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

Regarding FY 2017 Indian Health Service Appropriations
March 17, 2016

The requests of the Norton Sound Health Corporation (NSHC) for the FY 2017 Indian Health Service (IHS) budget are as follows:

- Direct the IHS to fully fund the Village Built Clinic (VBC) leases and allocate an additional $12.5 million to VBC leases, for a total of $17 million.
- Place contract support costs on a permanent indefinite funding basis and eliminate any provisos on the funding that conflicts with the carryover funding authority in the Indian Self-Determination and Education Assistance Act (ISDEAA).
- Remove restrictions on the Joint Venture Program to allow staffing packages for clinics that are in the process of construction and also to allow behavioral health service agencies to be eligible for the Program.
- Support at a minimum the Administration's request of $10 million for the small ambulatory clinics program.
- Provide the requested $25 million increase for behavioral health.
- Shield the IHS from sequestration and provide advance appropriations.

NSHC is the only regional health system serving Northwestern Alaska. It is on the edge of the Bering Sea, just miles from the Russian border. We are not connected by road with any part of the State and are 500 air miles from Anchorage - about the distance from Washington, DC to Portland, Maine. Our service area encompasses 44,000 square miles, approximately the size of Indiana. We are proud that our system includes a tribally-owned regional hospital which is operated pursuant to an ISDEAA agreement, and 15 Village Built Clinics (VBCs).[1]

End Chronic Underfunding of Village Built Clinics. The NSHC has testified in prior years about the chronic underfunding of our VBCs. We thank Congress for providing in FY 2016 $2 million in supplemental funding (supplemental to the $4.5 million already being provided) for these clinic leases and for the Administration's request of $11 million in supplemental funds for tribal clinic leases in FY 2017. The bill language provides that these are *supplemental* funds, while the explanatory language lists the bill funding as a *total* amount.

[1] We serve the communities of: Brevig Mission, Council, Diomede, Elim, Gambell, Golovin, King Island, Koyuk, Mary's Igloo, Nome, St. Michael, Savoonga, Shaktoolik, Shishmaref, Solomon, Stebbins, Teller, Unalakleet, Wales, and White Mountain.

The NSHC health care system includes 15 VBCs that are essential for us to maintain the Community Health Aide Program (CHAP) in Alaska. As you know, CHAP is mandated by Congress as the instrument for providing basic health services in remote Alaska Native villages and often provides the only local source of health care for Alaska Native people in rural areas. We cannot overstate the importance of village built clinics in Alaska. Lease rental amounts for the VBCs have failed to keep pace with costs—the majority of the leases for VBCs have not increased since 1989 and the IHS until this year resisted proposals to increase their funding. As a result, many of the VBCs are unsafe or have had to be closed, leaving some villages in Alaska without a local health care facility.

In addition, the President's proposed FY 2017 clinic lease bill language may need some clarification, depending on IHS's interpretation, concerning the references that health care be delivered in a space acquired through a "full service lease". In some cases tribes receive VBC funding as part of their recurring base, and so the IHS no longer has "full service leases" in place for those clinics. We know that the Appropriations Committees do not intend to limit VBC eligibility based on unclear terminology.

In sum, these amounts are a step in the right direction but the 2015 ANHB study that analyzed the funding deficiency statewide for these facilities identified an increased need of $12.5 million. We urge that the full amount needed be appropriated. We also support maintaining this funding as a line item in the bill.

Remove Restrictions on the Joint Venture Construction Program (JVCP) to Support Projects Already in Progress. NSHC has completed the final designs to replace the Village Built Clinics in Gambell and Savoonga on St. Lawrence Island. The total project cost is $12.5 million and NSHC has raised 50% of the necessary funds to date. A Notice to Proceed was issued in January 2016 to start construction this summer. Both clinics will be 5200 square feet, doubling the size of the existing clinics. Both sites are shovel-ready. NSHC already contributed $1,900,000 to complete the foundation and $279,521 to complete the final design. The Denali Commission contributed $120,479 toward the final design. NSHC has $600,000 in hand from grant awards secured as of January 4, 2016, and another $3,350,000 in hand as approved by the Board of Directors during 2015 for a total amount of **$6,250,000** secured.

NSHC is still fundraising for the other half of the project. Under JVCP regulations, we are not eligible to apply for the next round of JVCP funding for staffing because a Notice to Proceed has been issued. We had no choice but to move the clinic construction forward and could not wait for the next round of JCVP applications to be released. In the Bering Strait Region of Alaska, construction projects must be planned in advance to meet the seasonally-limited construction window.

NSHC Request: Allow Tribal Health Organizations to apply for JVCP funding even though a Notice to Proceed has been issued.

Fund the Small Ambulatory Clinic Program to Help with Construction of Replacement Clinic. The Small Ambulatory Clinic Fund has not been funded in years and we appreciate the Administration's request of $10 million for this purpose. It would

give Tribes an option to competitively compete for construction funds. As noted above NSHC has two shovel-ready projects on St. Lawrence Island, with site work and piling installation completed. NSHC has raised 50% of the necessary funds to date, with another $6,250,000 needed to finish construction.

