Department of Health and Human Services

Statement by

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Appropriations Hearing on
The President's FY 2018 Budget Request for the
Indian Health Service

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STATEMENT OF THE INDIAN HEALTH SERVICE

Mr. Chairman and Members of the Subcommittee:

Good morning. I am RADM Chris Buchanan, Acting Director of the Indian Health Service (IHS). I am pleased to provide testimony on the President's Fiscal Year (FY) 2018 Budget Request for the IHS, which will allow us to maintain and address our agency mission to raise the physical, mental, social, and spiritual health of American Indians and Alaska Natives (AI/ANs) to the highest level.

The IHS, an agency within the Department of Health and Human Services (HHS), is responsible for providing federal health services to approximately 2.2 million AI/ANs from 567 federally recognized Tribes in 36 states. The IHS system consists of 12 Area offices, which oversee 170 Service Units that provide care at the local level. Health services are provided through facilities managed directly by the IHS, by Tribes and Tribal organizations under authorities of the Indian Self-Determination and Education Assistance Act (ISDEAA), through services purchased from private providers, and through contracts and grants awarded to urban Indian organizations authorized by the Indian Health Care Improvement Act.

Our budget plays a critical role in providing a path to fulfill our commitment to ensure a healthier future for all AI/AN people and to maintain progress made to date. The FY 2018 President's Budget proposes a total discretionary budget authority for IHS of $4.7 billion, which is $59 million below the FY 2017 Annualized Continuing Resolution and proposes Program Level funding of $6.1 billion, which is $56 million below the FY 2017 Annualized Continuing Resolution.

Prioritizing Health Care Services

The IHS provides comprehensive health care, including but not limited to primary medical services, dental care, behavioral health services, community health services, and public health services such as environmental health and sanitation facilities, through a network of 662 hospitals, clinics, and health stations in and near Indian reservations. The Budget reflects the Administration's high priority commitment to Indian Country, protecting direct health care investments and reducing IHS's overall program level by only 0.9 percent, in the context of an 18 percent reduction within the overall HHS discretionary budget. In order to prioritize funding for direct health care services to AI/ANs and the staffing and operating costs for newly-constructed Joint Venture health care facilities scheduled to open in FY 2017, the Budget includes a reduction to the funding level for facilities infrastructure projects and management activities of $75 million below the FY 2017 Annualized Continuing Resolution. Direct health care services include outpatient and inpatient care in hospitals and clinics, behavioral health services, and dental health services.

The Budget maintains the Purchased/Referred Care program funding that is essential for ensuring access to care by our AI/AN patients at $914 million, which is $2 million above the FY 2017 Annualized Continuing Resolution. This program provides critical health care services that IHS and tribally-managed facilities are otherwise unable to provide through contracts with

hospitals and other health care providers to purchase such specialized or critical care. In addition, it supports high cost medical care for catastrophic injuries and specialized care.

The IHS remains committed to addressing behavioral health challenges, including high rates of alcohol and substance abuse, mental health disorders, and suicide in AI/AN communities. The Budget for these services is maintained at the FY 2016 level for a total of $288 million, which is $1 million above the FY 2017 Annualized Continuing Resolution.

Funding for preventive health services is preserved at the FY 2016 level as well for a total of $157 million, which is $1 million above the FY 2017 Annualized Continuing Resolution. The IHS, in partnership with Tribes, uses evidence-based practices at the local level to reduce the incidence of preventable disease, and improve the health of individuals, families, and communities across Indian Country. Programs such as public health nursing, health education, and community health representatives play integral roles in delivering culturally appropriate services to AI/ANs and ensuring access to care for homebound patients and others who live in rural and isolated communities.

Special Diabetes Program for Indians

The Special Diabetes Program for Indians (SDPI) provides grants for evidence-based diabetes treatment and prevention services across Indian Country. Diabetes health outcomes have improved significantly in AI/AN communities since the inception of the SDPI. Within our communities, the longtime trend of increasing rates of diabetes ended in 2011. One of the most important improvements has been an eight percent reduction in the average blood sugar level of AI/ANs with diagnosed diabetes between 1997 and 2015. Improved blood sugar control reduces complications from diabetes. In addition, new cases of kidney failure due to diabetes declined by 54 percent among AI/AN adults from 1996 to 2013.

The SDPI grant program provides funding for diabetes treatment and prevention to 301 Indian health, Tribal, and Urban health programs. Most recently, the SDPI was reauthorized through September 2017.

