



The Confederated Tribes of the Colville Reservation



Written Testimony of the Honorable Rodney Cawston, Chairman Confederated Tribes of the Colville Reservation

House Committee on Energy and Commerce

Oversight Hearing on “Addressing the Urgent Needs of Our Tribal Communities”

July 8, 2020

On behalf of the Confederated Tribes of the Colville Reservation (the “Colville Tribes” or the “Tribes”), I thank you for this opportunity to provide written testimony for the record on the Committee’s oversight hearing on addressing the urgent needs of tribal communities.

After more than three decades of trying to construct a new clinic in Omak, Washington, the Colville Tribes was fortunate for the Omak clinic to have been one of the five projects that the Indian Health Service (IHS) selected earlier this year for the Joint Venture (JV) Facility Construction Program. COVID-19, however, has affected the ability of the Colville Tribes and other JV awardees to build their facilities due to the precipitous decline in third party revenue. The Chickasaw Nation was also one of the five awardees.

The Colville Tribes joins the National Indian Health Board, the National Congress of American Indians, the Northwest Portland Area Indian Health Board, and the Chickasaw Nation in requesting that the Congress include funding to cover the construction costs of the eligible JV projects as part of any infrastructure bill that it may consider this year.

By way of background, the Confederated Tribes of the Colville Reservation is, as the name states, a confederation of twelve aboriginal tribes and bands from across eastern Washington state as well as parts of Oregon, Idaho, and British Columbia. The Colville Reservation encompasses approximately 1.4 million acres and is in north central Washington state. The CCT has nearly 9,600 enrolled members, making it one of the largest Indian tribes in the Pacific Northwest. About half of our tribal members live on or near the Colville Reservation.

I. THE COLVILLE TRIBES’ HEALTH FACILITY NEEDS AND JOINT VENTURE APPLICATION

In 2019, for the second time in the past decade, the Colville Tribes applied to replace its temporary modular building in Omak, Washington, with a new clinic through the IHS’s JV program. The IHS solicits applications for the JV program very infrequently—every six or seven years—and the program is extraordinarily competitive. When the IHS selects a tribal project for the JV program, the tribe agrees to construct and, in most cases, equip the facility, and the IHS agrees to pay for 80 percent of the recurring staffing costs for at least 20 years.

For decades, the Colville Tribes and its citizens have lacked a tribal health care facility in Omak, the largest population center on the Colville Reservation. In September 2007, the CCT, out of desperation, used tribal funds to modify a small modular office building for use as a temporary clinic in Omak and redeployed resources from its already understaffed operations in Nespelem, Washington, in an effort to provide at least some health care to Omak residents.

The temporary Omak modular building is so cramped that it barely allows for wheelchair access in its main hallway. The lack of square footage has inhibited the Colville Tribes' ability to add and retain health care providers in Omak, which has resulted in long wait times for patients and fewer billable patient encounters. The Colville Service Unit has been operating under historically low staffing ratios since its inception in the late 1930s, so the Colville Tribes were already facing a critical shortage of providers in its health delivery system. The reduction in patient encounters caused by the lack of providers has had the domino effect of eroding the Colville Tribes' user population count and negatively impacting the Colville Service Unit's base funding.

When the IHS solicited applications in 2009, the Colville Tribes intended to apply, but was unable to do so because of a lack of available tribal funds due to the downturn in the timber market associated with the housing market crash. At that time, the CCT heavily relied on income from the sale of on-reservation timber. In recent years, as its economy has diversified, the Colville Tribes have been able to utilize tribal resources to develop plans for a new Omak clinic and secure financing for that facility.

The Colville Tribes applied in 2014, but its application did not progress beyond the pre-application phase. Since then, the Colville Tribes also engaged with the IHS on ways to improve its application when the IHS once again solicited applications. The Colville Tribes appreciates the cooperation and assistance that IHS officials and staff provided as it prepared its 2019 application.

In May of this year, the IHS finally announced the five projects it selected for the JV program out of the 10 nationwide finalists and 34 total applicants, and the CCT was extremely grateful to be one of those selected. A bipartisan group of the northwest congressional delegation weighed in with the IHS with letters of support. The selection of the Omak clinic by the IHS represents just the second JV project ever awarded to an Indian tribe in the IHS's Portland Area, the geographic region of the IHS that includes more than 60 Indian tribes in Washington, Oregon, and Idaho.

II. IMPACT OF COVID-19 ON THE COLVILLE TRIBES AND ITS JV PROJECT

The COVID-19 outbreak has impacted Indian country in a multitude of ways and the Colville Tribes is no exception. Since the outbreak, our health care system has struggled to obtain personal protective equipment, to treat tribal member patients with COVID-19 and others with chronic conditions, and with decreased budgets due to an abrupt decline in third party revenue.

A significant portion of the Colville Tribes' business plan to repay the funds needed to build the Omak clinic hinges on collection of third-party revenue, most notably Medicaid. As of this writing, the Governor of Washington has instructed state agencies to incorporate 15 percent cuts for the remainder of the current budget biennium. While Washington state has a comparatively generous Medicaid program, it also has many options to cut its Medicaid costs, including implementing provider cuts, freezing inflation increases, or not allowing rebasing of payments. Washington's Medicaid program also provides eligibility for individuals whose income exceeds the federal poverty level and could easily reduce eligibility thresholds down to just the minimum required levels, thereby reducing the number of Medicaid eligible beneficiaries.

For the Colville Tribes' Omak JV project, any reduction in the number of Medicaid eligible patients or services will affect the Tribes' revenue forecasts and its ability to service debt for the construction of the clinic. This is coupled with the COVID-19 related decreases in third party revenue in the Indian health system generally, which IHS Director Weahkee testified at the June 11, 2020, House Subcommittee on Interior and Related Agencies oversight hearing to be a 30-80 percent reduction for IHS-operated facilities. We understand that other JV project awardees, specifically those in Alaska, are facing similar challenges to the viability of their construction plans.

III. INCLUDE FUNDING FOR THE ELIGIBLE JV PROJECT FINALISTS AS PART OF ANY INFRASTRUCTURE OR RELEVANT APPROPRIATIONS BILL THE HOUSE MAY CONSIDER

The Colville Tribes requests that the Committee support including funding for the eligible JV projects in any infrastructure or appropriations legislation that it may consider on its own or negotiate with the Senate. Because the JV program has a highly competitive and rigorous application process, the most recent awardees represent the best evidence of true health facility needs in all of Indian country.

We note that the draft fiscal year 2021 House Interior, Environment, and Related Agencies spending bill includes \$1.5 billion in new, emergency designated spending for IHS facilities construction. Of this amount, \$1.25 billion is designated for projects on the IHS Priority Construction List and the small ambulatory program. The bill text should also explicitly allow the IHS to use these funds for constructing and equipping the five JV projects.

Unlike some projects on the legacy IHS Priority Construction list, the give approved JV projects are truly "shovel ready" in that the IHS weighed construction planning heavily in the final selection process and successful applicants were required to provide comprehensive construction details in their applications. The Colville Tribes will be able to break ground as soon as the IHS approves our construction plans.

There is no more important investment in infrastructure for Indian country than health care facilities when considering the myriad of health problems that affect Native Americans on a disproportionate basis. To the extent the Committee can recommend investments in Indian

country in any infrastructure package that the House assembles or negotiates, we encourage you to include funding to construct the JV program awardees.

Please feel free to contact me directly with any questions regarding this testimony via email (rodney.cawston@colvilletribes.com) or by phone (509-634-2205).