House Committee on Appropriations
Subcommittee on Interior, Environment and Related Agencies

Hearing on the Fiscal Year 2015 Budget

Testimony of Michael Garcia, Board Member
Southern Indian Health Council

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Chairman Calvert, Ranking Member Moran, and Committee Members, thank you for inviting me to testify today. My name is Michael Garcia and for the past eleven years I have served as a board member for the Southern Indian Health Council (SIHC). From 2008 through 2010 I served as Chairman of the SIHC Board. Since 2003, I have also served as Vice Chairman of the Ewiiaapaayp Band of Mission Indians, one of the seven member Tribal governments which make up the Council.

SIHC began in 1983 as a satellite operation of the Indian Health Council in Pauma Valley, San Diego County, offering limited outreach and referral services to southern California Tribal governments and Native American patients. Since that time, we have grown to become an independent seven-member tribal consortium that includes the Barona, Campo, Ewiiaapaayp, Jamul, La Posta, Manzanita, and Viejas Tribal Governments. We operate an outpatient medical clinic, a dental clinic, a community health program, a family services program, and a pharmacy. We have grown our programs through tribal self-determination initiatives, and thanks to federal self-determination policies we have been able to focus on the services that are most important to our members. We are proud of the work we do, and our members rely heavily upon the services which we provide.

We face daily challenges providing these services. My testimony will address three of the key issues which SIHC is facing. First, the full and timely payment of contracts support cost claim amounts; second, the restoration of program funding; and, third, the need to increase purchased and referred care opportunities.

1. Contract Support Costs

First, the Council thanks the Committee for its central role in getting contract support costs fully funded for 2014. We depend on these funds to carry out our contract obligations to the Indian Health Service (IHS). Since we began contracting with IHS, however, we have <u>never</u> before received full funding of our contract support costs. Every year we have had to divert patient care dollars to cover the funding shortfall, leading to fewer patient services. Our community's health needs far outstrip what we are able to provide and the underpayments have only made this problem worse.

We chose to enter into a self-determination contract because we knew we could do a better job than IHS in providing health services to our people. And we were right. We immediately improved the level of health care services. However, IHS's failure to

fully fund contract support costs jeopardized that capability every year. Every year, our funding shortfalls forced us to consider whether we could continue to provide certain services. This year, this Committee made the courageous decision to see that our contracts are honored in full just like other government contracts.

We look forward to putting all of our IHS program funds back where they do the most good—providing essential health services to our members. Thank you for all that this Committee did last year to make full funding a reality.

While the present (and hopefully the future) are now secure, the same cannot be said about the past, because there remains the issue of past contract support cost claims. Two Supreme Court cases have verified that IHS must honor its past promises to fully fund these costs. Despite these decisions that clearly establish IHS's liability, our claims remain unresolved.

Our claims reach back to 2005 and are currently pending before the Indian Health Service. Although we filed them in 2011—three years ago—we have yet to hear anything responsive from the agency, except for a series of letters informing us IHS hasn't had a chance to assess the claims and needs more, and more, time. A year ago, IHS announced a new process to speed up the settlement process, which it called the Option 2 process. So, we asked IHS for an Option 2 offer. We hoped this would finally be the breakthrough that would lead to settlement. But again, nothing happened. Instead, we wait month after month and year after year.

What makes this continued waiting so very frustrating for us is that there is no reason it should take the agency more than 15 minutes to assess our claim. I say this because every year IHS calculated our contract support cost underpayment and reported it to you and the rest of Congress. That's right: Every year IHS prepared a report showing the deficiency in any payments due SIHC. It certified that report, and it submitted that report to Congress. These reports show the precise amounts IHS would have paid SIHC had the agency fully paid us each year. No further investigation is necessary.

