Montana/Wyoming Tribal Leaders Council Meeting

"Surviving the 21st Century through Tribal Wellness"

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"Strengthening the Agency"

by

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It is nice to be here with you today in the wide open spaces of Montana. This is more like my home in Oklahoma – room to roam, a chance to be in touch with the land, and communities and people more in tune with the environment. Washington, D.C., is an exciting city that never slows down and, as we know, is the place where we need to be to make a difference for Indian people. I have had many important jobs in my career but none with the scope of responsibilities and accountability of being the Director of the Indian Health Service, and none with the potential to do so much good for future generations of Indian people. Like you do, and like our ancestors did, we all travel to D.C. to conduct business, very important business, and it is a place of business and not home. I think we become even more aware of our heritage, our roots, who we are and where we come from, when we are not home among our people. Every day I am in D.C. is a reminder of why I am there, and why I choose to be there, which is to serve American Indian and Alaska Native people. I know I will go home one day but I am where I need to be right now.

During my tenure thus far as Interim Director of the Indian Health Service, I have gained a deep appreciation of the difficulties and challenge that IHS, tribal, and urban Indian health programs across the nation face every day, as they continue the work of their predecessors in eliminating the health disparities between Indian people and the rest of the U.S. population. I have a greater appreciation of what it takes to run a 3-and-a-half billion dollar health corporation. It takes the staff of dedicated, hardworking, and outstanding employees of the Indian Health Service, tribal, and urban Indian health programs. Our health system moves forward and makes a difference in the lives of American Indians and Alaska Natives wherever they live because we are all focused on the same goal – improving the health of our people.

I have always felt very proud and privileged to be able to serve American Indian and Alaska Native people in any way that I can. Being part of this organization, of the Indian health system, is especially important and fulfilling for me. It is part of who I am. I am pleased to tell you that the President has announced his intent to nominate me as the next Director of the Indian Health Service, and Senator Campbell has indicated a confirmation hearing will be scheduled for some time after Easter. It will be an honor to serve as the seventh Director of the Indian Health Service.

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These are certainly challenging times – when the Federal government is involved in a war on global terrorism, protecting our homeland, dealing with diseases without cures such as AIDS and now SARS while also modernizing Medicare, increasing accessibility to health services and health benefits, and making changes to improve the country's education, employment, and economic programs. All this amid efforts to restructure the government to provide American citizens with a government more accountable and responsive.

Where is the Indian Health Service among these national priorities and focus? We remain a priority with the Administration and within the Department of Health and Human Services.

The commitment of the Administration and the Department to ensuring that Indian health programs are strengthened and Indian health priorities are addressed is demonstrated in the decisions that have been made.

For example: The Secretary has revitalized the Intradepartmental Council on Native American Affairs, composed of the senior leadership in the agency from each Operating Division and each program office within the Office of the Secretary. I serve as co-chair for this important Council. We are seeking ways to expand tribal access to more Department programs to benefit Indian people.

The Council is also working closely with the Health Resources and Services Administration to identify opportunities for tribal and urban programs to benefit from the Community Health Centers program – and what changes to the criteria, within the Department's authority to change, could be considered to make the opportunity for Indian programs to participate even broader.

The Department supported our meeting with the Centers for Medicare and Medicaid Services regarding the Outpatient Prospective Payment System and shared our concern about the impact implementation would have on Indian Country. The final decision was made to exempt the IHS and Tribes from implementing the OPPS system and this decision prevented a $30 million loss of revenue to IHS and Tribal programs.

The Department is also supporting our initiative to establish an Indian Health Service Foundation, similar to those at the Centers for Disease Control and Prevention and the National Institutes of Health, to create a mechanism for the many external organizations, groups, and individuals who would like to contribute to the national effort to eliminate health disparities in Indian Country.

The recognition of the importance of Indian health programs is also shared by the Congress. The first week of April, I testified before the Senate Committee on Indian Affairs regarding the President's fiscal year 2004 budget proposal for the agency. I mentioned some of the highlights of his proposal. I also recognized the Committee for raising the 2003 budget appropriation to 3.3% above the 2002 enacted level. In this era of war and economic challenges, there are austere budgets for many government programs, and any increase is viewed as a success. The performance of the Indian health system of IHS, tribal, and urban Indian health programs is well understood and documented, and increases can be attributed to that factor in the budget decision-making process.

