

NATIONAL CONGRESS OF AMERICAN INDIANS



NCAI TESTIMONY TO THE SUBCOMMITTEE ON INTERIOR ENVIRONMENT, AND RELATED AGENCIES ON FY 2006 INDIAN HEALTH SERVICE APPROPRIATIONS

MARCH 18, 2005

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NCAI HEADQUARTERS

1301 Connecticut Avenue, NW
Suite 200
Washington, DC 20036
202.466.7767
202.466.7797 fax
www.ncai.org

On behalf of the more than 250 member tribal nations of the National Congress of American Indians, we are pleased to present written testimony on FY 2006 appropriations for the Indian Health Service.

On February 7, President Bush submitted to Congress a \$2.57 trillion budget proposing a 2.1% increase in all foreign and domestic discretionary spending -- but that included level funding and numerous decreases for Indian programs, continuing the trend of consistent declines in federal per capita spending for Indians compared to per capita expenditures for the population at large.

We are deeply disappointed that this budget does not support strong tribal self-government and self-determination. In many ways, tribal governments are exactly like state and municipal governments – providing critical services, shaping values, and promoting jobs and growth. Though federal spending for Indians has lost ground compared to spending for the U.S. population at large, tribal self-government has proven that the federal investment in tribes pays off. According to a recent report by the Harvard Project on American Indian Economic Development, reservation communities have made remarkable socio-economic gains in the last decade and these gains are driven by the policy of tribal self-government. Between 1990 and 2000, income levels rose by 33 percent and the poverty rate dropped by 7 percent, with little difference between those tribes with gaming operations and those tribes without gaming.

Yet substantial gaps remain—real per capita income of Indians living on reservations is still less than half of the national average. Indian unemployment is still double the rest of the country. Thus, while the work of tribal self-determination is well underway, much work is left to be done. These long enduring socio-economic disparities, and the success of tribes in addressing them, warrant continued federal investment in tribal self-determination.

As Congress begins to shape the FY 2006 budget, NCAI urges Congress to honor its commitments to the Indian Nations and provide tribes with the necessary tools for continued progress through the promise of strong tribal self-government. We hope that Congress will work with tribes to see this priority better reflected in the budget process.

The Administration's proposed budget does not reflect the priorities of Indian Country as laid forth by tribal leaders in budget consultations with IHS and other agencies. We ask that these recommendations be taken more closely to heart as the FY 2006 budget advances.

Indian Health Service

The Administration proposed a \$642 billion budget for the Department of Health and Human Services, a 1.2% decrease from the FY 2004 spending, some of which would come from the Indian Health Service.

Poor health continues to inhibit the economic, educational and social development of all of Indian Country. A vast range of public health indicators show that American Indians continue to suffer disproportionately from a variety of illnesses and diseases. Indians have a shorter life expectancy and have higher rates of disease than the general population. They suffer significantly higher rates of diabetes, mental health disorders, cardiovascular disease, pneumonia, influenza, and injuries. The Indian Health Service is charged with the primary responsibility for eliminating these disparities. Indians' health status has improved over time (life expectancy has increased), but it still falls far behind the improvements attained in other groups. Thus, in real terms, Natives' health status is improving little relative to other racial and ethnic groups. Most improvements in Indian health can be attributed to increased access to health care and public health efforts to reduce the effects of infectious disease. However health status improvement has reached a plateau in recent years. The trend in IHS of per capita expenditures for Native Americans being lower than the national average could erode the previous health improvements.

Indians have worse access to routine health care than the general population and IHS users are provided service by only half the number of nurses and physicians compared to the national average.

Despite slight increases, IHS' real spending per American Indian has fallen over time, after adjusting for inflation and population growth. The IHS spends roughly \$1900 per person per year on comprehensive health services, far below expenditures per person by public and private health insurance plans, and 50 percent of what is spent for health care for *federal prisoners*. Even when IHS non-medical expenditures per person are accounted for, IHS spends less on its service users than the government spends on any other group receiving public health care.

FY 2005 appropriations for the Indian Health Service (IHS) included a rise of \$105.4 million over the FY 2004 enacted level. Yet this increase hardly keeps pace with the \$397 million IHS would have needed to maintain existing health care services when taking into account mandatory, inflation, and population growth increases. NCAI recommends and supports a \$300 million or 10% increase in funding of the Indian Health Service to fairly reflect mandatory costs increases, to provide necessary funding to reduce health disparities and to restore unfunded mandatory costs from previous years.

Exempting Indian Health Care from Across-the-Board Rescissions. The FY 2004 Interior conference report required \$19.1 million be deducted from the IHS appropriation to comply with first a .646% ATB rescission. Then a second .59% rescission of \$17.3 million to IHS totaled cut of \$36.4 million. Similarly, IHS received a \$42 million reduction to the IHS FY 2005 appropriation from first a .59% rescission in the Interior bill and then a .8% ATB rescission. NCAI urges a restoration of the \$36.45 million rescission from FY 2004 to the IHS appropriation for FY 2006 (NCAI Resolution FTL-04-077). NCAI also urges a restoration of the \$42 million rescission from FY 2005 to the IHS appropriation for FY 2006.

