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ORAL TESTIMONY PRESENTED BY
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ON THE FISCAL YEAR 2017 BUDGETS FOR IHS AND BIA
TO THE U.S. HOUSE OF REPRESENTATIVES COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON INTERIOR, ENVIRONMENT AND RELATED AGENCIES
March 18, 2016

Good morning to distinguished members of this Subcommittee thank you for inviting the Choctaw Nation of Oklahoma to present oral testimony on the FY 2017 President's Proposed Budgets for the Indian Health Service (IHS) and the Bureau of Indian Affairs (BIA). I submit this testimony on the funding priorities and budget issues important to the Choctaw Nation and its citizens.

The Choctaw Nation requests that Congress exempt Tribal Government Services and Program Funding from Sequestrations, Unilateral Rescissions and Budget Cuts in all future appropriations.

CHOCTAW NATION TRIBAL SPECIFIC REQUESTS IN INDIAN HEALTH SERVICE

A. **$24 MILLION JOINT VENTURE PROJECT STAFFING FOR CHOCTAW NATIONAL REGIONAL MEDICAL CENTER**

NATIONAL BUDGET REQUESTS – INDIAN HEALTH SERVICE AND BUREAU OF INDIAN AFFAIRS

B. **Special Diabetes Program for Indians – Reauthorize at $200 million/year for 5 years**
C. **Contract Support Costs – Indian Health Service and Bureau of Indian Affairs**
    1. **$800 million for IHS full funding ($82 million above 2016 enacted)**
    2. **Reclassify CSC funding as Mandatory for 2018-2020**
    3. **$278 million for BIA full funding ($1.0 million above 2016 enacted)**
    4. **Remove Provisions from all future appropriations "amounts obligated but not expended by a Tribe or Tribal Organization for the current fiscal years shall be applied to CSC otherwise due for such agreements for subsequent fiscal years"**
D. **Purchased and Referred Care (PRC) (Formerly Contract Health Services). The President's FY2017 Budget includes $48.2 million increase**
E. **IHS Mandatory Funding (Maintaining Current Services) – PROVIDE AN INCREASE OF $482.4 million over the FY2016 President's Proposed Budget**
F. **Provide Funding Increases to Support the Office of Tribal Self-Governance (IHS) and the Office of Self-Governance (DOI) to fully staff the operations to build capacity to support the increased number of Tribes entering Self-Governance**

The Choctaw Nation supports the FY 2017 Budget Requests of the National Congress of American Indians and the National Indian Health Board.

The Choctaw Nation of Oklahoma

The Choctaw Nation of Oklahoma is the third largest Native American Tribal government in the United States with over 208,000 members. The Choctaw Nation territory consists of all or part of 10 counties in Southeast Oklahoma, and we are proudly one of the state's largest employers. The Nation operates numerous programs and services under Self-Governance compacts with the United States, including but not limited to: a sophisticated health system serving over 33,000 patients with a hospital in Talihina, Oklahoma, nine (9) outpatient clinics, referred specialty care and sanitation facilities construction; higher education; Johnson O'Malley program; housing improvement; child welfare and social services; law enforcement; and, many others. The Choctaw Nation has operated under the Self-Governance authority in the Department of the Interior (DOI) since 1994 and in the Department of Health and Human Services' IHS since 1995. As a Self-Governance Tribe, the Nation is able to re-design programs to meet Tribally specific needs without diminishing the United States' trust responsibility. Self-Governance is now a permanent reality for many Tribes.

The Choctaw Nation has improved the health status of our people by operating a health care system that is responsive and designed to meet the increasing complex needs of our users. We have benefitted from access to resources that have enabled us to succeed in the challenging health care field. We owe much to Self-Governance which authorized flexibility to use Federal appropriations in a way that supports the expansion and growth of the health care system we are continuing to build for our people.

A. $24 MILLION - JOINT VENTURE PROJECT STAFFING FOR CHOCTAW NATIONAL REGIONAL MEDICAL CENTER

The Joint Venture Construction Program (JVCP) is a unique opportunity for the Indian Health Service to partner with Tribes and make scarce Federal dollars stretch much farther than in the traditional Federal construction programs. Under the JVCP, the Choctaw Nation will use non-IHS funds to construct a Tribally-owned health care facility that meets IHS design criteria and approval. The IHS will enter into a 20-year nominal lease for the facility and agrees to request appropriations for the operation and maintenance during the lease period.

Choctaw recently settled our past contract support cost claims in both the IHS and BIA; although we have only received payment for the IHS settlement. These funds have contributed greatly to our ability to continue to cultivate a health care system. We have enjoyed partnering with the IHS on two JVCP projects; the first was the Idabel Indian Health Care Center in Idabel, Oklahoma in 2005 and a new Choctaw National Regional Medical Center opening in January 2017. The Choctaw Regional Medical Clinic is a new facility at a new location that will serve Bryan County. It will be equipped with advanced technology which will require new staffing to operate an expanded health system to meet the health care needs of the user population.