Health Insurance Reimbursements

The Budget assumes $1.2 billion in estimated health insurance reimbursements from third party collections. The collection of health insurance reimbursements for the provision of care to patients covered by Medicare, Medicaid, the Veterans Health Administration, and private insurance allows IHS and tribally-managed programs to meet accreditation and compliance standards and expand the provision of health care services by funding staff positions, purchasing new medical equipment, and maintaining and improving buildings.

Access to Quality Health Care Services Through Improved Infrastructure

The Budget proposes $20 million for staffing of newly-constructed health care facilities. This funding will support staffing and operating costs for two Joint Venture Construction Program

(JVCP) projects: the Choctaw Nation Regional Medical Clinic in Oklahoma and the Flandreau Health Center in South Dakota. Through JVCP agreements, the IHS partnered with the Tribes to provide funds for staffing, equipping, and operating the facilities while the Tribes invested in the design and construction costs associated with the new facilities. These funds will allow the new facilities to expand the provision of health care in areas where the existing capacity is overextended.

The Health Care Facilities Construction budget includes funding for the following three facilities projects: (1) to design the Alamo Health Center in New Mexico, (2) to complete replacement of the Rapid City Health Center in South Dakota, and (3) to continue construction of the Dilkon Alternative Rural Health Center in Arizona.

Supporting Indian Self-Determination

The Budget supports self-determination by continuing the separate indefinite appropriation account for contract support costs (CSC) through FY 2018. Authorized and required by the ISDEAA, CSC funding supports certain operational costs of Tribes and Tribal organizations administering health care service programs under self-determination contracts and self-governance compacts. The Budget includes an estimate of $718 million to fully fund CSC, which is $1 million above the FY 2017 Annualized Continuing Resolution. Maintaining the flexible funding authority of an indefinite appropriation allows the IHS to guarantee full funding of CSC, as required by the law, while protecting services funding for direct services tribes.

Great Plains Hospitals

Finally, we are working aggressively to address quality of care issues at three of our facilities in the Great Plains Area – Winnebago, Rosebud, and Pine Ridge. The challenges there are long-standing, especially around recruitment and retention of providers. The deficiencies cited in the reports by the Centers for Medicare and Medicaid Services (CMS) are unacceptable. We have an intense effort underway right now to correct the problems cited by CMS at these hospitals.

We brought in independent third-party expert reviewers to advise us on addressing the specific deficiencies found by CMS. In addition, we are deploying subject matter experts to mentor and coach our service unit leadership and their teams. We also continue working to improve communications with the Tribes impacted. Additionally, to ensure sustained change, the position of Deputy Director for Quality Health Care was established as part of the senior leadership team at Headquarters to provide a national focus for advising me as acting IHS Director and providing leadership and guidance to the field on all aspects of assuring quality health care. In November 2016, we launched our 2016-2017 Quality Framework and Implementation Plan to strengthen the quality of care that the IHS delivers to the patients we serve. Implementation of the Quality Framework will strengthen organizational capacity to improve quality of care, improve our ability to meet and maintain accreditation for IHS direct service facilities, align service delivery processes to improve the patient experience, ensure patient safety, and improve processes and strengthen communications for early identification of risks. This framework will be reviewed and updated as needed in partnership with Tribes.

Other HHS Support for Indian Health Service

HHS created the Executive Council on Quality Care (the Council) in order to identify and facilitate collaborative, action-oriented approaches using resources from across the Department to address issues that affect the quality of health care provided to AI/ANs served by IHS facilities. The Council is comprised of leadership from 12 HHS Staff and Operating Divisions.

The Council's mission is to support IHS' efforts to develop, enact, and sustain an effective quality program – to improve quality and patient safety in the hospitals and clinics that IHS administers. The Council will also implement a series of reforms intended to stabilize, strengthen, and raise the overall quality of care it provides to native people. These reforms include providing technical assistance to bolster quality and safety, identifying solutions to address workforce recruitment and retention challenges, seeking creative solutions to infrastructure needs, and enhancing stakeholder engagement.

The Council partners with HHS leadership and staff in policy implementation. It works to identify and facilitate collaborative, action-oriented approaches using resources from across HHS, including by leveraging HHS stakeholder networks, to address issues that relate to or may affect the quality of care provided in tribal communities. This includes supporting IHS in implementing a population health approach to health improvement, addressing physical and behavioral health. Workgroups on Quality, Workforce, Infrastructure, and External Engagement support IHS in implementing its agency-wide strategic plans.

Despite all of the challenges, I am firmly committed to improving quality, safety, and access to health care for American Indians and Alaska Natives, in collaboration with HHS, our partners across Indian Country, and Congress. I appreciate all your efforts in helping us provide the best possible health care services to the people we serve to ensure a healthier future for all American Indians and Alaska Natives.

Thank you and I am happy to answer any questions you may have.