

Indian Health Budget Overview: Formulation to Appropriations

Presented by

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National Indian
Health Board



Overview

- 1) IHS Budget
- 2) Indian Health Budget
- 3) Overview of Federal Budget Climate
- 4) Congressional Budget Process
- 5) Tribal Budget Formulation Process
- 6) FY 2016 Outlook



Indian Health Funding: Time for Change

“Over 100 years ago the Indian people of this nation purchased the first pre-paid health care plan, a plan that was paid for by the cession of millions of acres of land to the United States”
(Inouye, 1993)

Indian Health is a Treaty Right of American Indians

- Constitution
- Treaty Rights
 - Predating the formulation of the United States
 - Others during the 1800's
 - Many never fulfilled
- Federal law
- Case Law
- Canons of Construction interpreting laws and documents

Indian Health Services History

- Initially part of the War Department in 1824 - Transferred to the Bureau of Indian Affairs 1849
- Snyder Act passed in 1921 to authorize funds “for the relief of distress and conservation of health and for the employment of physicians for Indian Tribes”
- P.L. 93-638 Indian Self-Determination Act
- P.L. 111-148 Indian Health Care Improvement Act
 - “it is the policy of this Nation, in fulfillment of its special trust responsibilities and legal obligations to Indians -- to ensure the highest possible health status for Indians and urban Indians and to provide all resources necessary to effect that policy.”



- 28 Hospitals
- 61 Health centers
- 33 Health stations

U: 33 urban programs serving 600,000 AI/ANs



Tribal

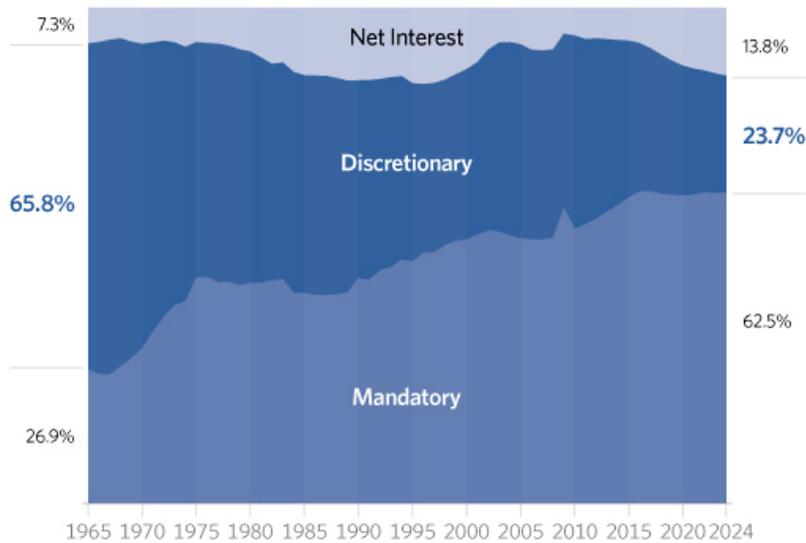
- 16 Hospitals
- 235 Health centers
- 75 Health stations
- 164 Alaska Native village clinics

I/T/U Indian Health System

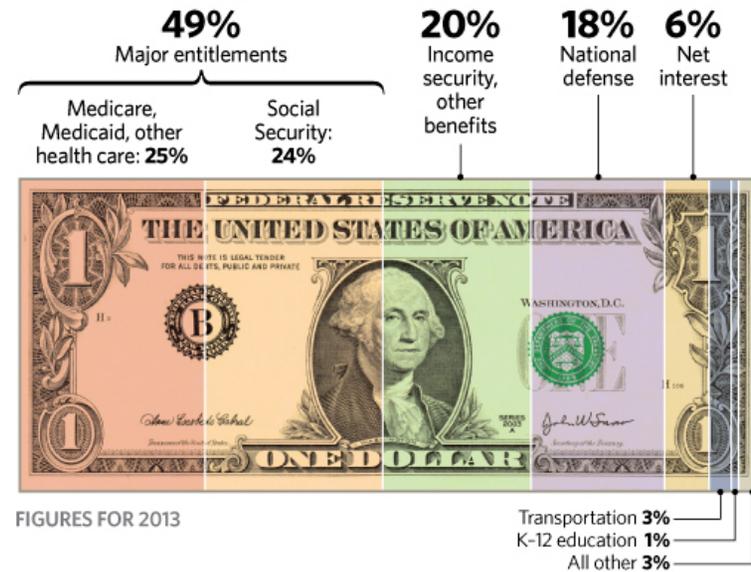
The Federal Budget

As Entitlement Spending Grows, the Discretionary Share of the Budget Falls

SHARE OF TOTAL FEDERAL SPENDING



Where Did Every Dollar in Spending Go?



