs in FY 2015 include increases in both tribal and federal pay costs, medical and non-medical inflation costs, standard increases in health care facilities construction costs and staffing costs for new and replacement facilities. In addition, NCAI recommends increases in funding to address Contract Support Costs and projected population increases.

Contract Support Costs: The choice of tribes to operate their own health care systems and their ability to be successful in this endeavor depends upon the availability of CSC funding to cover fixed costs. Without full funding, tribes are forced to reduce direct services in order to cover the CSC shortfall. Adequate CSC funding assures that tribes, under the authority of their Self-Determination Act contracts and Self-Governance compacts with IHS, have the resources necessary to administer and deliver the highest quality healthcare services to their members without sacrificing program services and funding. Most importantly, full funding of contract support costs is a contract obligation that the federal government must honor by law.

Population Growth: The request for $49.1 million will address the increased service costs arising from the growth in the American Indian and Alaska Native population, which is increasing at an average rate of 1.9 percent per year.[28] Failure to fund medical costs related to population growth translates into real erosion of existing health care dollars to meet current demand for services.

Table 2 – FY 2015 Program Services Increases

HEALTH ACCOUNTS	
Hospitals and Clinics (H&C)	$119,644,000
Dental	$20,376,000
Mental Health	$47,898,000
Alcohol and Substance Abuse	$31,752,000
Urban Indian Health	$3,487,000
Contract Health Services	$181,229,000
FACILITIES	
Maintenance and Improvement	$6,421,000
Sanitation Facilities Construction	$16,447,000
Facilities and Environmental Health Support	$1,400,000
Health Care Facilities Construction	$7,884,000
Equipment	$3,800,000
TOTAL PROGRAM INCREASES	$440,338,000

Program Services Increases

In addition to increased costs as part of maintaining Hospital and Clinic Program costs, including the Indian Health Care Improvement Fund, NCAI recommends the following Program Services increases:

Dental Health: A $20.4 million increase is necessary to support oral care, due to the high dental needs facing tribal nations where dental decay among Native children between the ages of two and four is five times the national average.[29] By two years of age, 44 percent of AI/AN children already have cavities, supporting the fact that prevention interventions must be implemented with pregnant women and infants.[30] In order to prevent dental caries in the primary teeth, we must intervene before the first cavity develops, working with both mothers and infants.

These funds will provide preventive and basic dental care services, as over 90 percent of the dental services provided by the IHS are basic and provide emergency care services. Dental disease can affect overall health and school and work attendance, nutritional intake, self-esteem, and employability. This disease is preventable when appropriate public health programs are in place. Funds are used for staff salaries and benefits, contracts to support dental services, dental lab services, training, supplies, and equipment. These funds are needed primarily to improve preventive and basic dental care services, as over 90 percent of the dental services provided by I/T/Us are used to provide basic and emergency care services.

Mental Health: It is requested that an additional $47.9 million be provided for increased mental health services. The high incidence of mental health disorders, suicide, domestic violence, substance abuse, and behavior-related chronic diseases is well documented. Each of these serious behavioral health issues has a profound impact on the health of both individuals and communities, on and off reservation. Mental health program funding supports community-based clinical and preventive mental health services, including outpatient counseling, crisis response and triage, case management services, community-based prevention programming, outreach and health education activities.

Early intervention is as essential in mental health treatment as it is in general health care, including the provision of a wide array of services designed to address the very individualized needs of Native peoples. Services provided by IHS and tribal facilities currently include comprehensive outpatient mental health treatment, crisis response services, prevention programming, collaborative treatment planning with alcohol and substance abuse treatment providers, group therapies, and traditional healing methodologies, in addition to other evidence-based approaches to mental health treatment.[31]

Alcohol and Substance Abuse Program: It is requested that an additional $31.8 million be provided for Alcohol and Substance Abuse Programs (ASAP) and community-based prevention activities. ASAP exists as part of an integrated behavioral health program to reduce the incidence of alcohol and substance abuse in Native communities and to address the special needs of Native people dually-diagnosed with both mental illness and drug dependency. The ASAP provides prevention, education, and treatment services at both the clinic and community levels. Services are provided in both rural and urban settings, with a focus on holistic and culturally-based approaches. Youth Regional Treatment Center operations are also funded by this line item.

