



# Indian Health Service Press Release

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**FOR IMMEDIATE RELEASE**

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## President Proposes 4 Percent Increase in FY 2007 budget for Indian Health Service

The proposed budget authority for the Indian Health Service (IHS), an agency in the Department of Health and Human Services (HHS), for fiscal year (FY) 2007 is \$3.2 billion. This is a \$125 million, or approximately 4 percent, increase over the FY 2006 enacted budget level. Adding in funds from health insurance collections estimated at \$678 million, designated diabetes appropriations of \$150 million, and \$6 million for staff quarters rental collections, increases the proposed budget for the IHS to \$4 billion in program level spending. This increase reflects the impact of the Department's tribal budget consultations and a continuing federal government commitment to provide for the health of members of federally recognized tribes.

### **SERVING A GROWING POPULATION**

The challenge for the IHS is to continue to provide access to quality health care for an increasing population. An estimated 1.9 million American Indians and Alaska Natives will be eligible for IHS services in 2007, an increase of 1.6 percent over 2006 and 11.3 percent since 2001. The FY 2007 proposed budget includes new funds to help provide for the additional 30,000 people who are expected to seek services in FY 2007, cover increased pay costs for the federal and tribal employees who provide these services, and meet the rising cost of providing these services. Funds will go primarily to Clinical Services (operation of hospitals and clinics, and purchase of medical care), but also to other IHS programs that are providing additional services and support functions.

### **PAY COSTS**

The proposed budget includes an additional \$41 million toward covering increased federal employee pay costs and to allow tribally run health programs to provide comparable pay raises to their staffs.

### **HEALTH FACILITIES CONSTRUCTION/STAFFING**

A total of \$18 million is included for the completion of the construction of the SW Ambulatory Care Center, Phoenix Indian Medical Center, located in Komatke, Arizona. This project will be constructed by the Gila River Indian Tribe under Public Law 93-638.

An additional \$32 million is included to staff and operate four outpatient facility projects that were funded by Congress in previous years at Red Mesa, Arizona; Sisseton, South Dakota; Clinton, Oklahoma; and St. Paul, Alaska.

### **SANITATION CONSTRUCTION**

The FY 2007 budget request includes \$94 million for sanitation construction – an increase of \$2 million, or 2 percent, over FY 2006, to provide safe water and waste disposal systems to an estimated 22,500

Indian homes. Approximately 88 percent of American Indian and Alaska Native homes have been provided safe and reliable water since the inception of the IHS sanitation construction program. The IHS credits its sanitation constructions program with playing a key role in the long-term reductions it has achieved in infant mortality, gastroenteritis, and other environmentally related diseases.

### **CONTRACT SUPPORT COSTS**

Tribes continue to increase the number of IHS programs they operate under the authority of the Indian Self-Determination and Education Assistance Act (Public Law 93-638, as amended). In FY 2007, tribes will control an estimated \$1.6 billion, or approximately 54 percent, of the total IHS budget request. To enable tribes to develop the administrative infrastructure necessary to successfully manage these programs, the proposed budget includes a total of \$270 million for contract support costs, an increase of \$6 million over FY 2006.

### **CONTRACT HEALTH SERVICES**

The budget request includes an additional \$37 million for contract health service (CHS) costs. The IHS uses CHS funds to supplement the care provided in its own facilities by purchasing medical care from hospitals and health providers. These CHS funds pay for specialty care, including most types of surgery, and are used to purchase medical care for tribes that do not have an IHS facility nearby.

### **DENTAL HEALTH PROGRAM**

The proposed budget includes an additional \$9 million, or approximately 8 percent, increase to provide much needed dental health care services to American Indians and Alaska Natives. Compared to the general U.S. population, American Indian and Alaska Native dental patients experience more oral disease, including both tooth decay and periodontal disease. Studies have shown that almost 32 percent of adults have advanced periodontal disease, compared to only 12 percent of adults in the general U.S. population, and that over two-thirds of Indian adolescents have untreated tooth decay, compared to 24 percent of similar aged children in the general U.S. population.

### **SPECIAL DIABETES PROGRAM FOR INDIANS**

Included in the budget request is \$150 million for diabetes prevention and treatment grants. Through the Special Diabetes Program for Indians, the IHS has awarded \$700 million in grants over the past 5 years to over 300 tribes and Indian organizations to support diabetes prevention and disease management at the local level. This program has substantially increased the availability of services such as basic clinical exams, newer treatment medications and therapies, laboratory tests to assess diabetes control and complications, screening for diabetes and pre-diabetes, nutrition education, and physical fitness activities.

### **URBAN INDIAN HEALTH PROGRAM**

The proposed budget does not request funding for the Urban Indian Health Program. Unlike Indian people living in isolated rural areas, urban Indians can receive health care through a wide variety of federal, state, and local providers. One source of health care available to low-income urban Americans is the Health Resources and Services Administration's Health Centers program, which served 7.3 million urban patients, and 125,000 Native Americans, in 2004. The President's budget requests \$2 billion for Health Centers in FY 2007, sufficient to serve 8.8 million urban patients and 150,000 Native Americans.



NOTICE TO EDITORS: For additional information on this subject, please contact Dianne Dawson at 301-443-3593. Additional information about the IHS is available on the IHS website at <http://www.ihs.gov>



## **FY 2007 Proposed budget Overview** **for the Indian Health Service**

(Dollars in thousands)

	FY 2006 (Enacted)	FY 2007 (Proposed)	Change over FY 2006
<b>Clinical Health Services:</b>			
Hospitals & Health Clinics	\$1,339,539	\$1,429,772	\$90,233
Dental Health	117,731	126,957	9,226
Mental Health	58,455	61,695	3,240
Alcohol & Substance Abuse	143,198	150,634	7,436
Contract Health Services	517,297	554,259	36,962
<i>Total, Clinical Services</i>	2,176,220	2,323,317	147,097
<b>Preventive Health Services:</b>			
Public Health Nursing	48,959	53,043	4,084
Health Education	13,584	14,490	906
Community Health Reps.	52,946	55,790	2,844
Immunization AK	1,621	1,708	87
<i>Total, Preventive Health Programs</i>	117,110	125,031	7,921
<b>Other Services:</b>			
Urban Health	32,744	0	(32,744)
Health Professions	31,039	31,697	658
tribal Management	2,394	2,488	94
Direct Operations	62,194	63,804	1,610
Self-Governance	5,668	5,847	179
Contract Support Costs	264,730	270,316	5,586
<b><i>Total, Health Services Programs</i></b>	<b>2,692,099</b>	<b>2,822,500</b>	<b>130,401</b>
<b>Indian Health Facilities:</b>			
Maintenance & Improvement	51,633	52,668	1,035
Sanitation Facilities	92,143	94,003	1,860
Health Care Facilities Construction	37,779	17,664	(20,115)
Facilities & Environmental Health Support	150,709	161,333	10,624
Medical Equipment	20,947	21,619	672
<b><i>Total, Facilities Programs</i></b>	<b>353,211</b>	<b>347,287</b>	<b>(5,924)</b>
<b><i>TOTAL PROPOSED BUDGET AUTHORITY</i></b>			
	<b>3,045,310</b>	<b>3,169,787</b>	<b>124,477</b>
<b>Collections:</b>			
Insurance (Medicare/Medicaid/Private)	677,831(est)	677,831(est)	0
Staff Housing	6,288	6,288	0
<b>Allocations from other Sources:</b>			
Special Diabetes Program for Indians	150,000	150,000	0
<b><i>TOTAL PROGRAM LEVEL</i></b>	<b>3,879,429</b>	<b>4,003,906</b>	<b>124,477</b>