- Discretionary as a percentage is going down over time



Appropriations Basics – Congress

- One Appropriations Committee in both the House and Senate
- 12 Annual Appropriations bills must pass
- Interior, Environment and Related Agencies → IHS Funding
- Labor, Health and Human Services, Education and Related Agencies → other Health programs



Congressional Timeline

- **Early February:** President releases his budget to kick off Appropriations
- **Late Winter/ Early Spring:**
 - Appropriations advocacy is key. Testify before appropriate committees; have meetings with staff/ deliver testimony
- **Summer**
 - Floor action on many bills
- **August RECESS**
 - Always invite your Member of Congress to your reservation!
- **September / October**
 - Key work still getting done. Final deals being made
- **November / December**
 - Must pass bills/ action taken

HOUSE CALENDAR
Kevin McCarthy, Majority Leader
114th Congress, First Session

JANUARY
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FEBRUARY
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22 23 24 25 26 27 28

MARCH
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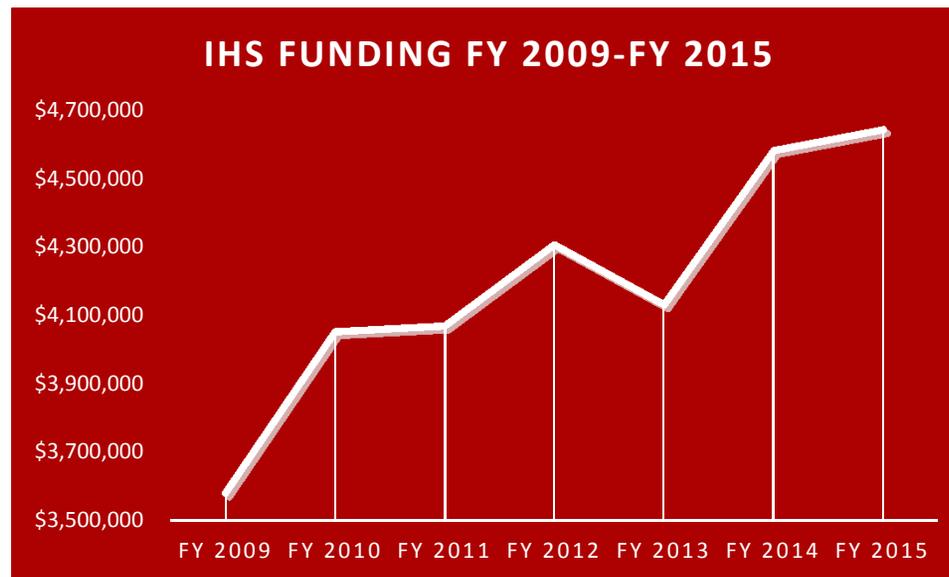
NOVEMBER
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22 23 24 25 26 27 28
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DECEMBER
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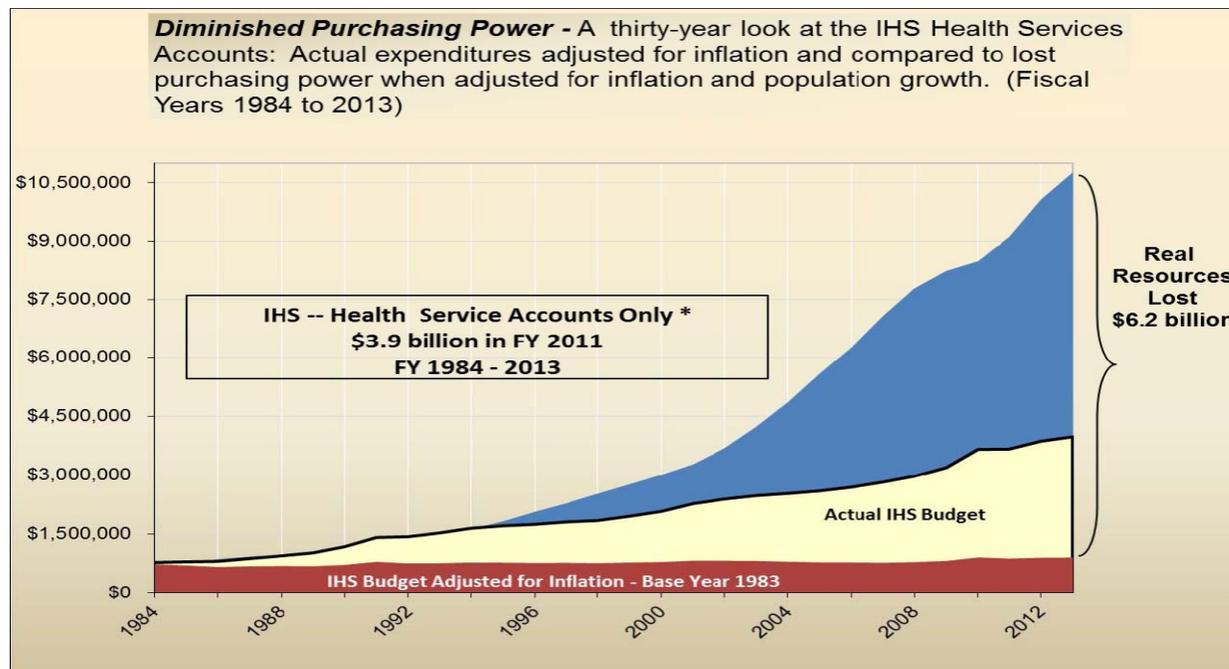
IHS since 2009...