NSHC Wellness and Training Center: Remove the Restriction on Behavioral Health Service Agencies' JVCP Eligibility. The cost of substance abuse remains exorbitant in all aspects of service in the Norton Sound region. The region's law enforcement, correctional centers (prison and a halfway house), women's shelter, and protective services all report 95-100% of its cases involve substance abuse. Healthcare costs related to substance abuse and substance-related diagnoses, school and vocational drop-outs, loss of productivity, and loss of life continue to skyrocket as addiction numbers rise.

From 2006 through 2014, 5,008 people presented at the Norton Sound Regional Hospital emergency room for alcohol-related encounters. Of those people, 169 of them returned anywhere for 6-65 visits. Of those 169, more than 55% of them also presented as suicidal. Suicides in the region are approximately six times higher than the national average per 100,000 people (74.5 vs. 12.6, respectively) and almost four times higher than the state average (74.5 vs. 19.6, respectively). Unfortunately, the Norton Sound Region also has the highest suicide completion rate in the state. Between 2005 and July 2015, the Norton Sound region (9,400 people (2010 Census) had 76 suicide completions, an average of almost 7 per year. Of those, 67 were male and 9 were female; and 74 of the 76 were Alaska Natives. ***In all but three cases, substance abuse was a factor***.

Treatment services require people within the region to leave their homes and families, and often their treatment is delayed while a bed is secured. The waiting list for treatment averages six to nine months and there is often no other place to refer people. Residents of the Norton Sound Region are often referred to treatment facilities in the lower 48. These facilities are not culturally-relevant and the distance is counter-productive to the healing process given the absence of familial and environmental supports. To best support the treatment needs of the people of the region, NSHC has developed a Wellness and Training Center to be located across from the Norton Sound Regional Hospital. This Center has been designed by a local cultural committee and uses an intensive behavioral health outpatient model with a full continuum of care including a sober housing component. It provides for social detox, long-term rehabilitation, and vocational rehabilitation.

NSHC has committed over $600,000 towards planning and designing of the Wellness and Training Center and is committed to seeing this through. Additionally, the Alaska Mental Health Trust Authority has awarded NSHC $400,000 over the last four years for a Wellness and Training Center planner to facilitate the facility's programmatic development. Current concept and architectural plans estimate the final cost for the facility at $18,000,000.

In addition to requesting capital funding to complete construction of the Center, NSHC submitted a Joint Venture Construction Program pre-application last year to support the staffing component for Center operations. Unfortunately, the current IHS appropriation for this program does not allow for Behavioral Health Services agencies to apply for the funding.

NSHC would like to see IHS support the full spectrum of Behavioral and Mental Health Program needs. The Joint Venture Construction Program would help us fund the additional 10 personnel essential to making the Wellness and Training Center a reality in our region, which will keep people near their home, offer culturally-relevant services, and, ultimately, save lives.

NSHC Request: For FY 2017, we ask for advocacy to change regulations for the Joint Venture Construction Program so Behavioral Health Service Projects administered by Tribal Health Organizations can apply.

Contract Support Costs Mandatory Funding. We wish to thank Congress for fully funding Contract Support Costs (CSC) in FY 2016. For FY 2017, we support the President's request for an appropriation of "such sums as may be necessary," with an estimated $800 million for CSC for the IHS in a separate account in the IHS's discretionary budget. However, we disagree with the proviso that was included in the FY 2016 appropriations language and which is also included in the Administration's proposed FY 2017 budget, which states: "amounts obligated but not expended by a tribe or tribal organization for contract support costs for such agreements for the current fiscal year shall be applied to contract support costs otherwise due for such agreements for subsequent fiscal years." This proviso is concerning to us because it could be misread to effectively deny the carryover authority granted by the Indian Self-Determination and Education Assistance Act. We thus ask that the proviso be removed for FY 2017 and not included in future appropriations for CSC. We also support the Administration's proposal to fully fund CSC on a mandatory basis in FYs 2018-2020, though we would prefer that it begin in FY 2017 and, of course, that it be a permanent, indefinite appropriation. We ask for your active help in working with the Budget Committee and any others on this proposal for mandatory CSC funding.

Funding for Behavioral Health. We appreciate and support the Administration's much-needed request of a $25 million increase for a Behavioral Health Integration Initiative. The goal is to integrate behavioral health services into the primary health systems and also to collaborate with services that may be provided outside the primary health care delivery system such as substance abuse and mental health services. A portion of the funds ($3.6 million) are to be used for tribes and tribal organizations to establish Zero Suicide programs focusing on the role of medical and behavioral health systems in the prevention of suicide. We know all too well of the high rate of suicides among Native people in Alaska, and young Native people in particular.

Conclusion. Due to page limit constraints we will not repeat our testimony from the last few years in support of protecting the IHS budget from sequestration and also placing the IHS budget on an advance appropriations basis. We hope, however, that these two issues will be addressed in this Congress. Thank you for your consideration of the concerns and requests of the Norton Sound Health Corporation.