



# Indian Health Service Press Release

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**FOR IMMEDIATE RELEASE**

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## President Proposes 2% Increase in Fiscal Year 2006 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) 2006 is \$3 billion. This is a \$63 million, or approximately 2%, increase over the FY 2005 enacted budget level. Adding in funds from health insurance collections estimated at \$642 million, designated diabetes appropriations of \$150 million, and \$6 million for staff quarters rental collections, increases the proposed budget for the IHS to \$3.8 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 1.8 million American Indians and Alaska Natives will be eligible for IHS services in 2006, an increase of 1.6 % over 2005 and 9.4% since 2001. The FY 2006 budget includes new funds to help provide for the additional 29,000 people who are expected to seek services in FY 2006, 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 budget includes an additional \$32 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 \$3 million is included for health facility constructions, sufficient to fully fund the construction of 24 units of new and 5 units of replacement staff quarters for the Harlem and Hays outpatient facilities in Montana.

An additional \$35 million is included to add staffing for six outpatient facilities at Red Mesa, Arizona; Sisseton, South Dakota; Pinon Arizona; Idabel, Oklahoma; Coweta, Oklahoma,; and St. Paul, Alaska. Tribes financed construction of two of these facilities, the Idabel and Coweta facilities, saving the IHS \$22 million in construction costs.

## **SANITATION CONSTRUCTION**

The FY 2006 budget request includes \$94 million for sanitation construction – an increase of \$2 million, or 2%, over FY 2005, to provide safe water and waste disposal systems to an estimated 20,000 Indian homes. Approximately 88% 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 2006, Tribes will control an estimated \$1.8 billion, or approximately 55%, of the total IHS budget request. To enable Tribes to develop the administrative infrastructure necessary to successfully manage these programs, the budget includes a total of \$269 million for contract support costs, an increase of \$5 million over FY 2005. The additional funds will allow the IHS to provide contract support costs for the 18 to 20 additional programs it anticipates Tribes will want to take over administration of in FY 2006.

## **CONTRACT HEALTH SERVICES**

The budget includes an additional \$27 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.

## **URBAN INDIAN HEALTH PROGRAM**

While most IHS services are provided on or near reservations, approximately one percent of the budget is used to provide services to Indian people living in urban areas. The IHS 2006 budget request provides \$33 million to help support 34 Urban Indian health organizations that provide service in cities with large numbers of Indian people. Services provided vary from outreach, referral, and case management to comprehensive care, including ambulatory medical care; dental services; community education; alcohol and substance abuse prevention, treatment, and counseling; mental health counseling; and social services.

## **SPECIAL DIABETES PROGRAM FOR INDIANS**

The budget includes \$150 million for diabetes prevention and treatment grants. Through the Special Diabetes Program for Indians, the IHS has awarded \$650 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.



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



## FY 2006 Budget Overview for the Indian Health Service

(Dollars in thousands)

	FY 2005 (Enacted)	FY 2006 (Proposed)	Change over FY 2005
<b>Clinical Health Services:</b>			
Hospitals & Health Clinics	\$1,289,418	\$1,359,541	\$70,123
Dental Health	109,023	119,489	10,466
Mental Health	55,060	59,328	4,268
Alcohol & Substance Abuse	139,073	145,336	6,263
Contract Health Services	498,068	525,021	26,953
<i>Total, Clinical Services</i>	2,090,642	2,208,715	118,073
<b>Preventive Health Services:</b>			
Public Health Nursing	45,015	49,690	4,675
Health Education	12,429	13,787	1,358
Community Health Reps.	51,365	53,737	2,372
Immunization AK	1,572	1,645	73
<i>Total, Preventive Health Programs</i>	110,381	118,859	8,478
<b>Other Services:</b>			
Urban Health	31,816	33,233	1,417
Health Professions	30,392	31,503	1,111
Tribal Management	2,343	2,430	87
Direct Operations	61,649	63,123	1,474
Self-Governance	5,586	5,752	166
Contract Support Costs	263,683	268,683	5,000
<b><i>Total, Health Services Programs</i></b>	<b>2,596,492</b>	<b>2,732,298</b>	<b>135,806</b>
<b>Indian Health Facilities:</b>			
Maintenance & Improvement	49,204	49,904	700
Sanitation Facilities	91,767	93,519	1,752
Health Care Facilities Construction	88,597	3,326	(85,271)
Facilities & Environmental Health Support	141,669	150,959	9,290
Medical Equipment	17,337	17,960	623
<b><i>Total, Facilities Programs</i></b>	<b>388,574</b>	<b>315,668</b>	<b>(72,906)</b>
<b><i>TOTAL BUDGET AUTHORITY</i></b>	<b>2,985,066</b>	<b>3,047,966</b>	<b>62,900</b>
<b>Collections:</b>			
Insurance (Medicare/Medicaid/Private)	632,829 (est)	641,920(est)	9,179
Staff Housing	6,200	6,288	88
<b>Allocations from other Sources:</b>			
Special Diabetes Program for Indians	150,000	150,000	0
<b><i>TOTAL PROGRAM LEVEL</i></b>	<b>3,774,095</b>	<b>3,846,174</b>	<b>72,079</b>