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Senate Committee on Indian Affairs Oversight Hearing on the FY 2004 President's Budget Request Washington, D.C. March 5, 2003



In front of the Indian rug, Senator Ben Nighthorse Campbell (l) and Senator Daniel Inouye, with members of their staff, prepare to listen to budget testimony from the witnesses seated at the table.

Oral Statement of the Indian Health Service by Charles W. Grim, D.D.S., M.H.S.A. Assistant Surgeon General Interim Director, Indian Health Service

Mr. Chairman and Members of the Committee: Good morning. I am Dr. Charles W. Grim, Interim Director of the Indian Health Service (IHS). I am accompanied by Michel E. Lincoln, Deputy Director of the Indian Health Service; Dr. Craig Vanderwagen, Acting Chief Medical Officer; and Gary Hartz, Acting Director of Office of Public Health. We are pleased to have this opportunity to testify on the FY 2004 President's budget request for the Indian Health Service.

It is a personal honor for my first appearance before a Congressional Committee to be the Senate Committee on Indian Affairs. I am a member of the Cherokee Nation of Oklahoma, and as the Interim Director of the Indian Health Service, appointed by the President and receiving the support of the Secretary of the Department of Health and Human Services, I also represent the primary health care program for 1.6 million American Indians and Alaska Natives.

I am here to provide information on behalf of the President, the Secretary, and the Indian Health Service for programs that are critical to achieving our shared goal of eliminating health disparities among all Americans. This budget request reflects the priorities of this Administration for the health of American Indians and Alaska Natives. It also reflects the Administration's commitment to honoring the government-to-government relationship between the Federal Government and the 562 Sovereign Indian Nations because this budget request was developed in consultation with Indian tribes and organizations. It also reflects the personal interests and commitment of the Department leadership to meeting the health needs of Indian people and honoring the Federal Government's treaties with Indian nations to provide health care services.

This is the third budget proposed by President Bush for the Indian Health Service. While the nation faces unprecedented challenges worldwide and at home, the President has proposed an IHS budget that is 2.6% higher than the budget he proposed last year, and which still represents an increase even when compared to the fiscal year 2003 enacted budget. The collaboration in developing this request ensures that it is relevant to the needs of Indian Country for public and personal health services and the infrastructure necessary to provide them.

In addition, beyond the Indian Health Service budget request, I make note that the collaboration among the operating divisions of the HHS also has a renewed emphasis and vitality because of Secretary Tommy Thompson's initiatives to eliminate health disparities. Secretary Thompson and Deputy Secretary Claude Allen and their staff have visited and met with Tribes across the nation and during tribal visits to Washington, D.C., and they know firsthand the disparities in access to care and services that American Indian and Alaska Natives face, even the total absence of many of the services and programs that most Americans take for granted. They are committed to ensuring that Department programs that benefit all people also help to meet the health needs of Indian Country. They also ensure that decisions that would affect the Indian Health Service, tribal, and urban Indian health delivery programs are considered before they are implemented – and in one decision this resulted in a waiver that would have cost the agency \$30 million immediately and \$17 million annually.

Meeting the health needs of Indian Country is also possible because of the commitment by the members of this Committee. I begin my testimony today with gratitude and appreciation for the hard work of this Committee and the outstanding staff who support you in your efforts to make a difference in the lives of American Indians and Alaska Natives. The recent enactment of a 3.3% increase in the fiscal year 2003 budget appropriation will help us carry out our important work and allow us to expand or maintain clinical and dental services, continue construction of 8 health facilities, and continue to provide health profession scholarships for 716 American Indian and Alaska Native students and loan repayment for 480 health professionals, along with maintaining our many other critical and necessary programs. Thank you for helping us to serve American Indian and Alaska Native people.

Improving the health of the American Indian and Alaska Native population overall, and providing health care to individuals in that population, are important and challenging goals we share a commitment to achieving.