- IHS has increased by about \$1 billion since FY 2009
 - About 30% increase
 - Purchased / Referred Care: increased by \$295 million (44%)
 - Contract Support Costs: increased by \$380 million (135%)
 - Facilities: \$70 million increase (not including ARRA) (17%)



FY 2016 President's Request

- Not really *that much* of an increase – still other obligations that come for funding
 - Contract Support Costs; medical inflation; staffing increases; population growth are major drivers of the increases



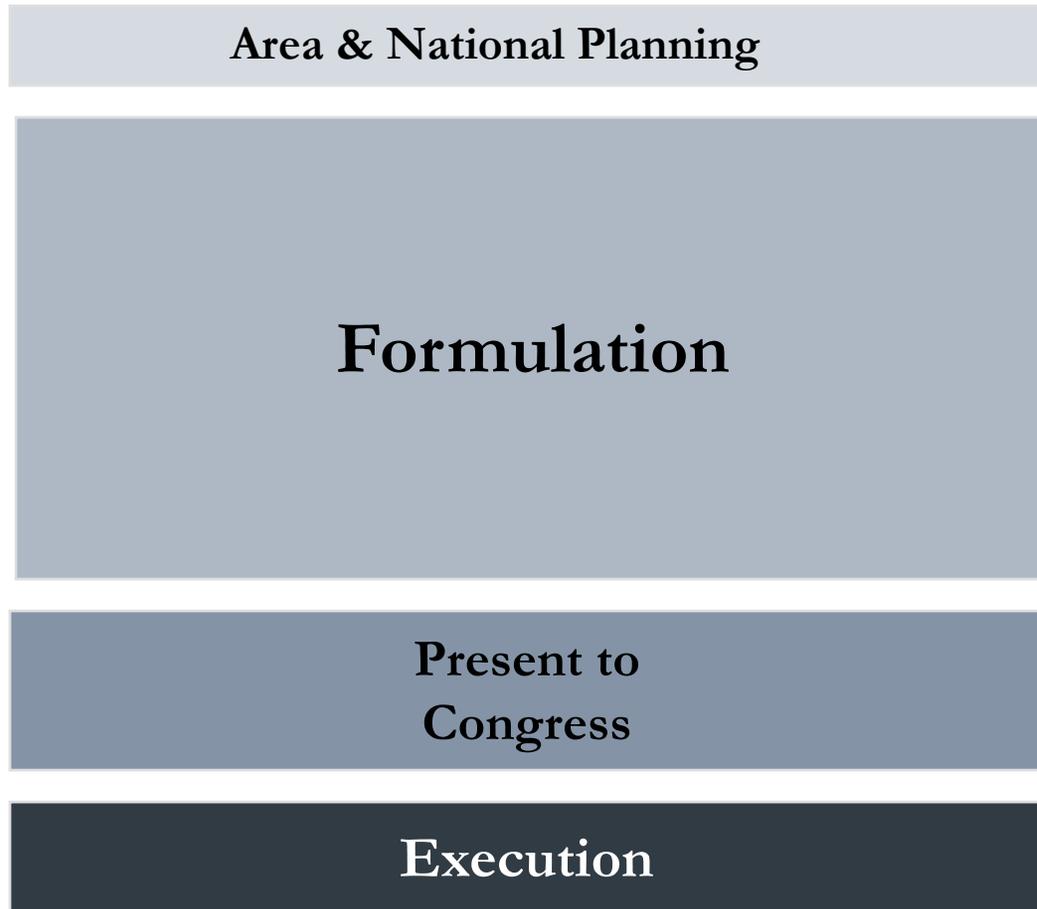
The IHS Budget Formulation Process

