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Testimony submitted to the House and Senate Appropriations Subcommittee on Interior, Environment and Related Agencies

Regarding Appropriations for Unalaska Hospital and Atka Clinic Reconstruction; FY 2015 Indian Health Service Budget

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The requests of the Aleutian Pribilof Islands Association for the FY 2015 Indian Health Service (IHS) budget are as follows:

- Amend the Aleutian and Pribilof Islands Restitution Act to appropriate $100.4 million for reconstruction of the Unalaska Hospital and the Atka Island clinic, both of which were destroyed during World War II.
- Allocate an additional $8.5 million to the IHS to fully fund Village Built Clinic Leases, and direct the IHS to use its FY 2015 appropriations to fully fund the VBC leases in accordance with Section 804 of the Indian Health Care Improvement Act (IHCIA).
- Ensure that Contract Support Costs continue to be fully funded by moving the program to mandatory spending.
- Place IHS funding on an advance appropriations basis.

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The Aleutian Pribilof Islands Association (APIA) is a regional non-profit tribal organization with members consisting of the 13 federally recognized tribes of the Aleutian Chain and Pribilof Islands Region of Alaska. APIA provides health care services to the Alaska Natives in 6 of the Tribal communities of this Region through funding received from IHS under Title V of the Indian Self-Determination & Education Assistance Act (ISDEAA). We also provide health-related services to all 13 tribes through various non-IHS grants and agreements.

Funding For Reconstruction of Two Health Care Facilities Destroyed During WWII. During World War II, communities within the APIA region suffered historic losses, not only to their populations due to deaths arising from inadequate health care and poor living conditions during removal by the U.S. Government to camps in Southeast Alaska, but also to two health care facilities that were destroyed and never rebuilt or accounted for in prior restitution made to the Aleutian and Pribilof tribal communities.

On June 4, 1942, the Japanese bombed the 24-bed hospital operated at that time by the Bureau of Indian Affairs in Unalaska, Alaska. Since that time, the closest hospital is located in Anchorage, Alaska – 800 air miles away, and not accessible by roads. Ten days later and 350 miles to the east, on June 14, 1942, the residents of Atka Island were forcibly evacuated from the

Island by the U.S. for their "safety," and the U.S. Navy burned all of the structures on the Island to the ground, including the Island's health clinic, to prevent their use by the Japanese.

Congress passed the "Aleutian and Pribilof Islands Restitution Act" in 1988 (PL 100-383), which led to creation of the Aleutian and Pribilof Islands Restitution Trust to administer funds appropriated under the Restitution Act on behalf of the St. Paul, St. George, Unalaska, Atka, Akutan, Nikolski, Biorka, Kashega and Makushin communities. The Restitution Act provided very limited appropriations to partially address losses suffered by these communities during evacuations from 1942 to 1945. During that time, the treatment of the Aleut people in the evacuation camps lacked even the most basic attention to health and human safety matters, in extremely crowded, unheated, abandoned buildings with very poor sanitation conditions. Ten percent of the Aleuts who were evacuated died in the camps. For those who returned to their communities, many found their homes and community facilities destroyed, possessions taken, and churches stripped of religious icons by the U.S. military.

The time is now to replace the Unalaska hospital and the Atka Island Clinic. The Aleutian and Pribilof tribal communities are the most remote within Alaska. The next level of referred specialty and inpatient care is in Anchorage. To say that our patients suffer from a lack of access to basic health care services is an understatement. Patients have died en route to Anchorage for emergency care; patients have died due to inability to receive timely screening of cancer; patients must leave their families for months at a time when receiving care 800 miles away in Anchorage. Mothers must leave their families for 4 months to deliver their babies in Anchorage. This is unacceptable care, by any standard. The replacement hospital facility would directly serve the 5,000 year-round residents of Atka, Dutch Harbor, Nikolski and Unalaska, in addition to the typically hundreds of seasonal fishery workers requiring immediate emergency or primary care. Having a hospital would eliminate the need to send referrals to Anchorage at an average airfare cost of $1,400, not to mention the cost of lodging, meals and the personal hardship of having to leave the community for days at a time. Atka lies 350 miles away from Unalaska, so until its clinic has sufficient capacity to meet local need, that population is at severe risk due to its isolated, weather-challenged, location.

Based upon APIA budget estimates derived from the IHS Facility Budget Estimating System (FBES), the Unalaska hospital facility project cost for design, construction and equipping the total facility is $96,900,000. Based upon a 2003 Health Clinic Design Report funded by the Denali Commission, construction of a health clinic sufficient to meet the needs in Atka, and adjusting from 2003 for current inflation, will cost $3,500,000. APIA thus requests $100.4 million in funding for reconstruction of these facilities.

APIA is ranked near the top in the IHS's joint venture program, however we are unable to move forward without identified construction resources. For facilities subject to the IHS joint venture program, construction must be accomplished with non-IHS money. The Restitution Act offers the best legislative framework for an appropriation from Congress. We recommend that the Restitution Act be amended to add a new Section 1989C-4(b)(1)(D) to 50 U.S.C, to state as follows: "(**D**) One account for the construction, operation, and maintenance of an inpatient hospital facility in Unalaska and health clinic in Atka with a direct appropriation of $100,400,000 for those purposes." *We ask for the Committees' support of such an amendment and the related appropriation of funds.*

