

# National Indian Health Board



## STOP SEQUESTRATION CUTS TO INDIAN HEALTH SERVICE February 12, 2013

Many federal programs and services, including those for American Indian and Alaska Native (AI/AN), will see significant, potentially devastating, budget cuts if sequestration goes into effect in March 2013. National Indian Health Board (NIHB) stands with Indian Country in urging Congress to uphold the Federal government's trust responsibility and opposes any cuts to Indian programs funding while Congress looks for more deficit reduction.

In the case of health, all other federal programs that serve the health of our nation's populations with the highest need, such as Social Security, Medicare, Medicaid, the Children's Health Insurance Program, and the Veterans Administration, will be exempt from funding reductions. But, not Indian Health Service (IHS)! The Office of Management Budget (OMB) stated that the IHS, the agency that is responsible for overseeing the delivery of health care to Tribal members of 566 federally recognized Indian Tribes, Bands, and Alaska Native villages in the United States will be subject to a 5.1% reduction. As pointed out in the White House fact sheet released February 8<sup>th</sup>, due to the delay in implementing the sequester these cuts must be achieved over only seven months instead of 12, making the effective percentage of reductions approximately 9% for non-discretionary programs like IHS. This will undermine needed health care in Tribal communities and its true cost will be measurable in lives as well as dollars.

Program	Population Served	Sequestration
Social Security	Retirees, Survivors and Individuals with Disabilities	Exempt
Medicare	Citizens/Residents 65 Years or Older, Individuals with Disabilities or End-Stage Renal Disease	Exempt <sup>1</sup>
Medicaid and Children's Health Insurance Program	Low-Income Families with Dependent Children, Pregnant Women, Individuals with Disabilities	Exempt
Veterans Affairs Programs	Veterans	Exempt
Indian Health Service – Special Diabetes Program for Indians	American Indians and Alaska Natives with Diabetes	2.0%
Indian Health Service – Services and Facilities	American Indians & Alaska Natives	5.1%

Note: <sup>1</sup> Medicare is subject to a 2% reduction cut. The reductions in Medicare spending would come from payments to various health care providers, but beneficiaries would not be directly affected. Beneficiaries may feel the effects if the payment cuts lead physicians and hospitals to stop treating Medicare beneficiaries.



**Congress Must Remedy This Oversight And Exempt Indian Health Service From Any Pending Sequestration Cuts.** Attached is proposed legislative language to accomplish this goal.

### Sequestration Impact

The recently passed American Taxpayer Relief Act reduced the level of the sequester for non-defense discretionary programs, including the IHS, from 8.2% to 5.1%. But even at that revised level, the IHS will be reduced by over \$219 million. This cut translates into lost funding for primary health care and disease prevention services for AI/ANs, which is certain to produce tremendous negative health impacts. Indian people experience health disparities and death rates that are significantly higher than the rest of the U.S. general population. Recently, the White House projected that the IHS and Tribal hospitals and clinics would be forced to provide 3,000 fewer inpatient admissions and 804,000 fewer outpatient visits. In addition, the billions in cut to funding for other key health agencies such as Centers for Disease Control & Prevention, Substance Abuse and Mental Health Services Administration, Health Resources and Services Administration will further the divesting blow to health of AI/ANs, as these programs have become critical to the Indian Health Care System.

### Overview of Indian Health Care Delivery System

The provision of federal health care services to AI/ANs is the direct result of Executive Orders, treaties that were made between the United States and Indian Tribes, and of two centuries of Supreme Court case law developed in the wake of those treaties. Through the cession of lands and the execution of treaties, the federal government took on a trust responsibility to provide for the health and welfare of Indian peoples. This federal trust responsibility is the foundation for the provision of federally funded health care to all members of the 566 federally recognized Indian Tribes, bands, and Alaska Native villages in the United States.

The IHS was created to oversee this administration. Today, the Indian health care delivery system consists of services and programs provided directly by the IHS; Indian Tribes and Tribal organizations who are exercising their rights of self-determination and self-governance; and services provided through urban organizations that receive IHS grants and contracts (collectively, the “Indian Health Care System”). This system is community-based and reflects a culturally appropriate approach to delivering health care to a population suffering severe health disparities and massive rates of poverty within the most remote and rural areas of America. The Indian Health Care System has a user population of 2.1 million individuals. Currently, the IHS has a budget of \$4.3 billion, but remains at 50% of the level of needed funding system wide.

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