Federal agencies deal with 4 fiscal years at the same time!

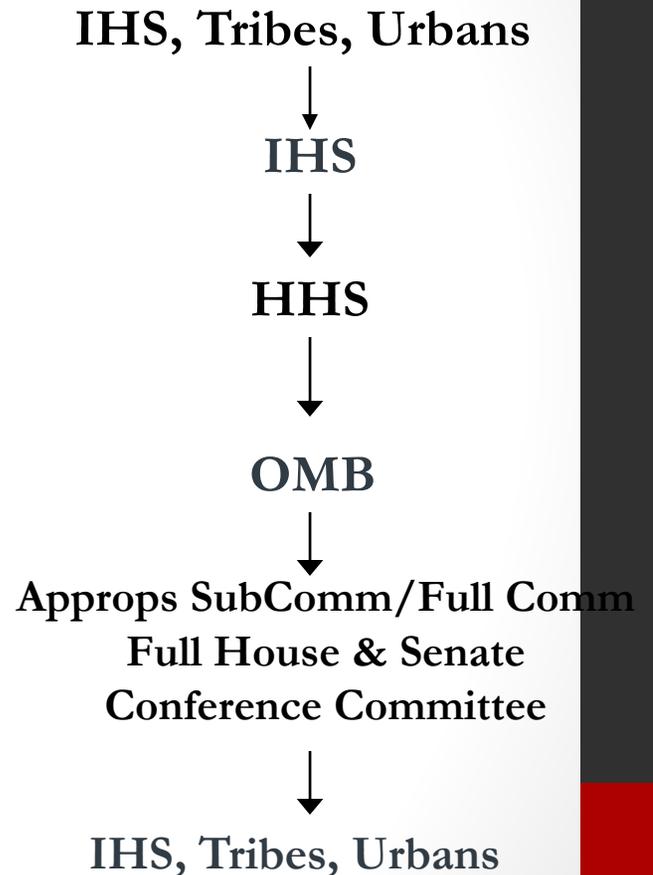
For Budget Years	Calendar Year											
	Jan	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec
FY - 1	Execution of FY - 1 Enacted Budget (FY 2015)									Execution of FY - 2 Enacted*		
FY - 2		Congressional Action on FY - 2 President's Budget* (FY 2016)										
FY - 3			Formulation of FY - 3 Budget Request (FY 2017)									
FY - 4					Planning of FY - 4 Budget Request (FY 2018)							

* Congressional activity varies each year and may impact the timing of an Enacted budget.

