

HEARING BEFORE THE HOUSE SUBCOMMITTEE ON INTERIOR, ENVIRONMENT,
AND RELATED AGENCIES ON THE FY 2015 PRESIDENT'S BUDGET REQUEST
April 7, 2013

Testimony of Dr. Donna Galbreath
Medical Director - Quality Assurance
Southcentral Foundation

My name is Donna Galbreath and I am the Medical Director for Quality Assurance at the Southcentral Foundation. SCF is a tribal organization that compacts with the Secretary of Health and Human Services under Title V of the Indian Self-Determination Act. Under SCF's compact we carry out various Indian Health Service programs across our region. SCF acts pursuant to tribal authority granted by Cook Inlet Region, Inc., an Alaska Native regional corporation designated by Congress as an Indian Tribe for purposes of Indian Self-Determination Act activities.

For more than 25 years SCF has carried out IHS programs under Indian Self-Determination Act agreements. In accordance with its self-governance compact with the IHS, SCF currently provides medical, dental, optometry, behavioral health and substance abuse treatment services to over 45,000 Alaska Native and American Indian beneficiaries living within the Municipality of Anchorage, the Matanuska-Susitna Borough to the north, and nearby villages. SCF also provides services to an additional 13,000 residents of 55 rural Alaska villages covering an area exceeding 100,000 square miles. Finally, SCF provides statewide tertiary OB/GYN and pediatric services for 110,000 Alaska Native people. To administer and deliver these critical healthcare services, SCF employs over 1,400 people.

SCF requests that in FY 2015 Congress (1) continue to ensure full funding of our contracts; (2) facilitate the swift and fair resolution of all outstanding contract support cost claims; and (3) increase amounts for general programs (not CHS) to account for population growth and inflation and to reverse the negative impacts of sequestration.

* * *

I would to begin by extending a heartfelt thank you to the Committee for its hard work in ensuring all Tribes, including, SCF received the final tranche of the staffing packages they were promised years ago as part of the joint venture facility construction demonstration project. This year SCF is receiving \$11 million to complete staffing of our new Mat-Su Valley Clinic. In an environment of severe financial constraints, we recognize the heroic efforts that went into securing this increase. On behalf of all of the Native American people we serve, thank you.

Our FY 2014 funds have just arrived this past week, which will allow us to begin hiring 110 new positions. Our total requirement is 163 positions, and we hope that in the coming years the remainder of these positions will be hired with Clinic revenues from Medicare, Medicaid and privates insurance plans.

These new positions include: 10 new employees for behavioral services; 3.5 new positions for elder services; 2.5 traditional healing professionals; 5 finance professionals; 31.5 employees for primary care expansion, podiatry, OB-Gyn, nurses and mid-wives; 12.5 new positions for pharmacy, lab, radiology; 4 new pediatricians; 8 chiropractors or massage therapists; 10 employees for the wellness center, exercise, physical & occupational therapy, and health education; 9 new positions for home health, care coordination & other home-based services; 4 positions for audiology; 11 new employees for optometry; 31 new dental professionals; 1 IT employee; 3 new employees for facilities maintenance, couriers; 4 new security positions; 11 new professionals for HR, training, QA, compliance, data services, improvement, research support; and 2 new administrators. We look forward to these new hires and are very excited about finally being able to elevate our level of services for the growing Mat-Su Valley Native population.

* * *

I would also like to thank the Committee for its tireless and ultimately successful efforts, not only to defeat the Administration's proposal last year to cap payments for our contract support costs, but to open the door to fully fund our compact with IHS. When we operate IHS programs, we have overhead. We have insurance costs, payroll technicians, accountants, human resources people—the list goes on and on. The government reviews and approves these costs—but then, IHS will not pay them. And when that happens, service funds are robbed to make up the difference.

Our experience with delayed funding of the Mat-Su valley clinic illustrates what happens when funds are not paid, but also what happens once they are. Due to the delay in the funds IHS promised, our Dental Clinic did not open until late August and our Behavioral Health Services for children could not begin until October. As these delays exemplify, when Tribes do not get paid, there is a real impact on health care. This impact was exacerbated last year by the sequester, which further reduced our funding by \$5 million. If the IHS continues to only pay a portion of our contracts, we will never be able to keep pace with the needs of our ever-growing population, to provide salaries that are competitive, to recruit and maintain talented health care professionals, and to provide the high-quality care our people deserve.

* * *

While I am discussing contract support costs, I should also mention the agency's failure to promptly resolve our prior year claims, which now exceed over \$200 million. As I explained last year, the impact of not funding contract support costs was fewer health care services and fewer collections from Medicare, Medicaid and private insurers, all of which impacted our ability to meet the health care needs of our people.

The time is long overdue to settle up our claims, and the way forward is easy. IHS has very accurate reports on its calculations each year of what it owed us, what it paid us, and what it failed to pay us. It is all there in black and white. IHS just needs to honor those certified reports and settle the claims. Instead, we have faced document demands and request to rejustify agreements that were reached 15 years ago. SCF asks the Committee to take whatever measures it can to see to it that our claims are finally resolved this year.

* * *

As for appropriations levels, we encourage the Committee to refocus attention on general program increases. In years past, contract health (PRC) has received the lion's share of increases, and while CHS is important, it is not more important than other portions of the budget, especially for tribal organizations like us that mostly provide direct care services.

Priority should be placed on reversing two years of sequester cuts (two years, because last year's increases were diverted by IHS to cover contract support cost shortfalls). Additional focus should also be paid to inflation, population growth, dental services, mental health, and health education program funds. These accounts were significantly impacted by the sequester and have not yet been restored.

* * *

Thank you for the opportunity to testify on behalf of the Southcentral Foundation and the 58,000 Native American people we serve.