

IMPLEMENTING THE FEDERAL RESPONSIBILITY FOR THE CARE AND
EDUCATION OF THE INDIAN PEOPLE BY IMPROVING THE SERVICES
AND FACILITIES OF FEDERAL INDIAN HEALTH PROGRAMS AND
ENCOURAGING MAXIMUM PARTICIPATION OF INDIANS IN SUCH
PROGRAMS, AND FOR OTHER PURPOSES

JUNE 8, 1976.—Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed

Mr. HALEY, from the Committee on Interior and Insular Affairs,
submitted the following

SUPPLEMENTAL REPORT

[Including the Congressional Budget Office cost estimate]

[To accompany H.R. 2525]

The Committee on Interior and Insular Affairs, to whom was referred the bill (H.R. 2525) to implement the Federal responsibility for the care and education of the Indian people by improving the services and facilities of Federal Indian health programs and encouraging maximum participation of Indians in such programs, and for other purposes, having considered the same, and having reported favorably heretofore on the bill, submits the following supplemental report in order to include the Congressional Budget Office cost estimate inadvertently omitted from its report.

The letter from the Congressional Budget Office together with the cost estimate is as follows:

CONGRESS OF THE UNITED STATES,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., March 24, 1976.

HON. JAMES A. HALEY
*Chairman, Committee on Interior and Insular Affairs, U.S. House of
Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: Pursuant to section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for H.R. 2525, the Indian Health Care Improvement Act.

Should the Committee so desire, we would be pleased to provide further details on the attached cost estimate.

Sincerely,

ALICE M. RIVLIN,
Director.

Attachment.

CONGRESSIONAL BUDGET OFFICE

Cost estimate

1. Bill number: H.R. 2525
2. Bill title: The Indian Health Care Improvement Act
3. Purposes of bill: To authorize additional funds for the purposes of recruiting Indians into personal health training programs and to provide for their training in schools of health professions (Sections 102-106); to supplement funds available for health services (Section 201); to provide for additional support for the construction and renovation of health and environmental facilities (Sections 301-303); to extend Medicare and Medicaid eligibility to Indian Health Service beneficiaries (Sections 401-402); to extend services being provided to urban Indians (Sections 501-506); and to provide funds for the establishment of an American Indian School of Medicine (Section 603(a)).
4. Cost estimate:

[In millions of dollars]

	Fiscal year—				
	1977	1978	1979	1980	1981
Budget authority/outlays:					
Sec. 401 (Medicare)	0.52	1.65	1.75	1.86	1.97
Sec. 402 (Medicaid)	6.28	19.96	21.14	22.51	23.79
Total	6.80	21.61	22.89	24.37	25.76
Increased authorization levels:					
Sec. 603(a) (AISOM)	.50	1.10	2.53	2.76	3.10
Increased capitation support	.07	.13	.22	.32	.37
Total	.57	1.23	2.75	3.08	3.47

5. Basis for estimate: Although Sections 102-106; 201; 301-303; and 501-506 provide for additional authorization of funds, present authorizations, provided under the Snyder Act of 1921, are open-ended. Thus, H.R. 2525, while stipulating areas requiring specific attention with regard to funding, cannot be considered as increasing future budget authority or outlays, given the unlimited authorization extant under present law.

Sections 401-402, however, provide for the expansion of entitlement under Titles XVIII and XIX of the Social Security Act to the eligible Indian population to be reimbursed for services provided by IHS facilities. The estimate of the costs of these sections is based on data gathered by Macro Systems, Inc. for IHS concerning eligibility, costs, and coverage at various sites of concentration of reservation Indians and on assumptions consistent with current Medicare and Medicaid statutes. This study estimated costs at FY 1974 levels and CBO projections use those figures inflated by the Medical Care com-

ponent of the CPI to 1977-1981 levels. The 1977 level assumes the program to be 25 percent operational and the 1978 figure assumes a level of 75 percent. The 1979-1981 figures are based upon full implementation of these provisions. The total combined five-year cost of these Medicare/Medicaid provisions will be \$101.43 million.

Section 603(a) provides authorization of federal support for the establishment of an American Indian School of Medicine (AISOM). Presently, no authorization exists for the development of an Indian Medical School. This provision provides new authorization and, thus, new budget authority. Estimates for increased authorization levels are based on a plan developed by the Navajo Health Authority and includes the projected costs throughout the 1985-1986 academic year for salaries, other personnel costs, operating expenses, and housing costs less projected revenues (tuition, capitation, and private funding). The costs projected for Section 603(a) do not include capital expenditures. These are assumed to be zero, given the plan to use existing Indian health facilities. The total 1977-1981 cost of this Section is \$9.99 million.

Since these projections include an offset for capitation payments to the school, increased funds would be needed under the capitation grant program under the Comprehensive Health Manpower Training Act of 1971. Authorization under this Act has expired and is presently under Continuing Resolution pending Congressional action. Capitation payments are presently at \$1,602/student, but the recent House-passed bill establishes a level of \$2,100 (the Senate has not yet reported out a bill). Increased authorization estimates are based upon the product of the House capitation level and the projected number of students in the AISOM.

6. Estimate comparison: Not Applicable.
7. Previous CBO estimate: Not Applicable.
8. Estimate prepared by: Jeffrey C. Merrill (225-4972).
9. Estimate approved by: James L. Blum, Assistant Director for Budget Analysis.

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