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

Regarding FY 2018 Indian Health Service Appropriations
May 16, 2017

The requests of the Norton Sound Health Corporation (NSHC) for the FY 2018 Indian Health Service (IHS) budget are as follows:

- Continue support and funding for the IHS Joint Venture program, which should be expanded to allow behavioral health programs to participate, and provide increased funding for staffing and for the IHS facilities appropriation, as sufficient to help ensure Norton Sound can construct and fully staff a new Wellness and Training Center, which is needed for providing critical substance use disorder and behavioral health services.
- Direct IHS to accept small ambulatory clinic funding applications for new health clinics that are construction-in-progress or consider negotiating staffing funds for new facilities.
- Expand and streamline funding for sewer and water projects.
- Make funding for Village Built Clinics recurring every year, which should be shown as a line item in the IHS budget and displayed in the Budget Justification.
- Ensure full funding of contract support costs.
- Increase funding for behavioral health care services.
- Shield IHS funding from sequestration.

The Norton Sound Health Corporation (NSHC) is the only regional health system serving Northwestern Alaska, along the Bering Strait Region. We are not connected by road to any other part of the State, and are 500 air miles from the city of Anchorage (roughly the distance from Washington, D.C. to Portland, Maine). Our service area encompasses 44,000 square miles. The system includes a regional hospital, which we own and operate under an Indian Self-Determination and Education Assistance Act (ISDEAA) agreement, and 15 village-based clinics¹.

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

Remove Restrictions on Joint Venture Construction Projects To Include Behavioral Health Facilities, and Increase Funding For IHS Joint Venture and Facilities Construction Funding.

Substance use disorders and the costs associated with substance use in NSHC's region is at a crisis level. Substance abuse is present in 95% of law enforcement calls and incarcerations, in 92% of child protective services cases, and in 95% of referrals to women's shelters. The related health care costs, not only for substance-related treatment, but also connected with school and vocational drop-outs, suicides, and lost productivity continue to skyrocket.

While general outpatient services are a critical tool for addressing these concerns, many times patients need an even higher level of care in order to receive the deep clinical counseling required to combat a lifetime of substance abuse. In response to a community survey, in which NSHC's communities identified a significant need for addressing substance use and treatment options in a culturally sensitive manner, NHSC is developing a new Wellness and Training Center in order to provide a full continuum of treatment locally. The services will include detoxification, intensive outpatient services, day treatment and sober housing. Because people are literally dying in our region from addiction, this project is critical to help NSHC promote healing and to put the brakes on the rampant substance use in our region. This multipurpose building will also house our Health Aide Training Program, one of only four Health Aide Training sites in Alaska. Over seventy Health Aides are employed by Norton Sound Health Corporation and deliver nearly 70% of the health care in the region. Their training needs are comprehensive and must be maintained. This new training space will allow for increased classroom sizes to sustain the quality program.

NSHC has finished designing the new Wellness and Training Center and is ready to begin site work and pad preparation this year, with construction to start in 2018. The Center will be located near the Norton Sound Regional hospital in Nome, Alaska. We have funded the design work and initial phases of the project through grant funding and donations, as well \$1.9 M of NSHC's own funding. Although NSHC has pledged another \$2.5 M toward construction, the total cost of the construction project remains at \$11.8 M. NSHC has also with its own funds started construction of two ancillary health clinics in the villages of Savoonga and Gambell.

It was understood that the Small Ambulatory Clinic Fund, if approved, would support construction funding for both Gambell and Savoonga health clinics. The IHS has now reneged on its funding for these projects, claiming that because construction has already started, the projects are not eligible for funding as small ambulatory clinic projects or joint venture construction projects under the Indian Health Care Improvement Act (IHCIA). IHS has also denied funding for the Wellness and Training Center because it would include a behavioral health component, even though the new Title VII to the IHCIA has emphasized the need for behavioral health components to tribal health programs. There is nothing in the IHCIA that prohibits the IHS from funding these construction projects under applicable IHCIA authorities just because they have already been started, nor is there any limitation in the law that a tribal wellness center may not include a behavioral health component. Behavioral health facilities, like any health care facility in Indian country, are in desperate need of additional funding for staffing and operating their programs.

NSHC thus requests that the Subcommittees take up this issue with IHS regarding their restrictive policies on eligibility for the FY 2017 funds, and include FY 2018 report and/or statutory language requiring the IHS to fund these projects from FY 2018 funds provided to implement these IHCIA authorities. NSHC also asks that the Subcommittees continue to fund and support the IHS Joint Venture program, as it is critically important for helping to address the significant backlog of facilities needs that continues to exist throughout Indian country. We also request that staffing funds be made available for clinics built by tribes and tribal organizations, as recurring money for staffing would go a long way toward supporting tribal efforts to construct and operate new facilities in place of aging ones. We also ask the Subcommittees to support increased funding for the IHS facilities appropriations, as the amount of funding being appropriated for facilities construction and for maintenance and improvement of existing facilities is not currently adequate to cover the very substantial facility requirements that exist in Indian country and throughout the Alaska tribal health system. Without facilities in which to provide health care, we cannot meet our communities' needs for quality and available local treatment.