IHS Budget Formulation Phases



KEY PLAYERS



National Budget Formulation

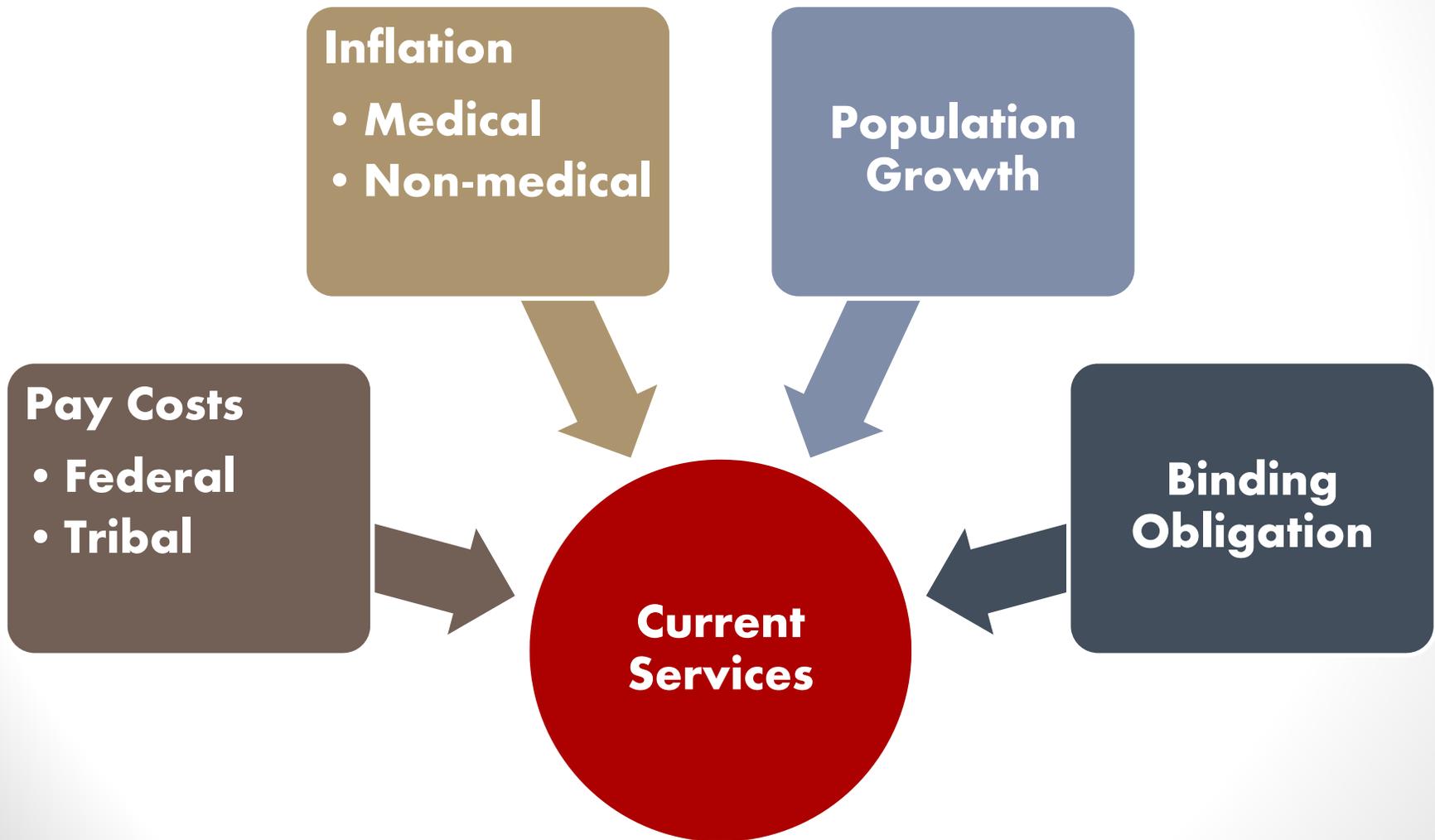


- After Tribes in each Area have come together with priorities, representatives from 12 Areas meet in Washington DC
- Determine national priorities and then technical group focuses in on making a formal report.



- NIHB provides support for this activity.
- Co-Chairs deliver recommendations to Administration/ Congress

Fully Fund Current Services



FY 2017 Recommendations

1. Tribes recommend full funding of IHS in 2016 at **\$29.7 billion**
 - Includes estimates for Medical Services; Dental and Vision Services; Community and Public Health Services; and Facility Upgrades
2. Present a 22% increase in the overall IHS budget from the FY 2016 President's Budget, request planning base for a total of **\$6.2 billion in FY 2017**
3. Restore Cuts/Shortfalls in FY 2013-16 resulting from sequestration
4. Support Mandatory CSC proposal
5. Request budget increase in the Hospitals & Clinics to allow flexible service expansion funding which can be used to fund local budget priorities.
6. Provide an additional \$300 million to implement the provisions authorized in the Indian Health Care Improvement Act (IHCIA)

