

**U. S. House of Representatives Committee on Appropriations, Subcommittee on  
Interior, Environment, and Related Agencies.**

**Testimony from Copper River Native Association, Inc.**

**By**

**Lorraine Jackson, President of the Board of Directors**

Thank you for this opportunity to provide testimony regarding Fiscal 2014 Appropriations related to The Department of Health and Human Services, Indian Health Services, Joint Venture Construction Project Staffing & Facility Operations funding and Contract Support Costs funding for new & expanded programs.

Copper River Native Association (CRNA) works to provide desperately needed Health, Dental, Mental Health, Nutrition and Social Services within the Ahtna region of Alaska, a land base approximately the size of the State of Ohio.

The health needs within our service area are severely underserved and access to care is very challenging. Presently, our patients that are in need of even basic outpatient services must travel to Anchorage, Alaska, about a 400 mile round trip. When the Indian Health Services rated the Joint Venture Construction Project applications received nationally, CRNA was rated number one in need.

The health needs far exceed the funding appropriated to provide for the care. Consequently we request and support general increases across the board for Indian Health Services programs.

More specifically, however, there are two areas to which we wish to testify today.

- 1) Indian Health Services Joint Venture Construction Project Staffing & Facility Operations funding.
- 2) Contract Support Costs funding for new & expanded programs.

1) The Indian Health Service's Joint Venture Construction Project (JVCP) is a wonderful thing and we are very pleased to have received the JVCP award. The award recognizes our monumental need and allows us and the Indian Health Service to join hands on the project; us by constructing a new facility, the Indian Health Service by funding a staffing package and facility operating costs. In order to accomplish this, we are taking on a debt of \$10,000,000 which equates to almost 150% of our annual operating budget, a very heavy debt load that we willing carry in full trust that the Indian Health Service responsibility will be fully funded. Additionally, our situation is unique in that we are the only JVCP award recipient without an existing clinic or hospital program. The staffing funding will allow us to, for the first time; have a local full service outpatient

clinic thereby substantially eliminating the need for our patients to endure the 400 mile round trip, in all weather conditions, just to see a doctor. Additionally, the collections for services provided will be a source of revenue for our debt service.

It is imperative that beginning in Fiscal 2014 (the construction of our facility will be completed this summer) and each year thereafter, the funding be fully appropriated for our award. Should this funding be not appropriated, we would be burdened with major debt service payments for a substantially, if not totally, empty health clinic. This would in turn drain further resources from our current health programs. To prevent such an occurrence, the Federal Government must fulfill its obligation and not break the trust established in the Joint Venture Construction Project agreement. The appropriation needs to also properly address the Contract Support Costs that will be associated with the facilities and related programs.

2) Contract Support Costs funds are a necessity and a legally required funding component which have been consistently underfunded. Although the unfunded need represents a very small portion of the total Indian Health Service appropriation, they have a very significant impact on our ability to operate the desperately needed health programs. While it may be the general belief that a shortfall of this funding only effects administrative type operations, the reality is that the shortfall reduces health services. It is for this reason that we beseech you to appropriate Contract Support Funds for our new and expanded Indian Health Service program.

The costs, referred to as our 'indirect cost pool', that make up Contract Support Costs are audited annually and negotiated with a cost allocation department within the Federal Government, also annually. These costs are for absolute must items, not luxury items and include the same costs incurred by the Federal Government when it ran the same programs, plus additional costs from which the Federal Government is exempt; such as the cost of annual audits, workers compensation insurance, certain legal and other insurance costs and governing body costs, for example. When funding for these real and necessary costs is inadequate, we are forced to use health program costs to 'fill the gap'. This, of course, lessens our ability to provide health services in an already greatly underfunded and underserved area.

Providing full Contract Support Cost funding, does not inflate or add to the administration or infrastructure of an organization, including ours, but actually expands health care by not requiring the health program funds to be used for Contract Support Costs. This health care expansion is primarily accomplished through increased employment which in addition to improving health care also expands and improves the economy; in other words, a double bang for the dollar in two areas where the need is extreme.

Since much of these funds result in employment growth, there is a mitigating benefit to the Federal Government in the form of income taxes. When this is combined with the other benefits of increased employment and the expanded & improved health care, the benefits far outweigh the costs.

Among all of the other needs before you, we respectively plead and request that you set these two areas (Joint Venture Construction Project & related Contract Support Costs) top priorities for funding.

Please let us know if you have any questions or would like any additional information. Your attention and actions to this matter are truly and greatly appreciated.

Interior, Environment and Related Agencies

**Witness Disclosure Form**

**Clause 2(g) of rule XI of the Rules of the House of Representatives requires non-governmental witnesses to disclose to the Committee the following information, in addition to a C.V., as part of the written statement of prepared testimony submitted in advance of their appearance. A non-governmental witness is any witness appearing on behalf of himself/herself or on behalf of an organization other than a federal agency, or a state, local or tribal government.**

Your Name, Title, Organization, Business Address, and Telephone Number:

Lorraine Jackson, Board of Directors **President**  
Copper River Native Association  
Drawer H  
Copper Center, Alaska 99573

1. Are you appearing on behalf of yourself or a non-governmental organization? Please list organization(s) you are representing.

Copper River Native Association

2. Have you or any organization you are representing received any Federal grants or contracts (including any subgrants or subcontracts) since October 1, 2010?

Yes  No

3. If your response to question #2 is "Yes", please list the amount and source (by agency and program) of each grant or contract, and indicate whether the recipient of such grant or contract was you or the organization(s) you are representing.

Indian Health Service  
Bureau of Indian Affairs  
**Compacted with**  
**Copper River Native Association**

Signature:

*Lorraine Jackson*

Date:

*April 17, 2013*