The following week I testified again before the Senate Committee on Indian Affairs regarding the Department's position regarding the proposed reauthorization language for the Indian Health Care Improvement Act. I believe the concerns of the Department are valid and deserve further consideration. The Department's concerns are just that, *concerns*. They are not a rejection of the proposed provisions. The Department, and the Indian Health Service, wants an effective Indian Health Care Improvement Act that is not only visionary but also practical when it comes to implementation.

During the hearing there were also questions regarding the effects of the "One Department" initiative of the Department of Health and Human Services and questions regarding the reorganization of the Agency and the headquarters of the Agency. With all the events facing the country, the Committee, the Department, and the Agency, it certainly is possible to make connections between three distinct initiatives since actions in one area might affect actions in another area: There is the "One Department" initiative, the joint tribal/urban/IHS workgroup restructuring recommendations for the IHS Area and field functions, and my management priority of reorganizing the IHS Headquarters to be more responsive to Tribes, the Department, and the recommendations of the joint restructuring workgroup.

Regarding the "One Department" Initiative – the purpose of the initiative is to ensure that every office and agency within the Department communicate and work together to improve the delivery of health and social services. The goal is not to consolidate or eliminate agencies, but to improve similar functions found in each of the agencies. As Secretary Thompson stated, his goal is "that every agency, every office, every branch of HHS work as units of a common Department." With that in mind, here are a few examples of what the "one Department" initiative has meant for the Indian Health Service.

The "One Department" formalizes the responsibility of the entire Department to address Indian health status and disparities and take action to eliminate

health disparities. A significant avenue to carry out this responsibility is the Interdepartmental Council of Native American Affairs, which I mentioned earlier. As it was stated by the HHS Assistant Secretary for Planning and Evaluation to the Senate Committee on Indian Affairs on April 10th last week, "A profound impact of this Council on the IHS is the revised premise within HHS that all agencies bear responsibility for the government's obligation to the Native people of this country."

Another benefit from the "One-Department" initiative is the example I provided about the decision to exempt the IHS and Tribal programs from the OPPS rate, saving the agency and Tribes $30 million in expected implementation costs. Many new grants and contracts are being amended to request information of how the applicant's proposal serves Indian people. The Secretary has requested State Governors to include IHS/Tribal/Urban health programs in their Emergency Preparedness activities; there are additional joint meetings among Department programs; there is greater access for Tribes into the Department through the strengthened Intergovernmental Affairs Office in the Secretary's office; and the Department has made one of its top 4 research priorities that of identifying the research needs in Indian health – in addition to the $4 million in NIH support for expanding the Native American Research Centers in Health.

The "One Department" also benefits the Agency and Indian programs by the budgetary decisions and activities of the Department:

- There is support for the Centers for Medicare and Medicaid Services to proactively engage the Agency in rate negotiations for IHS and qualified tribal programs.
- The Department increased the IHS Sanitation Facilities Construction program by $20 million.
- The Department is supporting additional funding in support of Tribal Colleges and Universities.
- The Department's support, via CDC, of more than $1 million in 2003 to target the needs of tribal governments and American Indian and Alaska Native communities. In addition, the CDC Agency for Toxic Substances and Disease Registry is supporting tribal governments and Indian communities to improve their environmental health services efforts.
- The Department's Agency for Healthcare Research and Quality is also assisting the Indian health system through inclusion of Indian-specific health questions and oversampling of Indian Country in their various surveys.
- As the Department moves forward in the development of a Unified Financial Management System for the entire Department – they are including Indian health specific requirements so that the final system will be effective for our complex financial needs and transactions.
- And the Department is supporting funding of improvement for the electronic medical record capabilities of the Indian health system to improve patient care quality and safety.