**But hold your horses... We
still need FY 2016!**



FY 2016 IHS Appropriations

FY 2015 Enacted

\$4.642 billion

Tribal Budget Formulation Workgroup

Total FY 2016 Tribal Budget Request: **\$5.4 Billion**

President's Request

Total FY 2016 President's Budget Request: **\$5.1 Billion**

House Draft Bill

\$4.787 billion

Senate Draft Bill

\$4.77 billion



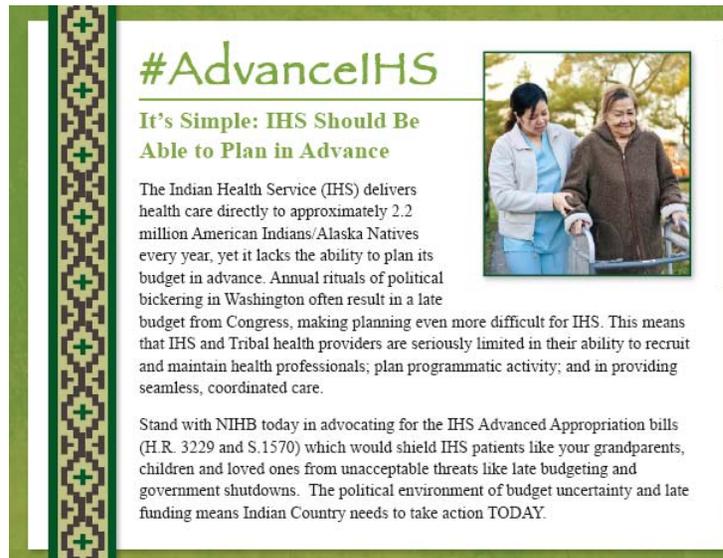
FY 2016 HHS Appropriations

- Contract Support Costs: **House**: “X- year” funding for CSC and language noting that CSC is not paid from services funds. **Senate**: Created a separate appropriation line for CSC, breaking out of the “services” budget entirely. Funds cannot be use from “services” to pay CSC, even if a shortfall occurs.
- Definition of Indian in the Affordable Care Act: Report language telling Administration to “establish a consistent definition of an “Indian” for purposes of providing health benefits.”
- Tribal Epidemiology centers: The House Labor H bill includes report language that would require CDC “to conduct a review and develop an action plan, in consultation with Indian Country...on actions CDC can undertake to address improved surveillance and measurable public health impacts in tribal communities.” This report could form the basis of establishing more funding for TECs in the future.



Other Solutions for Bigger and Better Budget

- IHS Advance Appropriations
- Medicare Like Rates for Purchased/Referred Care
- “Mandatory” Funding for IHS
- Working with other agencies at HHS
 - Self-governance for other programs at HHS
 - Block grants going directly to Tribes



#AdvanceIHS

It's Simple: IHS Should Be Able to Plan in Advance

The Indian Health Service (IHS) delivers health care directly to approximately 2.2 million American Indians/Alaska Natives every year, yet it lacks the ability to plan its budget in advance. Annual rituals of political bickering in Washington often result in a late budget from Congress, making planning even more difficult for IHS. This means that IHS and Tribal health providers are seriously limited in their ability to recruit and maintain health professionals; plan programmatic activity; and in providing seamless, coordinated care.

Stand with NIHB today in advocating for the IHS Advanced Appropriation bills (H.R. 3229 and S. 1570) which would shield IHS patients like your grandparents, children and loved ones from unacceptable threats like late budgeting and government shutdowns. The political environment of budget uncertainty and late funding means Indian Country needs to take action TODAY.



What can Tribes do?

- Tell our story to Congress and the Administration
 - Testify before Appropriations Committees in March/ April of each year
 - Submit testimony for the record
 - File comments on regulations
 - **EDUCATE, EDUCATE, EDUCATE** – Especially Members of Congress without Tribes
 - Present them with data/ benchmarks
- Invite Congress to visit your Tribe
 - Congress doesn't know what they don't know!
 - Share the good stuff too!



NIHB can help!

NIHB is here to help Tribes tell that story.

We can help with:

- Congressional Testimony
- Regulation Comments
- Site Visit tips
- Visiting Congress on your behalf
- Arranging Hill Visits
- Sample Letter / Resolutions



Other services:

- Washington Report
- Health Reporter
- Medicare, Medicaid Policy Committee (MMPC)
- Appropriations & Policy Analysis
- Public Health Digest

Discussion Questions

- What types of services aren't being funded at your health program?
- What kind of needs in your community would be helped by a bigger IHS budget?
- Besides budget, what would improve the state of health in your community?