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"An IHS Update"

by

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It is a pleasure to be here with you today. I also add my congratulations to the Board for 30 years of service to Indian people. I am sure those who established the Board would be proud of the accomplishments that have been achieved over the years and of its successful leadership today. With success comes more success, and change. I believe that is a statement that can also be made of the Indian Health Service. In 2 years we will mark 50 years of service to American Indian and Alaska Native people as part of the Department of Health and Human Services. We have come a very long way from our beginning 48 years ago, even further from more than a century of the government providing health services to Indian people through programs that ultimately evolved into the Indian Health Service. And the organization we have today – which is the primary agency responsible for carrying out the federal government's obligation to provide health services to members of tribal governments – is one that our ancestors would have been hard put to imagine when they entered into the first treaty agreements with the Federal government in 1784.

From 1784 to 1955 to today, we all have an obligation to honor our ancestors by ensuring that the agreements for health services continue. I believe this President and this Administration is committed to that goal. The President has reconfirmed the obligation the federal government has to consult with Tribes on decisions that will directly affect their people. The Secretary has a personal interest in the health status of Indian people, and he and his senior staff have made an unprecedented number of visits to Indian Country during the first 2 years of this Administration. And the access Tribes now have to the Department through the Office of Intergovernmental Affairs as well as through the Indian Health Service and other operating divisions of the Department is unprecedented. In addition, the Secretary has revitalized the long dormant Intradepartmental Council on Native American Affairs and is serious about bringing more programs of the Department to bear on the health disparities experienced by Indian people, so that together we can eliminate these disparities. By eliminating disparities, we ensure that our families need not suffer the death of an infant to SIDS, that our children will not be diagnosed with Type 2 diabetes before they are out of elementary school or be placed on dialysis before their 16th birthday, and that our elders will have a longer quality of life among their family and community instead of having to leave their homes and culture to spend the remaining months or years of their lives far away from their family and friends. These are some of the goals the Secretary and the President have for Indian Country. And there is recognition that health status is more than an access to care

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issue – that it is only one aspect to improving health status. The other aspects are educational opportunities, economic development of Indian communities, investment in community infrastructure, and the creation of meaningful jobs – the Administration is also working on eliminating the disparities in these areas as well.

To achieve these goals also requires that organizations change to be more responsive and take advantage of current technology, leadership potential, and advocacy opportunities. I am pleased that I can serve Indian people as the Interim Director of the Indian Health Service for as long as the President and Secretary wish me to serve. And it would be an honor to serve as the 7th Director for an agency that has done so much for Indian people and the legacy of our ancestors.

One crucial area of concern to all of us is the IHS budget for the upcoming years. With the ever-increasing emphasis and priority on the war on terrorism and fluctuating national economic conditions, increases for our programs rely even more heavily on third-party resources and other federal programs that Tribal and urban Indian health programs can access. The Tribes have always known that the health needs of the American Indian and Alaska Native population cannot be achieved through the IHS budget alone when the country faces other pressing needs and equally compelling priorities. And it is those other priorities that are affecting the passage of the 2003 budget. While those differences get worked out, we are operating under a continuing resolution at fiscal year 2002 levels.

While the status of the 2003 budget plays out – on January 28th the President will make his State of the Union Address to the nation, and on February 3rd the President will release to the Congress his budget request for fiscal year 2004. The request for 2004 funding levels began with a base of the President's 2003 request. From that level, increases would be considered based on performance information and justification. As a result of tribal consultation by the IHS and the Tribes' budget presentation to the Department last year and their participation in providing data; the performance of the Indian health system of IHS, Tribal, and urban Indian health programs is well understood and can support any recommendations for increases to the IHS budget. On February 3rd, the results of those efforts will be known.

Until the war on terrorism enters a lower phase, it would be unreasonable to expect increases that might have been possible before 9-11 for many years to come. This presents us with the challenge of making the most of the resources we have, through effective management practices and innovative collaborations, as well as seeking alternative resources inside and outside of the Federal government to direct at Indian health care needs.

The Indian Health Service plays an important role in helping the Administration and the President achieve their health goals for American Indian and Alaska Native people. I will share with you some information about my initial management priorities.

As one of my management priorities, I have established an initiative to anticipate and assess the impact on Indian health programs of interpretations or decisions that affect our revenue sources. And we will then work with those agencies and help them consider and understand the consequences of their decisions on Indian Country. Our first effort was entering into meetings with CMS on the Outpatient Prospective Payment System to discuss with them the impact implementation would have on Indian Country and, as Ms. Schofield mentioned, this was also taken up by the Department before the final decision was made to exempt the IHS and Tribes from implementing the OPPS system. That team is now exploring how an Indian Health Service Foundation can be established, similar to those at CMS and NIH, 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.

I also want to explore how we can increase our capacity to recruit new health professionals and what we can do to extend the length of time that they serve with us. This goal is also in line with the goals of the Intradepartmental Council on Native American Affairs for increasing the efforts of recruitment and retention of Indian employees, researchers, scientists, administrators, and managers throughout the Department and its worldwide operations.

