



# Indian Health Service Press Release

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**FOR IMMEDIATE RELEASE**

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## President Signs Fiscal Year 2004 Budget 2.5% Increase for Indian Health Service

The final budget authority for the Indian Health Service (IHS), an agency in the Department of Health and Human Services (HHS), for fiscal year (FY) 2004 is \$2.9 billion. This is a \$72 million, or approximately 2.5%, increase over the FY 2003 enacted budget level. Adding in funds from health insurance collections estimated at \$593 million, designated diabetes appropriations of \$150 million, and \$6 million for staff quarters rental collections, increases the proposed budget for the IHS to \$3.7 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.

### **CUURENT SERVICES**

**Pay costs:** The budget includes an additional \$23 million toward covering increased Federal employee pay costs and to allow tribally run health programs to provide comparable pay raises to their staffs.

**Staffing of New Facilities:** An additional \$25 million is included to complete staffing for two new hospitals (the Fort Defiance Hospital serving the Navajo Nation in Arizona and the Winnebago Hospital serving the Winnebago and Omaha Tribes in Nebraska) and the Pawnee Health Center in Oklahoma. When these facilities are fully operational, they will increase the number of visits to health professionals that can be accommodated annually by 26%, and make new medical services available at these sites.

### **HEALTH FACILITIES CONSTRUCTION**

A total of \$95 million has been allocated in the FY 2004 budget for health facility construction projects, an increase of \$13million, or 16%. This includes funding for health centers in Piñon, AZ; Red Mesa, AZ; Metlakata, AK; Sisseton, SD; St. Paul, AK; and Eagle Butte, SD. Various dental units across the nation will also be constructed. Funding of \$3.6 million is also included for a Youth Residential Treatment Center in Nevada, to help address the high rates of drug abuse and related mental health issues in Indian youth.

The 2002 National Household Survey on Drug Use and Health, conducted by the Substance Abuse and Mental Health Services Administration, found that the rate of current illicit drug use among Indian youth aged 12 to 17 was approximately 21%, nearly twice the rate of all American youths. And reservation-based youth have reported rates of drug and alcohol use as high as 50-60 percent.

### **SERVICES INCREASES**

Increases in the IHS FY 2004 budget authority totaling \$72 million are seen in the following areas:

#### **Dental Health**

Dental health programs will see an increase of \$4.9 million, or 5%, to help cover increased pay costs and provide funding for an innovative Dental Volunteer Program. Funding for this program is used to offset the costs of travel and lodging expenses incurred by dentists who volunteer to provide services at IHS/tribal/urban Indian dental health programs.

**Contract Health Services:** The budget includes an additional \$4 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 all medical care for Tribes that do not have an IHS facility nearby.

#### **Preventive Health Services**

An increase of \$4.3 million for preventive health services is included in the budget. This means a 4% increase in funding for public health nursing, health education, community health representatives, and immunization programs.

### **COLLECTIONS**

An increase of \$7 million in Medicare/Medicaid collections is expected in FY 2004. Third-party insurance collections, an important part of the IHS overall budget, are expected to contribute an additional 20% to IHS FY 2004 budget authority funds, and will account for over 16% of total IHS program level funds.

**SPECIAL DIABETES PROGRAM FOR INDIANS:** The budget includes \$150 million for diabetes prevention/treatment grants, an increase of \$50 million over FY 2003 levels. The IHS awards grants to 318 Tribes and Indian organizations. Grantees will use these additional funds to improve their diabetes wellness/physical activity centers, provide diabetes self-management training, and purchase newer medications that are more effective in preventing type 2 diabetes. Diabetes rates are significantly higher among American Indians and Alaska Natives than in the general population, as is the incidence of diabetes related complications.



NOTICE TO EDITORS: For additional information on this subject, please contact Dianne Dawson, 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 2004 Enacted Budget Overview for the Indian Health Service

*Dollars in Thousands*

*Numbers may not add up exactly due to rounding*

	FY 2003 ( Enacted )	FY 2004 ( Omni. Conf. Mark )*	FY 2004 +/- FY 2003
<i>Clinical Health Services:</i>			
Hospitals & Clinics	\$ 1,211,988	\$1,249,781	+37,793
Dental Health	99,633	104,513	+4,880
Mental Health	50,297	53,294	+2,997
Alcohol & Substance Abuse	136,849	138,250	+1,401
Contract Health Services	475,022	479,070	+4,047
<b>Total, Clinical Services</b>	<b>\$1,973,789</b>	<b>\$2,024,908</b>	<b>+51,119</b>
<i>Preventive Health Services:</i>			
Public Health Nursing	39,616	42,581	+2,965
Health Education	10,991	11,793	+802
Community Health Reps.	50,444	50,996	+552
Immunization AK	1,546	1,561	+15
<b>Total, Preventive Health Programs</b>	<b>\$102,597</b>	<b>\$106,931</b>	<b>+4,334</b>
<i>Other Services:</i>			
Urban Health	31,323	31,619	+296
Health Professions	31,114	30,774	-340
Tribal Management	2,390	2,376	-14
Direct Operations	60,176	60,714	+538
Self-Governance/	5,553	5,644	+91
Contract Support Costs	268,974	267,398	-1,576
<b>Total, Health Services Programs</b>	<b>\$2,475,916</b>	<b>\$2,530,364</b>	<b>+54,448</b>
<i>Indian Health Facilities:</i>			
Maintenance & Improvement	49,507	48,897	-610
Sanitation Facilities	93,217	93,015	-202
Health Care Facilities Construction	81,585	94,554	+12,969
Facilities & Environmental Health Support	132,254	137,803	+5,549
Medical Equipment	17,182	17,081	-101
<b>Total, Facilities Programs</b>	<b>\$ 373,745</b>	<b>\$ 391,350</b>	<b>+17,605</b>
<b>TOTAL BUDGET AUTHORITY</b>	<b>\$ 2,849,661</b>	<b>\$2,921,714</b>	<b>+72,053</b>
<i>Collections:</i>			
Insurance (Medicare/Medicaid/private)	585,797	592,762 (est)	+6,965(est)
Staff Housing	5,900	5,900	0
<i>Allocations from other Sources:</i>			
Special Diabetes Program for Indians	100,000	150,000	+50,000
<b>TOTAL PROGRAM LEVEL</b>	<b>\$ 3,541,358</b>	<b>\$3,670,376</b>	<b>+129,018</b>

\*Includes rescission of 0.646% plus additional rescission of 0.59%