One avenue for achieving the goals of the "One Department" initiative is consolidating similar functions found in each of the agencies. They have been working on consolidating the human resources and Equal Employment Opportunity functions throughout the Department, from 40 different programs to 4 service centers. As major decisions have been made, the process becomes more refined and the unique aspects of these support programs for the Indian Health Service can be addressed. We continue to work with the Department on assessing the impact of consolidation on the programs of the Agency and on the affect it will have on employees, services, and the economic impact to our communities. Those negotiations have been positive and are continuing. The consolidation process is still relatively new and it is too early to speculate on overall outcomes. The completion of the human resources transition and consolidation is not expected until October of 2004.

The Department has also indicated that other functions that will be considered for consolidation are those such as Information Technology, facilities, and financial management services for the OPDIVs.

As far as restructuring the Area Office and our field functions – that is a Tribal/Urban/IHS initiative, it is not an HHS directed initiative. The final report containing the recommendations is scheduled to reach my desk along with recommendations from the headquarters reorganization workgroup. Once I have made my decisions regarding restructuring and reorganization I will then brief the Department and following that, the proposals will be incorporated into the fiscal year 2005 budget formulation process.

As for the reorganization of the IHS Headquarters offices: This is still a work in progress. I can assure you that the reorganization, whatever the ultimate outcome will be, will be structured along some basic principles – that tribal shares will not be affected and that the long-term consequences to the agency, to Indian Country, to health programs and services, and most importantly, to tribal sovereignty and the government-to-government relationship, will be considered and reflected in any changes.

As I mentioned earlier, it is an honor to be able to lead an organization that has done so much for the health and welfare of Indian people. Along with leadership comes responsibility, and one responsibility is to make decisions. I rely on you, your representatives, and the IHS staff, so that I can make the

best decisions possible. I am committed to tribal consultation because I believe that only through consultation can we consider the full impact of our decisions and determine what the best decision is for Indian country. Sometimes the best decision may not be the popular one, the one considered equitable but not necessarily fair, or the easy decision.

For example, on March 28th I made the final decisions on the distribution of the fiscal year 2003 funds, which the agency began to receive earlier that week, for $30 million of additional funds for Alcohol and Substance Abuse, for the $49 million available for Contract Health Services, and for the $26 million available for the Indian Health Care Improvement Fund for 2003. I benefited from consultation with Tribes and from the joint workgroups of your representatives and the IHS, and I made the decision to follow the recommendations that came out of that process. For the Alcohol and CHS funding, those funds will now be recurring and will be distributed using a new formula. For the Indian Health Care Improvement Fund for 2003, the distribution formula was modified to comply with the emphasis of Congress and to continue the process to help all programs to reach parity in the percentage of funds to reflect their needs. I believe each of the decisions reflected the priority of creating the least level of per-capita disparity between previous amounts and current amounts.

Lastly and most importantly, let me speak about the status of health of our people. It is totally unacceptable to me, both as an American Indian and the Interim Director of the Indian Health Service, that in our prosperous nation, Indian people continue to experience health disparities and death rates that are significantly higher than the rest of the U.S. general population:

- Alcoholism - 770% higher
- Diabetes - 420% higher
- Accidents - 280% higher
- Suicide - 190% higher
- Homicide - 210% higher

Those statistics are startling, yet they are so often repeated that some view them as insurmountable facts. But every one of them is influenced by behavior choices and lifestyle. Making significant reductions in health disparity rates, and even eliminating them, can be achieved by implementing best practices, using traditional community values, and building the local capacity to address these health issues and promote healthy choices.

In closing, I am committed to raising the health status of American Indians and Alaska Natives -- and it is not just about access to care, or just about improving the educational opportunities for our people, or establishing a safe community, or building homes. It is about all these things, and many more, that are interdependent and necessary. One aspect of well-being builds on another. Each of these things requires all of these things.

Our history as a people attests to our ability to successfully respond to challenges and to overcome adversity. Part of our success lies in our strength and intelligence as a people; in having the wisdom to know when it is in our best interests to adapt to inevitable change while conserving our energies in order to better ensure future victories. Strengthening our health programs and the Indian Health Service will help us remain a priority through these difficult times and continue to give life to the treaties our ancestors entered into with the Federal government.

Thank you, once again, for inviting me to join you here today. When I am back in Washington, D.C., I draw strength from knowing where I am from, where my home is, and that we share the same goal of protecting and improving the health of American Indian and Alaska Native people.

Thank you.

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