And to help eliminate health disparities, we need to focus on disease prevention and treatment. Preventing disease and injury I consider a worthwhile financial and resource investment that will result in long-term savings by reducing the need for providing acute care and expensive treatment processes. And these savings can be redirected to strengthening prevention efforts and promoting positive lifestyle changes, and for developing programs to care for our elderly. Our successes in improving health include the benefit of having our elders with us and healthy throughout their lifetime, and we need to have programs of care that will sustain their quality of life with their families and

within their communities for as long as possible. As part of our efforts to eliminate health disparities, we will also be very involved and supportive of the work of the Intradepartmental Council on Native American Affairs – a Council where I serve as a co-chair along with the Director for the Administration for Native Americans – and one of our primary interests is to increase the number of Department health programs that Tribal programs access. A preliminary study indicates that approximately 90 HHS programs are targeted toward Indian health programs and Tribes are only accessing 46 of them.

My other management priorities include strengthening our business plan for the agency to enhance our current practices and focus on effective use of our resources and opportunities for increasing those resources. Along with this priority I also have established a priority to look at the management controls of the agency to explore where improvements can be made – right now the focus is on our travel policy and requirements; however, as a result of tribal input, I am considering the next focus to be on our training policies and programs.

I am also very interested in efforts to broaden understanding of the achievements of the Indian Health Service as well as the achievements of Tribal and urban Indian health programs. The focus of this is to communicate more with the press – through the press we can reach more people with the true story of Indian people and Indian health programs. For too many years the real "Indian story" has not received press coverage and only the sensational or controversial has been highlighted. We need to get the story out there so that when the negative stories appear -- and they will, since no system is ever so perfect that improvements can't be made --there will be a counterbalance of positive stories in the collective knowledge base of the readers. Our efforts are also strengthened by the efforts of the Department – if you check out the press releases put out by the IHS and those of the Department on Indian issues, you will note that there is usually a quote from the Secretary. Not only does this help us in the practical sense – news outlets are much more likely to run a story when Secretary Thompson is quoted – but it also brings Indian health issues to the national stage where they belong. The health status of Indian people is a national issue, not an issue just for Indian Country.

And the last of my initial 8 management priorities is the restructuring of the IHS Headquarters offices. This has received a great deal of attention, and I am overwhelmed and respectful of the interest Tribes and organizations, like the Northwest Portland Area Indian Health Board, have shown. 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 and Indian Country, health programs and services, and, most importantly, that Tribal sovereignty and the government-to-government relationship will be considered and reflected in any changes.

The proposals for restructuring the IHS and the IHS Headquarters coincide with consolidation activity of the Department. While each has an affect on the other, let me first talk about the restructuring associated with the IHS and then offer a few comments regarding the Department's consolidation efforts.

The first proposed reorganization of the IHS Headquarters that was provided to you was just that, the first – something to begin with. No functions were changed, only moved around. No functions were added. And no tribal shares were affected.

The reason we are considering restructuring the Headquarters offices and staff is to help it become more responsive to Tribes as well as responsive to the Department. Honestly, this Administration, and particularly this Secretary, are to be commended for their aggressive desire to make a difference. In order to be responsive to the Department, particularly to the Office of the Secretary staff, and to maintain our responsiveness to the Tribes, we are considering ways to effectively restructure. Restructuring the IHS Headquarters was also in response to the IHS-wide restructuring recommendations of the Tribes and urban representatives presented through the Restructuring Initiative Workgroup efforts and consultation. The IHS restructuring considered by the Workgroup did not include, or consider, restructuring Headquarters – allowing Headquarters the flexibility to restructure to support the Workgroup recommendations and also meet the support functions and advocacy efforts for the Department.

There have been comments that it appears restructuring decisions have already been made – they have not. The final restructuring decisions will be mine, and the quality of the feedback we are receiving indicates that the preliminary structure that you were asked to comment on will be adjusted. In fact, there are some very good suggestions for additional offices and functions that I would like to explore further.

The feedback the agency has been receiving on the IHS Headquarters restructuring also includes comments on the HHS consolidation initiatives. I encourage you to convey your concerns to Ms. Scholfield's Intergovernmental Affairs staff and to participate in the upcoming tribal consultation sessions where you will

have an opportunity to include Department restructuring issues on the agenda. In the meantime, yes, there is activity underway for the Department to provide Human Resources and Equal Employment Opportunity services to the Operating Divisions of the Department. The Department intends to establish four personnel/EEO service centers, they would be located in Baltimore, Bethesda, Rockville, and Atlanta. Once these centers are established, the agency will be assessed an amount to cover the services that will be provided to the agency. It is my understanding that once the Department has established the HR and EEO service centers, their next priority is to provide Information Technology services for the OPDIVs. And, as they have announced in the past, there continues to remain interest in the Department providing public affairs, legislative, and facilities services to the Operating Division.

In closing, I consider the foundation of the effectiveness of our health programs to be the consultation between us to establish the health priorities, policies, and programs to meet the health needs of American Indians and Alaska Natives. Effective and meaningful consultation will continue. It is through consultation that the Indian Health Service has achieved the status it has today in Indian country, with the Federal Government, and on the international stage.

Thank you for inviting me to join you and I look forward to working with you as we continue our journey of health leadership together.

Thank you.

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