The mandatory costs of maintaining and preserving the basic level of care are unavoidable—the effect of rescissions have an adverse impact by eroding the IHS base budget, which ultimately means these costs are covered by cutting health services. Moreover, recent state fiscal crises and proposed changes will impact Medicaid and Medicare collections and will adversely affect the ability of IHS and tribally operated health programs to collect third party reimbursements, further reducing the budget for Indian health programs.

NCAI urges Congress to refrain from imposing across-the-board rescissions on the IHS budget and urges Congress to exempt the IHS budget from across-the-board rescissions, consistent with Department of Defense and Veterans Affairs programs that all provide health care services (NCAI Resolution FTL-04-078).

Prevention and Health Promotion. There is a clear gap in preventive care among the American Indian and Alaska Native population as evidenced by the growing disparities in health for certain preventable health conditions (i.e., diabetes, heart disease, cancer, tuberculosis, and injuries). The mortality rates for the Indian population are disproportionate compared to all races in the U.S. for the following preventable diseases and conditions: 638% greater for alcoholism; 400% greater for tuberculosis; 291% greater for diabetes; 215% greater for accidents; 191% greater for suicide; 181% greater for homicide; 167% greater for pneumonia; and 120% greater for heart disease. A prolonged course of illness and disability from such chronic diseases results in extended pain and suffering and decreased quality of life for American Indians. The 1996-1998 tribal Years of Potential Life Lost (YPLL) rate is 83 percent greater than the U.S. among all races. Adopting healthy behaviors such as eating nutritious foods, being physically active and avoiding tobacco can prevent or control chronic disease and early screening and detection are essential to preventing long term disability. In support of the National Indian Health Board, NCAI calls upon Congress to appropriate \$200 million to the IHS to support health promotion and chronic disease prevention programs at the community, school and worksite to improve the health of American Indian/Alaska Native people. NCAI also urges that such funds be recurring, are disbursed in a non-competitive manner, and do not adversely affect the annual appropriations of the Indian Health Service.

Contract Health Services. NCAI recommends an increase to CHS of \$12 million just to maintain current service levels at the rate of inflation because CHS is most vulnerable to inflation pressures. Since the current funding level meets less than one-half of the CHS need, leaving many Indian people either without any medical service access or only service to treat life or limb conditions, NCAI recommends another increase of \$25 million. The total suggested increase is \$37 million for CHS.

Health Facilities Construction. The largest cut to the IHS budget would be in the Health Care Facilities line item, which would decrease \$86 million from last year's level. The current average age of an IHS facility is 32 years. An additional \$50.9 million will allow for construction of new health facilities and allow IHS to replace its priority health care facility needs with modern health facilities and to significantly expand capacity at its most overcrowded sites.

Mental Health. Indians have about 1 psychologist per 8,333 compared to an average of 1 for 2,213. The most significant mental health concerns are substance abuse, depression, anxiety,

violence, and suicide. Depression is emerging as a dominant concern and is often linked to isolation on distant reservations, pervasive poverty, hopelessness, and intergenerational trauma. Current efforts to reduce the prevalence of these behavioral health problems are not effective. NCAI recommends an increase of \$40 million to enable IHS and tribal governments to provide culturally appropriate mental health services in a more timely and efficient manner.

Contract Support Costs. Contract Support Costs are vital to support tribal efforts to develop the administrative infrastructure critical to their ability to successfully operate IHS programs. Contract Support Costs are the key to self-determination for tribes—these funds ensure that tribes have the resources that any contractor would require to successfully manage decentralized programs. Tribal governments continue to assume control of new programs, services and functions. NCAI recommends an additional \$70 million to alleviate the shortfall for current contracting and compacting. NCAI urges \$10 million of the total be for contract support at Navajo Nation Health Foundation, Sage Memorial Hospital.

While important gains have been made in funding for diabetes prevention and treatment efforts, progress toward the goal of eliminating health disparities for American Indians and Alaska Natives will require coordinated, concerted efforts—and increases across the board in the IHS budget.

CONCLUSION

NCAI realizes Congress must make difficult budget choices this year. As elected officials, tribal leaders certainly understand the competing priorities that you must weigh over the coming months. However, the federal government's solemn responsibility to address the serious needs facing Indian Country remains unchanged, whatever the economic climate and competing priorities may be. We at NCAI urge you to make a strong, across-the-board commitment to meeting the federal trust obligation by fully funding those programs that are vital to the creation of vibrant Indian Nations. Such a commitment, coupled with continued efforts to strengthen tribal governments and to clarify the government-to-government relationship, truly will make a difference in helping us to create stable, diversified, and healthy economies in Indian Country.