Indian Health Service Testimony

House Interior, Environment, and Related Agencies Appropriations Subcommittee

FY 2026 President's Budget

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Good afternoon Chairman Simpson, Ranking Member Pingree, and Members of the Committee. Thank you for your support and for inviting me to speak with you about the President's Fiscal Year (FY) 2026 Budget Request for the Indian Health Service (IHS).

The Indian Health Service (IHS) is an agency within the Department of Health and Human Services (HHS), and our mission is to raise the physical, mental, social, and spiritual health of American Indians and Alaska Natives (AI/ANs) to the highest level. This mission is carried out in partnership with AI/AN Tribal communities through a network of over 600 Federal and Tribal health facilities and 41 Urban Indian Organizations (UIOs) that are located across 37 states and provide health care services to approximately 2.8 million AI/AN people annually.

On May 2, 2025, the White House released the FY 2026 Presidential Discretionary Budget Request and on May 30, 2025 the Technical Supplement supporting the President's recommendations was released. As reflected in the 2026 Budget, critical funding for direct health care services is maintained while also investing in key priorities aligned with the Federal Government's commitment to its statutory obligations and its Government-to-Government relationship with each Indian tribe. The 2026 budget emphasizes a consistent and accountable approach to health care delivery throughout the IHS's nationwide network, including tribally operated and urban Indian programs. Given the rural and remote locations of many facilities across Indian Country, the budget strengthens the IHS's operational capacity to ensure sustainable, high-quality care in these underserved communities.

The Indian health care system faces many challenges related to access, quality, management, and operations. The average life expectancy for AI/AN people is 10.9 years shorter than the rest of the U.S. Life expectancy fell from an estimated 71.8 years in 2019 to 65.2 years in 2021, equivalent to the general U.S. population's life expectancy in 1944.[1] AI/AN communities continue to suffer disproportionately from chronic liver disease and cirrhosis, diabetes, unintentional injuries, assault and homicide, suicide, and higher incidence rates of colorectal, kidney, liver, lung, and stomach cancers.[2]

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[1] Centers for Disease Control and Prevention (CDC) Report – *Life Expectancy in the U.S. Dropped for the Second Year in a Row in 2021* https://www.cdc.gov/nchs/pressroom/nchs_press_releases/2022/20220831.htm#:~:text=AIAN%20people%20had%20a%20life,total%20U.S.%20population%20in%201944.

[2] CDC— *Cancer Within American Indian and Alaska Native (AI/AN) Populations* https://www.cdc.gov/healthytribes/native-american-cancer.html.

Prioritizing High Quality Health Care

The FY 2026 President's Budget includes $8.1 billion in total funding for the IHS, which includes $7.9 billion in discretionary funding, and $159 million in proposed mandatory funding for the Special Diabetes Program for Indians.

To ensure clinical health care services continue uninterrupted at IHS, Tribal, and urban Indian health programs, the FY 2026 Budget maintains health care service funding flat with FY 2025. This approach prioritizes investments that advance high quality health care and prevention-focused services, core principles of the Make America Healthy Again (MAHA) initiative. The budget reflects the Administration's strong commitment to the health and well-being of American Indian and Alaska Native communities by protecting critical clinical health care investments.

The FY 2026 President's Budget maintains the operating level for Hospitals and Health Clinics flat with the FY 2025 Enacted level with increases for staffing of newly constructed facilities. This funding supports the largest portion of clinical care at IHS and Tribal health facilities, which play a critical role in delivering primary medical care and community health services, especially in small, rural, and hard-to-reach areas. These facilities offer inpatient and outpatient medical care, laboratory and pharmacy services, diagnostic imaging, medical records, nutrition, physical therapy, and more. Some IHS and Tribal hospitals also provide secondary medical services, including emergency medicine, orthopedics, ophthalmology, radiology, and general and gynecological surgery.

Investing in IHS's hospitals and health clinics is vital to addressing the root causes of chronic disease and improving the overall quality of care, key goals of the MAHA initiative. By providing access to preventative services, the IHS supports healthier lifestyles across Indian Country. These efforts not only reduce long-term health risks, but also empower AI/AN communities to take control of their wellness.