Funding For Water & Sewer Projects. Five villages within the Bering Strait region are still to this day completely unconnected to any running water and sewer. Those villages are Diomedes, Wales, Shishmaref, Stebbins and Teller. In three other of NSHC's communities, 30-50% of the homes still lack such connections, and ongoing sewer and water upgrades and maintenance backlogs remain concerns in seven other of our communities.

Multiple federal programs help to fund water and sewer projects, including grant programs through the U.S. Department of Agriculture and Environmental Protection Agency (EPA), as well as through the IHS. However, federal funding streams must be coordinated in order to complete construction of a system in a community. For example, the EPA's Safe Drinking Water Act funding can only be used for community water facilities and water service lines, but not for interior plumbing. IHS housing support funds can be used for water and sewer facilities to non-HUD "like new" native owned/occupied homes, but regulations currently prevent connection to newer HUD-built homes. The regulatory structure is thus complex and makes for complicated planning and funding challenges.

NSHC believes it would be beneficial to streamline and align federal agency authorities through the IHS. Establishing a program within the IHS that would allow tribes to enter into contracts with the private sector, use federal sewer and water funding from multiple agencies to support the complete construction of running water and sewer in a community would lead to a clear path toward water and sewer development, rather than the piecemeal approach that exists today. We thus request the Subcommittees' support for establishing such a program within the IHS, and for expanding the current funding within the IHS budget that is allocated toward water and sewer projects. In this day and age, we should not have communities, nor homes within communities, that are unconnected to safe water and sewer.

Additionally, we want to bring to the Subcommittees attention that as we consider reforms to regulatory structure for water and sewer projects, we are experiencing in our communities in Alaska the very real problem of climate change. Increasing temperatures are changing Alaska: thawing permafrost and eroding coastal and river shorelines are damaging and shortening the

operating life of critical sanitation infrastructure in Native communities. The State of Alaska and the federal General Accounting Office have identified 31 threatened Native communities, 12 of which are looking at relocating their villages. Funding for programs impacted by climate change, such as those related to addressing flooding and erosion, must not be cut, and we ask the Subcommittees to help encourage the federal funding agencies to be more responsive to the need for research and development, in order to address the sewer and water needs in these communities that are threatened by climate change.

Village Built Clinics. NSHC has testified for several years now about the chronic underfunding of our Village Built Clinics (VBCs). We cannot overstate the importance of the VBCs in Alaska. Anyone can try to imagine living in a very remote village with no roads and unpredictable weather, while a need for health care services arises, and can appreciate how the VBCs are necessary to ensure there is an available, local source of health care in such situations. We thus want to thank Congress for funding the \$11 million increase for tribal health clinic leases in the FY 2017 Consolidated Appropriations bill. However, we now ask for the Subcommittees' support to make VBC funding recurring every year, and request that additional funding be provided. In 2015, the Alaska Native Health Board estimated that \$12.5 million was needed in addition to the existing \$4.5 million base. Accordingly, the \$11 million increase in FY 2017 was a major step forward, but still does not cover the full amount of need. In addition, without a separate line item for VBCs, much of the funding could be distributed to other types of facility leases, leaving the VBCs even more short on necessary funding. We thus also request that VBC funding be shown as a line item in the IHS budget and displayed in the Budget Justification in order to assist with planning and certainty for our VBCs.

Funding For Contract Support Costs. We wish to express our gratitude for the Subcommittees' leadership in making funding of IHS contract support costs (CSC) for FYs 2016 and 2017 an indefinite amount, and for making CSC a separate account in the IHS budget. This has made a tremendous difference in our ability to implement our health care programs under the Indian Self-Determination and Education Assistance Act (ISDEAA). Our objective, though, continues to be the indefinite appropriation of CSC funding as mandatory and permanent. Full payment of CSC is not discretionary; it is a legal obligation under the ISDEAA, affirmed by the U.S. Supreme Court. NSHC remains committed to working together with the appropriate Congressional committees to determine how best to achieve this objective.

Additional Issues. We have in the past testified in support of the Obama Administration's and the Senate Subcommittee's recommendation for \$25 million for an IHS Behavioral Health Integration Initiative. The final bill does not contain that amount, although there is an overall FY 2017 \$12 million increase for the Mental Health Account (from \$82 million to \$94 million). We hope that FY 2018 funding will be provided to build on this Initiative. We have also several times in the past requested that the IHS budget from sequestration. We again ask the Subcommittees' support for this request.

Thank you for your consideration of the concerns and requests of the Norton Sound Health Corporation.