

HEARING BEFORE THE HOUSE SUBCOMMITTEE ON INTERIOR, ENVIRONMENT,  
AND RELATED AGENCIES ON THE FY 2017 PRESIDENT'S BUDGET REQUEST  
MARCH 17, 2016

Testimony of Dr. Douglas Eby Vice President of Medical Services Southcentral Foundation

My name is Douglas Eby and I am the Vice President of Medical Services at Southcentral Foundation (SCF). SCF is a tribal organization that compacts with the Secretary of Health and Human Services under Title V of the Indian Self-Determination Act (ISDA) to provide primary care services to Alaska Native patients within the Anchorage area and throughout the 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 contracting purposes under the ISDA.

Thank you for the opportunity to testify on behalf of the Southcentral Foundation and the 150,000 Native American people we serve. For more than 25 years SCF has carried out Indian Health Service (IHS) programs under ISDA agreements. SCF provides medical, dental, optometry, behavioral health, and substance abuse treatment services to over 52,000 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 Alaska villages covering an area exceeding 100,000 square miles. Finally, SCF provides statewide tertiary OB/GYN and pediatric services for approximately 150,000 Alaska Native people. To do all this, SCF employs 2,000 people.

SCF requests that in FY 2017 Congress (1) focus on general IHS program increases especially related to Purchased and Referred Care; (2) support increases in behavioral health including funding for the Substance Use and Suicide Prevention Program (currently called the Methamphetamine and Suicide Prevention Initiative) (3) clarify these programs are entitled to contract support costs when operated by Tribes; and (4) support existing language for fully funding contract support costs, while removing a disruptive “proviso” from the bill.

IHS has divided its budget request into two parts: (1) an additional \$159 million for current services to fully fund medical inflation and pay raises, and to partially fund population growth, and (2) \$89.7 million to fund specific program increases, including a \$48 million increase in purchased and referred care. While we support all these increases, Purchased and Referred Care (PRC) is especially important in the continuum of services we currently offer. When one of our patients needs specialty care outside our capacity, we use PRC funding to contract with outside clinics and hospitals to provide the service. Although we strive to provide as many services as possible within SCF, we still rely on non-SCF providers. Unfortunately, PRC funding does not keep pace with the rising costs of health care in other systems. As a result, sometimes we are unable to provide the necessary care. We encourage the committee to support the PRC increase.

SCF also strongly supports the proposed Substance Use and Suicide Prevention Program (combining the Methamphetamine and Suicide Prevention Initiative and the Domestic Violence Prevention Initiative.) These initiatives provide crucial support for our efforts to combat two blights that disproportionately afflict our community. At SCF we implemented the Family Wellness Warriors Initiative to provide a means for organizations and individuals to effectively address the spiritual, emotional, mental and physical effects of domestic violence, abuse and neglect. MSPI and DVPI funding has been critical to SCF's success in this area.

On a related note, SCF also strongly supports the President's requested increases for behavioral health, especially given our focus on youth. As the Committee knows, SCF's Pathway Home is a voluntary, comprehensive, and individualized mental health program for adolescents from 13 to 18 years old. Its mission is to create a loving and supportive community environment where Alaska Native children can develop into independent, service-minded and productive leaders. Referrals come from a variety of sources, including clinicians, case managers, social workers, counselors, parents, teens or state agencies. The Pathway Home team of clinicians and employees help youth improve their mental and behavioral health, physical and spiritual wellness, and academic and/or vocational skills. Through a combination of individual, group and educational settings, youth learn healthier methods of managing their behavior, handling conflict and anger, progressing in their recovery, and improving relationships with family members.

Another youth-focused program is our RAISE Program, which provides opportunities for on-the-job work experience in a setting focused on Alaska Native cultural values. RAISE is designed to develop leadership skills in Alaska Native and American Indian youth, and offers summer, winter and graduate sessions. Each session exposes participants to health-related careers and workplace expectations, while supporting youth in both personal and professional development. The President's proposed behavioral health increases will enable RAISE and Pathway to continue making progress with our Alaska Native youth.

One aspect of the MSPI/DVPI (or new Substance Use and Suicide Prevention Program) that warrants special discussion concerns how these funds are currently handled. Congress first appropriated MSPI funds in 2008, and first appropriated DVPI funds in 2009. Congress directed that both of these funds should go to the areas that needed them the most, and IHS distributed these funds to contracting and compacting Tribes and tribal organizations through amendments to each Tribe's ISDA contract or compact. These amendments always occurred late in the fiscal year, long after the CSC appropriations had already been spent, so the agency always recognized the Tribe's CSC need associated with these programs but it could never actually pay that need. But two years ago, just when full CSC funding became a reality, IHS changed course and declared that these programs were "special initiatives" for which contract support costs were not available. This cost us hundreds of thousands of dollars. Almost as badly, IHS stopped adding these funds to our compact and started issuing a separate grant with its own reporting and accounting rules. So now the program is more even costly and complicated to run, and still we

receive no contract support cost dollars. All this is deeply contrary to both the spirit and the letter of the Indian Self-Determination Act. We join many other Tribes in asking the Committee to eliminate the “notwithstanding” clause and direct IHS to treat these funds just like other IHS program funds operated under the ISDA.

\* \* \*

Finally, SCF wants to specially thank this Committee for all the good work you have done to make history on fully funding contract support costs. We applaud your success in creating a separate CSC account in the 2016 Omnibus, and in providing an indefinite appropriation so that CSC will always be fully funded without threatening other programs. These two steps ensure that the Nation will not be jeopardizing other important health services in order to fully pay for CSC, as mandated by statute and affirmed by the Supreme Court. Southcentral Foundation deeply appreciates the stance you have taken on CSC to fully honor the United States’ contractual obligations to tribes and organizations like ours. SCF is committed to providing health services on behalf of IHS at a level that far exceeds the quality of what the agency provides directly, and we appreciate that the Committee is equally committed to honoring the government’s contractual obligations to SCF.

I do need to point out one accounting problem created by the Appropriations Act’s inclusion of a new “proviso” addressing the tracking of unspent contract support cost funds. This proviso makes accounting for those funds far more complex than it was, without any countervailing benefit to the federal government. It is also unnecessary, because existing law already addresses unspent funds and requires that those funds must be spent in the following year to carry out the contract. Existing law is sufficient, and the proviso about unspent funds should therefore be removed in FY 2017.

On a related note, we also respectfully request that the Committee direct the Secretary of the Health and Human Services to promptly file all late Contract Support Cost Shortfall Reports. The last report to Congress on this matter covered FY 2011 and is more than 5 years old. This information is not only critical; it is congressionally mandated by section 106(c) of the Indian Self-Determination Act.

Thank you again for the opportunity to provide testimony on behalf of Southcentral Foundation and the 150,000 people we serve.