Beyond chronic disease prevention, IHS continues to provide essential behavioral health services, including combating substance use disorders through medication-assisted treatment, and promoting nutrition and physical activity. These initiatives align with MAHA's focus on personal responsibility, community resilience, and long-term cost containment. Together, they represent a comprehensive strategy to build a healthier, stronger future to AI/AN communities.

Staffing of Newly or Expanded Constructed Facilities

The FY 2026 Budget includes $87 million to fully fund the staffing and operation of five newly-constructed or expanded Joint Venture Construction Program (JVCP) projects: Elbowoods Memorial Health Center in North Dakota, Chugachmiut Regional Health Center in Alaska, Mount Edgecumbe Medical Center in Alaska, Omak Clinic in Washington, and Bodaway-Gap (Echo Cliffs) Health Center in Arizona. These new facilities are critical for expanding direct health care capacity in areas where current infrastructure is inadequate. The JVCP model enables Tribes to fund construction, while IHS provides support for staffing and operations, exemplifying shared commitment and investment. These new facilities will significantly

increase patient access, improve care coordination, and enhance service delivery in areas where existing health care capacity is overextended.

Staffing these new facilities will enhance access to care by ensuring that qualified providers are hired and retained at these new facilities, many of which are in rural and underserved areas. This expansion of workforce capacity directly supports the MAHA initiative by enabling these sites to deliver prevention-focused, patient-centered care that addresses chronic disease, behavioral health, and maternal health needs at the community level. Without adequate staffing, even state-of-the-art buildings cannot fulfill their purpose. Investments in staffing support a full complement of health professionals, including physicians, nurses, behavioral health specialists, and ancillary staff, who are essential for delivering comprehensive, timely and high-quality care. These funds enable facilities to operate at full capability, reduce patient wait times, and expand the range of services offered on-site, ultimately improving health outcomes in Tribal communities and advancing long-term wellness consistent with MAHA goals.

Newly Funded Tribes

The FY 2026 Budget includes an initial request to start supporting the delivery of health care services for the Lumbee Tribe of North Carolina. On January 23, 2025, the White House posted a Presidential Memorandum encouraging full Federal recognition of the Lumbee Tribe, also known as the People of the Dark Water. With 55,000 members, the Lumbee Tribe is the largest tribe east of the Mississippi River and the ninth-largest tribe in the United States. The IHS will work with the Lumbee Tribe to ensure the full scope of estimated costs for care is accurately reflected.

The funding for the United Keetoowah Band of Cherokee Indians of Oklahoma for the delivery of healthcare services will be provided through existing IHS resources as was accomplished in FY 2025.

Supporting Tribal Self-Determination

The IHS is firmly committed to supporting Tribal self-determination, recognizing that Tribal leaders and communities are best positioned to identify and address the unique health care needs of their local communities. Over time, the share of the IHS budget administered directly by Tribes through Indian Self-Determination and Education Assistance Act (ISDEAA) contract and compacts has steadily increased, with more than 60 percent of IHS funding now managed by Tribes. Across Indian Country, Tribes deliver individual and community health services through 22 hospitals, 330 health centers, 78 health stations, 147 Alaska village clinics, and seven school health centers.

In recognition of this, the FY 2026 Budget maintains an indefinite discretionary appropriation with a score of $1.7 billion for Contract Support Costs (CSC). The updated CSC estimate reflects anticipated increases in CSC payments due to the U.S. Supreme Court's June 6, 2024, decision in *Becerra v. San Carlos Apache Tribe*, which requires the Federal Government to reimburse Tribes for CSC incurred on qualifying expenditures of third-party program income. In addition, the FY 2026 Budget maintains an indefinite discretionary appropriation with a score

of $413 million for ISDEAA Section 105(*l*) lease agreements, which provide financial support to Tribes to fund the operation costs of tribal facilities operated under the ISDEAA. This funding is essential to ensuring that Tribes have the resources necessary to operate safe and functional health facilities.