The Indian Health Care Improvement Act confirms that the policy of the United States is "to ensure the highest possible health status for Indians and urban Indians and to provide all resources necessary to effect that policy." 25 U.S.C. § 1602(1). Accordingly, IHS's mission is to raise the health status of the American Indian and Alaska Native people to the highest possible level. It further has a trust responsibility to SIHC and its seven member tribes. None of these is well-served by IHS's continued delays and refusal to promptly settle these claims based on its certified shortfall reports. These claims have long been a real barrier to improved relations. It is important that we tear down those barriers and that we put these claims into the past.

We respectfully urge the Committee to add a directive to the agency in the Appropriations Act telling IHS to use its certified reports to settle up with SIHC. This will allow us to finally move on and walk forward together into the future as we work to raise the health status of our program beneficiaries.

2. Undoing the Effects of Sequester

Second, we urge the Committee to take steps to undo the harmful effects of sequestration, which are still being felt in Indian Country. Unlike other agencies like the VA that provide healthcare to vulnerable populations, IHS was never protected from the sequester. In 2013, IHS experienced a 5% cut to its budget, which significantly cut SIHC program dollars. Although the amounts appropriated for 2014 could have restored program funding to pre-sequester levels, IHS used all of the increase to pay its contractually-obligated contract support cost amounts. The CSC funding you approved is being counterbalanced by IHS reductions in needed health services elsewhere. As a result, unlike other healthcare programs, Indian Country has had to endure two years of sequester-level funding.

The Administration's FY 2015 Budget restores pre-sequester levels of funding and for that we are grateful. However, it does not provide relief for the two years of reduced funding, where we had to reduce programs and delay or deny services to our members.

We strongly encourage the Committee to further increase program funding levels to offset the painful effects of the sequester. Further, we ask that Congress appropriate funding a year in advance – as it does with the VA. This change in process would empower us to plan for the future and improve the experiences of Native people.

3. Purchased and Referred Care

SIHC thanks the Committee for continuing to increase funding for purchased and referred care (formerly Contract Health Services) and encourages the Committee to commit additional funds to this program. This program is essential to SIHC's provision of healthcare because there are no IHS funded hospitals or specialty facilities in California. When our members need such care, we must either send them to IHS hospitals outside California or refer them to providers in the private sector, both of which entail substantially higher costs and time.

The higher cost of care means that, despite increases to appropriations levels, our purchased and referred care funds still fall far short of our needs. Each year, we must rate our members' medical needs to determine how critical a medical procedure is to an individual's health and well-being. Often, we only have enough to meet the most critical needs, those posing life-threatening risks.

Last year, four of our citizens were involved in a car accident. We had the agonizing responsibility of deciding which ones would receive care. Eventually, only two of them were authorized for care, not because the other two didn't need care, but because SIHC did not have sufficient funds to provide it. Even with that decision, paying for those two people's treatment cost about $300,000, which represents almost a fourth of our annual budget for such care.

This was just one incident; others occurred throughout the year. Every year we end up supplementing IHS funds with tribal resources. Even still, we sometimes cannot meet the demand on what is, after all, a federal trust responsibility that was prepaid with Native American lands. This means our citizens must often forego providing medical care that does not meet this threshold. In fact, last year SIHC's Chairman was denied his request for a medical referral.

It further ignores other care that we need to support with our tribal funds. For instance, IHS provides very little mental health, suicide prevention, or substance abuse funding. The Methamphetamine and Suicide Prevention and Domestic Violence Prevention Initiatives (MSPI and DVPI) are critical, but they are woefully underfunded. Ideally, we would provide such services to our members with tribal funds. But when our limited tribal funds must be used on urgent medical care, these needs go unmet. These types of preventative care are also necessary to save lives, but we often feel like triage nurses, and when someone isn't bleeding on the outside, often nothing is done.

We appreciate that this Committee has heard this request in the past and responded to it with historic increases. We are here to tell you that there is still an incredible unmet need and ask you to once again be champions for Indian Country. Please keep referred care as a priority, and increase the MSPI and DVPI earmarks.

Thank you again for this opportunity to testify. It is an honor to meet with you today and I thank you for your continued and tireless work for our people.