As new space, the Choctaw Regional Medical Clinic must meet operational and facility readiness. We will have 284 new staff and we have projected that it will take two months to orientate, educate and train them so that nothing is new about their jobs on day one. This includes staff orientation, proper operating sequences, appropriate staff alignment, technology integration/implementation and equipment education and implementation. The question remains how will the Choctaw Nation prepare new staff for operational and facility readiness with funding?

Language in the FY 2016 Consolidated Appropriations Bill and in the 2017 Budget Proposal will put a strain on negotiations between the Nation and IHS to fund the necessary costs to get the staff in place, trained and ready to open. We have been working with IHS to include sufficient funding in the FY 2017 Budget Request to satisfy their commitment to fund the operational cost of the facility. It is imperative that we are prepared to open the Clinic as scheduled with fully orientated, educated and trained staff for operational and facility readiness.

For Tribes seeking to offer, improve and/or expand access to health care, the JCVP partnership is an added value mutually beneficial partnership between a Tribe, its members and the Federal government. Limitations such as the proviso in the appropriations bill will impede the progress and success of the benefits of this effort.

B. SPECIAL DIABETES PROGRAM FOR INDIANS – SUPPORT 5 YEAR REAUTHORIZATION AT $200 MILLION/YEAR

The Special Diabetes Program for Indians (SDPI) has been a top priority for the Choctaw Nation since it was initially authorized in 1997. SDPI is currently reauthorized through March 31, 2015 at a flat-line rate of $150 million/year (since 2004). A flat budget for more than the past decade with the annually-rising costs of healthcare translates to a significant reduction in the purchasing power of these appropriations since 2004. Continuing support of the SDPI will maintain critical momentum in diabetes research and care to help bring diabetes-related costs under control. The permanency of SDPI would be a great asset to promoting stability for this important health program and for reversing the trend of Type 2 diabetes in Indian Country. In addition it will provide for staff retention, programmatic long-term planning which increases and improves patient care, and more stable outside contracts with vendors and suppliers.

Congressional funding remains the critical factor in the battle against diabetes and we request that as we continue to work for permanent authorization and mandatory program status, that you urge your colleagues to extend the reauthorization to five (5) years and increase funding to $200 million/year for the SDPI program.

C. CONTRACT SUPPORT COSTS - INDIAN HEALTH SERVICE AND BUREAU OF INDIAN AFFAIRS.
We applaud this Subcommittee for its foresight, leadership and creativity in finding a workable solution to fully pay CSC within a difficult budget environment.

1. **$800 million for IHS full funding ($82 million above 2016 enacted); Reclassify CSC funding as Mandatory for 2018-2020 -** The President's budget request for CSC

proposes to fully fund the estimated need for IHS CSC at $800 million, an increase of $82 million above FY 2016. The estimated increase also includes a long-term proposal to fully fund CSC by reclassifying IHS CSC to mandatory funding beginning in FY 2018. All Tribes agree that the payment of CSC, which is a legal obligation, should not be achieved by reducing directly services to any Tribes.

2. **$278 million for BIA full funding ($1 million above 2016 enacted)**
3. **Remove Provisions from all future appropriations "amounts obligated but not expended by a Tribe or Tribal Organization for the current fiscal years shall be applied to CSC otherwise due for such agreements for subsequent fiscal years"**

D. **Purchased and Referred Care ((PRC) (formerly contract health services).** The President's FY2017 Budget includes $48.2 million increase. The PRC program pays for urgent and emergent and other critical services that are not directly available through IHS and Tribally-operated health programs.

E. **IHS mandatory funding (maintaining current services) – provide an increase of $482.4 million over the fy2016 President's proposed budget.** Current services calculate mandatory cost increases necessary to maintain those services at current levels. These "mandatories" are unavoidable and include medical and general inflation, pay costs, contract support costs, phasing in staff for recently constructed facilities, and population growth. If these mandatory requirements are not funded, Tribes have no choice but to cut health services, which further reduces the quantity and quality of health care services available to American Indian/Alaskan Native (AI/AN) people.

F. **Provide funding increases to support the Office of Tribal Self-Governance (IHS) to fully staff to support the number of Tribes entering Self-Governance.** In 2003, Congress reduced funding for this office by $4.5 million, a loss of 43% from the previous year. In each subsequent year, this budget was further reduced due to the applied Congressional rescissions. As of 2015, there are 351 Self-Governance (SG) Tribes. This represents slightly over 60% of all Federally-recognized Tribes. The Self-Governance process serves as a model program for Federal government outsourcing, which builds Tribal infrastructure and provides quality services to Indian people.

The Choctaw Nation supports the budget requests of the National Congress of American Indians and the National Indian Health Board. Thank you.