Comparing the 1997-1999 Indian (IHS Service Area) age-adjusted death rates with the U.S. All Races population in 1998, the death rates in the American Indian and Alaska Native population are 7.7 times greater for alcoholism, 7.5 times greater for tuberculosis, 4.2 times greater for diabetes, and 2.8 times greater for unintentional injuries. The FY 2004 President's Budget request and associated performance plan represent a cost-effective public health approach to ensure American Indians and Alaska Natives have access to health services. Our performance is validated by our documented Government Performance and Results Act achievements and, most recently, also by our scores from the Office of Management and Budget Program Assessment Rating Tool, which were some of the highest in the Federal Government.

The President proposes an increase of \$97 million in program level funding above the fiscal year 2003 enacted level. Program level funding includes an increase of \$50 million for the Special Diabetes Program for Indians, which was reauthorized last year, and amounts we expect to collect through our third-party billing activities. In terms of budget authority, the President's budget request represents an increase of \$40 million over the 2003 enacted level.

The request provides \$19.6 million for Federal pay cost increases and \$16 million for tribal pay cost increases. Funds for staffing newly constructed health care facilities, and operating the new facilities that will open in fiscal year 2004 or have recently opened, are requested in the amount of \$25.5 million. It also provides program increases of \$18 million for contract health care and \$21 million for sanitation facilities projects. The budget request also includes \$70 million for health care facility construction to be used for replacement of existing health care facilities. This amount will complete construction of the health centers in Pinon, Arizona, and Metlakatla, Alaska, and partially complete the health centers at Red Mesa, Arizona, and Sisseton, South Dakota.

The fiscal year 2004 budget request incorporates savings in support of the President's Management Agenda. These cost savings to the Federal budget include \$21.3 million in administrative efficiencies and \$9.3 million through better management of Information Technology.

The increases requested are essential to maintaining the IHS, Tribal, and urban Indian Health Programs' capacity and infrastructure to provide access to high quality primary and secondary medical services, and to begin to slow down recent declines in certain health status indicators.

The IHS has demonstrated the ability to maximize the use of available resources to provide services to improve the health status of Indian people. In 2002, the Indian Health Service exceeded the Healthy People 2010 goal of increasing by 50% the number of annual diabetic hemoglobin A1C tests. In addition, health data is now showing a steady increase in the percentage of American Indian and Alaska Native diabetic patients who have achieved ideal blood sugar control. I am confident that these achievements will translate into decreased diabetic mortality rates in the future.

The requests that I have just described reflect the continued investment by the President and the Secretary, to maintain and support the IHS, tribal, and urban Indian public health system. The President and the Secretary are also committed to national defense, homeland security, and increasing our ability to respond to bioterrorism or health threats to the Nation. However, while there will be sacrifices the country will be asked to make during this war on terrorism, sacrifices at the expense of the health of American Indians and Alaska Natives is not acceptable to the Administration, the Secretary, the Indian Health Service, or Tribal and urban leadership.

As I mentioned earlier, there are significant disparities in mortality rates for a variety of conditions between American Indians and Alaska Native people and the United States general population. What is particularly alarming is this pattern continues to worsen. The overall mortality rate for the Indian population increased by 4.5% from the period of 1994-1996 to 1997-1999, while during this same timeframe the U.S. All Race rates declined over 6%. While future requests for increases will be affected by national priorities, the budget requests for the Indian Health Service will always be mindful that this health disparity gap for Indian people will widen if we are unable to maintain and improve access to high quality medical and preventive services.

Thank you for this opportunity to discuss the FY 2004 President's budget request for the IHS. We are pleased to answer any questions that you may have.



Dr. Grim provides testimony. Listening to his right is Victoria Vasques, Director, Office of Indian Education, Department of Education; Aurene Martin, Acting Assistant Secretary for Indian Affairs, DOI (back to camera); and behind Dr. Grim is Bill Russell, Deputy Assistant Secretary for Public and Indian Housing, HUD.