Urban Indian Health Program: It is requested that an additional $3.5 million be provided for the Urban Indian Health Program (UIHP). The UIHP supports contracts and grants to 34 urban Indian 501(c)(3) non-profit organizations to provide services at 41 sites, including 21 full ambulatory facilities, six limited ambulatory programs, and seven outreach and referral programs. Urban Indian health organizations provide affordable, culturally-competent primary medical care and public health case management, as well as wrap-around services, for urban Natives who do not have access to the resources offered through IHS and tribally-operated health care facilities.

Purchased/Referred Care (or Contract Health Services[32]): A $181.2 million increase is requested to provide for Purchased/Referred Care (PRC). IHS purchases health care from outside providers when no IHS-funded direct care facility exists, when the direct care facility cannot provide the required emergency or specialty services, or when the facility has more demand for services than it can meet. PRC funds are used to purchase essential health care services, including inpatient and outpatient care, routine emergency ambulatory care, transportation and medical support services, such as diagnostic imaging, physical therapy, laboratory, nutrition and pharmacy services. These funds are critical to securing the care needed to treat injuries, heart disease, digestive diseases, and cancer, which are among the leading causes of death for American Indians and Alaska Natives.

Additionally, NCAI concurs with the recommendation of the Government Accountability Office report released in April 2013[33] that IHS should cap PRC to Medicare-like rates for all non-hospital Medicare participating providers and suppliers. Expanding the Medicare-Like Rate cap is a budget-neutral cost-savings mechanism that will allow IHS and Tribal facilities to stretch limited PRC dollars further and create parity with other federally-funded health systems. PRC programs are the only federal health care programs that continue to pay full billed charges for non-hospital services. On average, full billed charges are nearly 70 percent more than negotiated rates. The GAO report estimates that by expanding the MLR to non-hospital services, IHS and tribal PRC programs would be able to save hundreds of millions of dollars and dramatically increase the care they are able to provide.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Labor, HHS, Education Appropriations Bill

Behavioral Health

- *Provide $15 million to fund Substance Abuse and Mental Health Services Administration (SAMHSA) for Behavioral Health.*

This SAMHSA grant program has been authorized to award grants to Indian health programs to provide the following services: prevention or treatment of drug use or alcohol abuse, promotion of mental health, or treatment services for mental illness. To date, these funds have never been appropriated. An appropriation of $15 million would provide support to Indian health programs to meet the critical substance abuse and mental health needs of their citizens.

- *Fund SAMHSA's Behavioral Health Tribal Prevention Grant program at $50 million in FY 2015.*

The Behavioral Health Tribal Prevention Grant will support behavioral health services that promote overall mental and emotion health, in particular substance abuse prevention and suicide prevention services. If funded, the grant program would be the only source of federal substance abuse and suicide prevention funding exclusively available to tribes.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Labor, HHS, Education Appropriations Bill

Diabetes Prevention

- *Continue to provide $1 million for the On the T.R.A.I.L. (Together Raising Awareness for Indian Life) to Diabetes Prevention program.*

IHS has successfully funded the On the T.R.A.I.L. program since 2003, serving nearly 12,000 Native American youth ages 8-10 in 83 tribal communities. The program curriculum is an innovative combination of physical, educational, and nutritional activities that promote healthy lifestyles. The program also emphasizes the importance of teamwork and community service. Members apply decision-making and goal-setting skills when completing physical activities and engage in service projects to improve health lifestyles in their communities. Continued funding of this program sustains a tested program and represents one of the few national youth-oriented diabetes prevention initiatives.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Labor, HHS, Education Appropriations Bill

Health Resources and Services Administration (HRSA)
Native Hawaiian Health Care Systems Program

- *Provide $14.4 million to fund the Native Hawaiian Health Care Systems Program.*

The Native Hawaiian Health Care Systems Program provides critically needed support for the health and well-being of Native Hawaiians. Since the Native Hawaiian Health Care Systems Program was first established in 1988, it has provided direct health services, screenings, and health education to hundreds of thousands of Native Hawaiians, and supported hundreds of Native Hawaiians in becoming medical professionals, including physicians, nurses, and health research professionals. Allocating this funding would ensure the continuation of an already established and necessary resource for Native Hawaiians.