If we are to successfully receive this non-IHS construction project funding, the joint venture program would allow APIA to enter into a no-cost lease with the IHS for a period of 20 years; the IHS would in turn provide staff, equipment and supplies for the operations and maintenance of the facilities. The joint venture program is a competitive program and funding is limited. According to the IHS's budget justification for FY 2014, the IHS signed 17 agreements for joint ventures between 2001 and 2012, but received 55 "positive responses" to a solicitation for joint ventures during the FYs 2010-2012 cycle. Yet, the IHS has indicated it does not have adequate resources to fund even those programs ranked highest on its list of joint venture projects, such as APIA's Unalaska Hospital. Tribes in Alaska support the IHS joint venture program as one of the best solutions to immediately address critical health care needs in our communities. The National Congress of American Indians has also supported APIA's request for assistance with both Unalaska and Atka facility construction, via resolution. *We ask that the Committees appropriate additional funds for staffing and operations of new facilities; doing so will allow IHS to partner with Tribes like APIA whom are anxious to move their projects forward under this successful Joint Venture model in FY 2015.*

Funding for Village Built Clinics in Alaska. For the last several years, APIA has submitted testimony to this Committee on the need to address chronic underfunding of Village Built Clinics (VBCs) in Alaska. VBCs, which are clinic facilities leased by the IHS from other entities, are a vital component of the provision of basic health care services in rural Alaska, as they serve as the clinic space for the Community Health Aide Program (CHAP) under the IHCIA. The CHAP utilizes a network of community health aides and practitioners to provide primary health care services in rural and isolated areas where access to those services might not otherwise exist.

In 1989, Congress specifically authorized the operation of 170 VBCs in Alaska and provided approximately $3 million in funding for the program for that year. Since then, Congress has not provided amounts specifically for VBCs in the IHS appropriation, and IHS has had discretion to fund VBCs from its lump sum appropriation. IHS has needlessly treated the $3 million level as a cap, and has refused to increase funding for VBC leases. Funding therefore has not kept pace with inflation or the rising costs of health care in rural and isolated areas. In fact, the chronic underfunding over decades has resulted in deterioration and in some cases closure of VBC facilities, threatening the CHAP itself and access to basic health care services for rural Alaskans that hinges on the continued availability of properly maintained VBC space. Our facilities in Atka and Nikolski have been cited for numerous patient HIPPA and safety issues including no patient privacy and holes in the floor. In any other community, these clinics would be condemned; yet the IHS expects us to continue to provide care with no remedy at hand. It is no wonder that we have a difficult time recruiting and retaining providers to serve our communities. Unfortunately, we are not alone in our predicament.

According to an estimate calculated several years ago by the Alaska Native Health Board and adjusted for inflation, at least $8.3 million is needed to fully fund the VBC leasing program. However, that estimate is outdated and likely falls significantly short of the actual need. APIA therefore urges that Congress appropriate *at least* an additional $8.5 million to fully fund VBC leases and that IHS be directed to use its existing appropriations to fully fund such leases. It would be helpful if Congress would also direct the IHS to use its FY 2015 appropriations to fully

fund VBC leases in accordance with § 804 of the IHCIA. It is a matter of patient safety that this be addressed immediately.

Ensure CSC is a Mandatory Appropriation. We are pleased that Congress chose to fully fund contract support costs (CSC) under the ISDEAA in FY 2014, and we are glad the Administration has supported that effort in FY 2015. CSC fund vital administrative functions that allow us to operate programs that provide critical services to our members. If contract support costs are not fully funded, however, our programs and services are adversely affected because we are forced to divert limited program funding to cover fixed overhead expenses instead. We therefore appreciate Congress' support in FY 2014 and hope that it carries through to FY 2015 and beyond. However, full funding for CSC must not come with a penalty –Tribes should not have to see a reduction in program funding or effective permanent sequestration of Indian program funds. Without any permanent measure to ensure full funding, payment of CSC remains subject to agency "discretion" from year to year, even though tribes are legally entitled to payment under the ISDEAA. Noting these ongoing conflicts of law, Congress directed the agencies to consult with tribes on a permanent solution.

There is a logical permanent solution Congress can implement: CSC should be appropriated as a mandatory entitlement. Under the ISDEAA, the full payment of CSC is not discretionary; it is a legal obligation, affirmed by the U.S. Supreme Court. Yet the budget for CSC is currently funded and controlled through appropriation acts – as if it were a discretionary program. Congress, in the Joint Explanatory Statement for the FY 2014 Consolidate Appropriations, recognized that the current fundamental mismatch between the mandatory nature of CSC and the current approach leaves the House and Senate Committees on Appropriations in the "untenable position of appropriating discretionary funds for the payment of any legally obligated contract support costs." Congress also noted that, "Typically obligations of this nature are addressed through mandatory spending." The obvious solution then is to bring the appropriations process in line with the statutory requirements and to recognize CSC for what it is: a mandatory entitlement, not a discretionary program. We therefore strongly urge the Congress to appropriate funding for CSC on a mandatory basis.

IHS on an Advance Appropriations Basis. We support legislation that would place the IHS budget on an advance appropriations basis. The goal is for the IHS and tribal health care providers to have adequate advance notice of the amount of federal appropriations to expect and thus not be subjected to the uncertainties of late funding and short-term Continuing Resolutions. Congress provides advance appropriations for the Veterans Administration medical accounts, and the request is for parity in the appropriations schedule for the IHS. Legislation to authorize IHS advance appropriations has been introduced – HR 3229 by Representative Young and S. 1570 by Senators Murkowski and Begich.

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Thank you for your consideration of our request to support funding the reconstruction of the Unalaska Hospital and Atka Island Clinic with associated staffing and operating costs. Reconstruction of these facilities will right a huge wrong in our history and will significantly improve health care for the Aleutian and Pribilof tribal communities. We also appreciate your consideration of other requests outlined in this testimony. On behalf of APIA and the people we serve, I am happy to help provide any additional information desired by the Committees.