

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**STATEMENT**

**OF**

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**ASSISTANT SURGEON GENERAL, DIRECTOR**

**INDIAN HEALTH SERVICE**

**BEFORE THE**

**COMMITTEE ON INDIAN AFFAIRS**

**OF THE**

**UNITED STATES SENATE**

**HEARING**

**ON**

**THE PRESIDENT'S FY 2006 BUDGET REQUEST**

**FOR THE**

**INDIAN HEALTH SERVICE**

**FEBRUARY 16, 2005**

## STATEMENT OF THE INDIAN HEALTH SERVICE

Mr. Chairman and Members of the Committee:

Good morning. I am Dr. Charles W. Grim, Director of the Indian Health Service. Today I am accompanied by Mr. Gary J. Hartz, Acting Deputy Director of the IHS. We are pleased to have the opportunity to testify on the President's FY 2006 budget request for the Indian Health Service.

As part of the Federal Government's special relationship with Tribes, the IHS delivers health services to more than 1.8 million American Indians and Alaska Natives (AI/ANs). Care is provided in more than 600 health care facilities throughout the country. For all of the AI/ANs served by these programs, the IHS is committed to its mission to raise their physical, mental, social, and spiritual health to the highest level, in partnership with them.

This mission is supported by the Department of Health and Human Services (DHHS); and, to better understand the conditions in Indian country, senior Department and IHS officials have visited Tribal leaders and Indian reservations in all twelve IHS areas. And, the Administration takes seriously its commitment to honor the unique legal relationship with, and responsibility to, eligible AI/ANs by providing effective health care services.

It is Department policy that consultation with Indian Tribes occur before any action is taken that significantly affects them. I have the pleasure of serving as the Vice-Chair of the Intradepartmental Council on Native American Affairs (ICNAA) which plays a critical role in the execution of this policy. Budget is an important area of consultation. The Department holds an annual budget consultation session to give Indian Tribes the opportunity to present their budget priorities and recommendations to the Department. This year, during the budget consultation process, tribal leaders provided us with their top priorities – inflation and population growth. We heard them and I am proud to say that this budget reflects these clear priorities.

Through the government's longstanding support of Indian health care, the IHS, Tribal, and Urban Indian health programs have demonstrated the ability to effectively utilize available resources to improve the health status of AI/ANs. The clearest example of this is the drop in mortality rates over the past few decades. More recently, this effectiveness has been demonstrated by the programs' success in achieving their annual performance targets as well as by the intermediate outcomes of the Special Diabetes Program for Indians. The agency's management of the wide array of IHS programs has also been found to be effective through evaluations using the Office of Management and Budget's Program Assessment Rating Tool (PART). The IHS PART scores have been some of the highest in the Federal Government.

Although we are very pleased with these achievements, we recognize that there is still progress to be made. American Indians and Alaska Natives mortality rates for alcoholism, tuberculosis, motor vehicle crashes, diabetes, unintentional injuries, homicide, and suicide are higher than the mortality rates for other Americans. Many of the health problems contributing to these higher mortality rates are behavioral. For example, the rate of violence for AI/AN youth

aged 12-17 is 65 percent greater than the national rate for youth.

In trying to account for the disparities, health care experts, policymakers, and tribal leaders are addressing many factors that impact the health of Indian people by increasing preventive services and health screening throughout the Indian health care delivery system. To support this effort, the President has requested an 8% increase in funding for preventive health services.

As partners with the IHS in delivering needed health care to AI/ANs, Tribal and Urban Indian health programs participate in formulating the budget request and annual performance plan. The I/T/U Indian health program providers, administrators, technicians, and elected Tribal officials, as well as the public health professionals at the IHS Area and Headquarters offices, combine their expertise and work collaboratively to identify the most critical health care funding needs for AI/AN people. Current services funding, especially funding for inflation and population growth, has been their highest priority for several years. The budget request for the IHS is responsive to those priorities by including the increases necessary to assure that the current level of services for AI/ANs is maintained in FY 2006, including an increase in services for a growing population.

The President's budget request for the IHS totals \$3.8 billion, a net increase of \$72.1 million above the FY 2005 enacted level. The request will allow I/T/U Indian health programs to maintain access to health care by providing \$31.8 million to fund pay raises for Federal and Tribal employees, and \$79.6 million to cover the inflationary cost increases experienced by health delivery systems and to address the growing AI/AN population. Staffing and operating costs for six newly constructed health centers are also included in the amount of \$34.8 million. Once they are fully operational, these facilities will increase the number of primary care provider visits that can be provided at these sites by nearly 75 percent, in addition to providing more comprehensive health care services. Additional Tribal contracting is supported by an increase of \$5 million for contract support costs. This increase will cover the contract support costs of new contracts estimated to be received in FY 2006. The budget proposes savings of \$3.1 million from increased efficiencies in implementing information technology and reducing administrative costs. Similar savings are included in the budget requests of the other HHS Agencies.

Consistent throughout HHS, FY 2006 requests for facilities funding focus on maintenance of existing facilities. A total of \$3.3 million is included for IHS facility construction, sufficient to fully fund the Fort Belknap staff quarters project which will provide 29 units of new and replacement staff quarters for the Harlem and Hayes outpatient facilities in Montana. Available decent local housing makes it easier to recruit and retain health professionals at remote sites.

American Indians and Alaska Natives will also benefit from several provisions in the recently enacted Medicare Prescription Drug, Improvement, and Modernization Act. The transitional assistance credit of \$600 per year for low-income Medicare beneficiaries, including AI/ANs could provide additional Medicare revenue for prescription drugs dispensed at IHS facilities in FY 2005. The Medicare Part D prescription drug benefit program, when implemented in January 2006, will extend outpatient prescription drug coverage to AI/AN Medicare beneficiaries and increase Medicare revenues at I/T/U facilities. Other sections of the Act expand the benefits covered under Medicare Part B for AI/AN beneficiaries and allow the IHS and Tribal Health Programs to pay for additional medical care by increasing its bargaining power when buying services from non-IHS Medicare-participating hospitals.

The proposed budget that I have just described provides a continued investment in the maintenance and support of the I/T/U Indian public health system to provide access to high quality medical and preventive services as a means of improving health status. It reflects a continued Federal commitment to AI/ANs.

Thank you for this opportunity to present the President's FY 2006 budget request for the IHS. We are pleased to answer any questions that you may have.