

**TESTIMONY OF ILEEN SYLVESTER
ON BEHALF OF SOUTHCENTRAL FOUNDATION
BEFORE THE HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON INTERIOR, ENVIRONMENT AND RELATED AGENCIES
REGARDING FY 2026 APPROPRIATIONS FOR THE INDIAN HEALTH SERVICE**

February 27, 2025

My name is Ileen Sylvester. I am the Executive Vice President for Executive and Tribal Services at the Southcentral Foundation, an enrolled as a tribal member of the Native Village of Ekwok.

SCF is the Alaska Native Tribal health organization under the Tribal authority of Cook Inlet Region, Inc. and designated by 11 federally-recognized Tribes – the Aleut Community of St. Paul Island, Igiugig, Iliamna, Kokhanok, McGrath, Newhalen, Nikolai, Nondalton, Pedro Bay, Telida, and Takotna – to provide health care services to beneficiaries of the Indian Health Service (IHS) pursuant to a government-to-government contract with the United States under authority of the Indian Self- Determination and Education Assistance Act (ISDEAA), P.L. 93-638. SCF is a model of the benefits of self-determination and the importance of allowing Alaska Native peoples to chart their own health care journey. SCF is a two-time recipient of the Malcolm Baldrige National Quality Award for health (2011 and 2017) and one of the 10 largest employers in Alaska.

SCF, through over 2,700 employees, provides critical health services, for the physical, mental, emotional, and spiritual wellness of over 70,000 Alaska Native and American Indian people regionally and the statewide population of 129,000 people through the Alaska Native Medical Center (ANMC). This includes 55,000 people living in the Municipality of Anchorage and the Matanuska-Susitna Borough, and 15,000 residents of 55 rural Alaska Native villages. SCF offers over 85 programs including primary care, dental, behavioral health, and addiction treatment as well as co-managing the ANMC with the Alaska Native Tribal Health Consortium (ANTHC). SCF's service area encompasses over 100,000 square miles, an area the size of Wyoming. SCF has over 800,000 encounters annually across our system.

Thank you to the Subcommittee for the opportunity to once again address the ongoing funding needs of Southcentral Foundation. It is truly historic that Congress takes this time to listen to Tribal leaders from around the country about our funding needs.

1. Advance Appropriation is critical to the stability of the tribal health care delivery system.

SCF appreciates the Appropriations Committee for providing advanced appropriations for the Indian Health Service for FY 2025. The Committee should do so permanently until mandatory funding for the Indian Health Service can be secured. However, in providing advance appropriations sufficient funding to account for the cost of medical inflation and population growth in Tribal communities should also be considered by the committee. The failure to do so could result in a decrease in access to care.

The Indian Health Service was the only federally funded direct health care provider that was not protected when Congress failed to enact required appropriations bills. The FY 2020 government shutdown underscored the need for this change. The delays in funding had dire impacts in Alaska Native and American Indian communities across the country.

Much has been said in this Subcommittee, year after year, about how the programs and departments subject to this appropriations process are reflections of the trust relationship the federal government has with American Indian and Alaska Native people. The problems that arise from shutdowns and other delays in the context of a *lack* of advance appropriations exacerbate the problems caused by the funding shortfalls and disparities. The current uncertainty regarding federal funding and potential upheavals to Medicaid and other federal healthcare programs underscores the need for advance appropriations for the IHS.

2. Mandatory Appropriations and exemption from sequestration would help to meet the Trust responsibilities of the federal government.

The administration's proposal to begin moving the entire IHS budget to a mandatory appropriation structure is commendable. This move away from a discretionary appropriation towards mandatory funding would help to demonstrate the federal government's commitment to the health and well-being of Alaska Native and American Indian peoples across the United States. Combined with increases in funding amounts, it will help to meet the Trust responsibilities the federal government owes to Tribes and Tribal members.

In addition, to alleviate additional pressures on the IHS budget, and the budgets of Tribal entities that contract and compact with the IHS, the appropriations for the agency should be exempted from sequestration. The IHS is the only major federal health program that is not exempt from sequestration cuts. The possibility of these cuts, even if not realized, leads to uncertainty in budgeting for the agency and the Tribes that it works with.

3. Section 105(l) Lease Payments and Contract Support Costs

The committee's careful attention to the issue of 105(l) leases is appreciated. SCF strongly supports that these costs remain an indefinite appropriation, but with the goal to make sure these costs (along with contract support costs) are made mandatory costs so that they do not continue to stress the limited funding allocation the subcommittee receives.

4. Health Workforce Development

The pandemic highlighted the drastic shortage of health care workers in America. The need is at every clinical level from doctors, nurses, dentists, mental health specialists, to medical assistants, and other medical technicians. Further, the pandemic has resulted in widespread professional burnout among health care workers throughout America. Solving this workforce crisis is a mission-critical priority and SCF is exploring all avenues for recruiting talent and developing our own employees.

SCF has worked to build systems that recruit, train, and develop not only clinical staff but

executive staff as well. But additional support from the federal government is needed. While we appreciate that the funding for Indian Health Professions has minimally increased the past few years, more must be done to be able to continue to recruit and retain health care professionals to serve in Tribal communities. This includes increases in scholarships and increases in hiring and retention bonuses for individuals serving in tribal communities. In this regard, the Indian Health Service should work with organizations to support workforce development efforts of tribal organizations.

A key factor in being able to recruit and retain health professionals in rural Alaska is the lack of housing. The IHS should do a needs assessment of the professional housing needs in Alaska, and then seek funding to address this need.

5. Behavioral Health Programs

Congress must protect and increase available funds for behavioral health. Alaska Native and American Indian people are disproportionately represented in substance misuse and suicide statistics. The CDC also found the suicide rate among Alaska Native people is almost three times the U.S. general population rate and at least six times the national average in some parts of Alaska.

SCF undertook to address this crisis with a new approach to behavioral services. The foundation of this new approach is the integration of behavioral health services into primary care clinics. This integration has allowed for earlier interventions and same day access to behavioral health specialists. SCF understands that there is no health without mental health.

Along with the integration of behavioral health into our customers' primary health care, SCF provides direct mental health and substance misuse treatment through a variety of programs. Although we understand that the fiscal climate is difficult for FY 2026, investment in Behavioral Health is essential.

6. The Impact of Build America, Buy America Act

The intent of the Build America, Buy America Act is appreciated. Ensuring jobs and economic development in the United States is a worthwhile endeavor. However, the impact of the restrictions on federal financial assistance to Tribes and Tribal organizations is large. In a state like Alaska which already has some of the highest construction costs in the country, BABA can make entire projects infeasible. While there are possibilities of receiving a waiver of BABA rules, in practice this leads to lengthy delays in projects beginning, sometimes missing entire construction seasons in rural areas where a barge can only head up-river for a few months a year.

SCF encourages the committee and Congress as a whole to consider a narrow Tribal exemption from BABA. This will allow limited dollars meant to meet the Trust responsibility to go a bit further and help to meet that principle of the government-to-government relationship.

7. Conclusion

SCF is a successful story of the benefits of self-determination. SCF is a customer-owned health care system that operates from the principles of Alaska Native culture. The organization has grown

over the past few decades into an internationally known system of primary and behavioral health care. In closing, SCF suggests that the committees of jurisdiction consider moving beyond the IHS when it comes to contracting and compacting for the care and well-being of Alaska Native and American Indian peoples. The initial steps the administration are taking in this vein are appreciated, however, more can be done to allow for Native peoples to chart their own health care path.

Thank you again for the opportunity to provide testimony on behalf of Southcentral Foundation and the Alaska Native people we partner with on their journey of health and wellness.