



Indian Health Service Press Release

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FOR IMMEDIATE RELEASE

Contact: (301) 443-3593, FAX (301) 443-0507

President Proposes 7 Percent Increase in FY 2008 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) 2008 is \$3.3 billion. This is a \$212 million, or approximately 7 percent, increase over the FY 2007 Continuing Resolution (CR), which expires February 15, 2007. Adding in funds from health insurance collections estimated at \$700.3 million, designated diabetes appropriations of \$150 million, and \$6 million for staff quarters rental collections, increases the proposed budget for the IHS to \$4.1 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 2008, an increase of 1.6 percent over 2007 and 12.8 percent since 2001. The FY 2008 proposed budget includes new funds to help provide for the additional 30,000 people who are expected to seek services in FY 2008, 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 \$13 million is included for the continuation of the construction of the Barrow Hospital, located in Barrow, Alaska. This project will be constructed under a Public Law 93-638 construction project. An additional \$19 million is also included to staff and operate one joint venture project at Muskogee, Oklahoma, and a Youth Regional Treatment Center located at Pyramid Lake, Nevada.

BEHAVIORAL HEALTH

The FY 2008 budget request includes \$227 million for Mental Health and Alcohol /Substance Abuse budgets – an increase of \$25 million, or 12.3 percent, over the FY 2007 CR level. These funds will assist in addressing behavioral health issues in Indian communities. The suicide death rate for the American Indian and Alaska Native population is currently 60 percent greater than the national average, and data on

methamphetamine use reveals a 30 percent increase between FY 2004 and FY 2005 alone in IHS patients seen for this growing problem.

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 2008, Tribes will control an estimated \$1.8 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 \$272 million for contract support costs, an increase of \$7 million over FY 2007 CR level.

CONTRACT HEALTH SERVICES

The budget request includes an additional \$49 million, or about 9%, 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 \$18 million, or approximately 15 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 \$850 million in grants over the past 6 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. This budget targets additional funding for the provision of health care on or near reservations in order to serve a population that cannot readily access health care for outside the IHS. Unlike Indian people living in isolated rural areas, urban Indians can receive health care through a wide variety of federal, state, and local providers.



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 2008 Proposed budget Overview for the Indian Health Service

(Dollars in thousands)

| | FY 2007 (CR Level) | FY 2008 (Proposed) | Change over FY 2007 CR Level |
|-----------------------------------------------|-----------------------|-----------------------|---------------------------------|
| Clinical Health Services: | | | |
| Hospitals & Health Clinics | \$1,339,488 | \$1,493,534 | \$154,046 |
| Dental Health | 117,731 | 135,755 | 18,024 |
| Mental Health | 58,455 | 64,538 | 6,083 |
| Alcohol & Substance Abuse | 143,198 | 161,988 | 18,790 |
| Contract Health Services | 520,548 | 569,515 | 48,967 |
| <i>Total, Clinical Services</i> | 2,179,420 | 2,425,330 | 245,910 |
| Preventive Health Services: | | | |
| Public Health Nursing | 48,959 | 56,825 | 7,866 |
| Health Education | 13,584 | 15,229 | 1,645 |
| Community Health Reps. | 52,946 | 55,795 | 2,849 |
| Immunization AK | 1,621 | 1,760 | 139 |
| <i>Total, Preventive Health Programs</i> | 117,110 | 129,609 | 12,499 |
| Other Services: | | | |
| Urban Health | 32,744 | 0 | (32,744) |
| Health Professions | 31,039 | 31,866 | 827 |
| tribal Management | 2,394 | 2,529 | 135 |
| Direct Operations | 62,194 | 64,632 | 2,438 |
| Self-Governance | 5,668 | 5,928 | 260 |
| Contract Support Costs | 264,730 | 271,636 | 6,906 |
| <i>Total, Health Services Programs</i> | 2,695,299 | 2,931,530 | (236,231) |
| Indian Health Facilities: | | | |
| Maintenance & Improvement | 52,254 | 51,936 | (318) |
| Sanitation Facilities | 93,259 | 88,500 | (4,759) |
| Health Care Facilities Construction | 36,664 | 12,664 | (24,000) |
| Facilities & Environmental Health Support | 160,046 | 164,826 | 4,780 |
| Medical Equipment | 21,350 | 21,270 | (80) |
| <i>Total, Facilities Programs</i> | 363,573 | 339,196 | (24,377) |
| <i>TOTAL PROPOSED BUDGET AUTHORITY</i> | | | |
| | 3,058,872 | 3,270,726 | 211,854 |
| Collections: | | | |
| Insurance (Medicare/Medicaid/Private) | 700,294(est) | 700,294(est) | 0 |
| Staff Housing | 6,288 | 6,288 | 0 |
| Allocations from other Sources: | | | |
| Special Diabetes Program for Indians | 150,000 | 150,000 | 0 |
| <i>TOTAL PROGRAM LEVEL</i> | 3,915,454 | 4,127,308 | 211,854 |