Investments in CSC and Section 105(*l*) Lease funding align with the MAHA initiative by ensuring that Tribal communities have the financial support to deliver locally tailored, cost-effective care that strengthens long-term health outcomes. These investments also reaffirm the Government-to-Government relationship and demonstrate the Federal Government's recognition of Tribal sovereignty by ensuring Tribes have the financial support needed to effectively administer and manage their own health programs.

Access to Quality Health Care Services through Improved Infrastructure

Modern health care also depends on modern health information systems. The IHS's current Electronic Health Record (EHR) system is more than 40 years old and has been identified by the Government Accountability Office as one of the top ten critical Federal legacy systems in need of modernization.[3] The FY 2026 Budget provides $191 million to advance the deployment of a new, interoperable EHR platform. This investment will contribute to improved clinical outcomes, patient safety, disease management, care coordination, opioid tracking, and public health reporting. The system will also support billing for over $1 billion in third-party reimbursements annually and will be interoperable with the Department of Veterans Affairs, Department of Defense, tribal and urban Indian health programs, academic affiliates, and community partners, many of whom use different health information technology platforms.

The Indian health system also faces substantial physical infrastructure challenges – IHS hospitals are approximately 42 years old on average, which is over three times the average age of hospitals in the United States.[4] Infrastructure deficiencies limit the health care services that can be provided. The FY 2026 Health Care Facilities Construction Budget maintains funding flat with the prior year at $183 million to maintain support for priority projects, including continued construction of the Alamo Health Center in New Mexico and Phoenix Indian Medical Center in Arizona.

The remaining projects on the 1993 Health Care Facilities Construction Priority List total approximately $6.2 billion as of April 2024.

Special Diabetes Program for Indians

Lastly, the Budget proposes to reauthorize mandatory funding for the Special Diabetes Program for Indians (SDPI) at $159 million in FY 2026. SDPI is an excellent example of the Administration's MAHA initiative, advancing prevention-focused, cost-effective programs that improve long-term outcomes. This program has demonstrated measurable success in reducing

[3] GAO-21-524T, INFORMATION TECHNOLOGY: *Agencies Need to Develop and Implement Modernization Plans for Critical Legacy Systems* https://www.gao.gov/assets/gao-21-524t.pdf.
[4] The American Hospital Association Trends Affecting Hospitals and Health Systems Chartbook 2018 edition (page 42): https://www.aha.org/system/files/2018-06/2018-AHA-Chartbook.pdf.

diabetes-related complications through locally led education and disease management efforts.[5] Research indicates that SDPI may result in up to $520 million in net Medicare savings over ten years through the prevention of diabetes-related end-stage renal disease.[6] The Budget's proposed funding level will enable grantees to implement long-term, community-driven interventions aimed at reversing the diabetes epidemic in Indian Country. Continued investment in SDPI strengthens community wellness and supports the Administration's emphasis on reducing chronic disease through targeted, results-oriented programming. Ongoing support for this program reflects a firm commitment to reducing chronic disease and improving quality of life across Indian Country.

Closing

The FY 2026 President's Budget represents a significant step toward fulfilling the Federal Government's commitment to providing quality health care, consistent with its statutory authorities and its Government-to-Government relationship with each Tribe. It strengthens the IHS's capacity to deliver quality and accessible care across all service areas. We look forward to continuing our work in partnership with HHS, Tribal government, Urban Indian Organizations, and Congress to ensure a healthier future for all AI/AN people. Thank you for your continued support and dedication to the health and well-being of Indian Country.

[5] 4 British Medical Journal— *Prevalence of diagnosed diabetes in American Indian and Alaska Native adults, 2006-2017* https://drc.bmj.com/content/8/1/e001218.

[6] HHS Assistant Secretary for Planning and Evaluation Issue Brief— *The Special Diabetes Program for Indians Estimates of Medicare Savings* https://aspe.hhs.gov/sites/default/files/private/pdf/261741/SDPI_Paper_Final.pdf.