DEPARTMENT OF HEALTH AND HUMAN SERVICES

STATEMENT

OF

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FOR AMERICAN INDIANS AND ALASKA NATIVES

INDIAN HEALTH SERVICE

BEFORE THE

HOUSE NATURAL RESOURCES SUBCOMMITTEE ON INDIAN, INSULAR, AND ALASKA NATIVE AFFAIRS

OVERSIGHT HEARING

ON

THE PRESIDENT'S FY 2016 PROPOSED BUDGET

FOR THE

INDIAN HEALTH SERVICE

March 18, 2015

STATEMENT OF THE INDIAN HEALTH SERVICE

Chairman Young and Members of the Subcommittee:

Good afternoon. I am Dr. Yvette Roubideaux, Senior Advisor to the Secretary for American Indians and Alaska Natives. Accompanying me is Mr. Robert G. McSwain, Acting Director of the Indian Health Service (IHS). I am pleased to provide testimony on the President's proposed FY 2016 budget for the IHS and to describe our accomplishments that show the budgets enacted in recent years have made a difference in helping us 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 is an agency within the Department of Health and Human Services (HHS) that provides a comprehensive health service delivery system for approximately 2.2 million AI/ANs from 566 federally recognized Tribes in 35 states. The IHS system consists of 12 Area offices, which are further divided into 170 Service Units that provide care at the local level. Health services are provided directly by the IHS, through Tribally contracted and operated health programs, through services purchased from private providers, and through urban Indian health programs.

As an agency we are committed to ensuring a healthier future for all AI/AN people, and the IHS budget is critical to our progress in accomplishing this. Since 2008, IHS appropriations have increased by 39 percent, thanks in part to your committee, and these investments are making a substantial impact in the quantity and quality of health care we are able to provide to AI/ANs. The FY 2016 President's budget proposes to increase the IHS budget to $5.1 billion, which will add $460 million to the FY 2015 enacted funding level, and if appropriated, will increase the IHS budget by 53 percent since FY 2008.

The funding increases proposed in the President's budget are part of an "all of government" approach to addressing Tribal needs, with a particular focus on AI/AN youth. For the IHS, the increases will help us improve the quality of and access to care for the patients we serve by expanding access to priority health care services that our patients need, which will result in better quality and health outcomes.

The FY 2016 President's Budget proposes current services increases totaling $147 million, which are critical to maintain the base budgets of our IHS and Tribal hospitals and clinics, help address medical inflation, population growth and pay costs, and ensure continued support of services that are vital to

improving health outcomes.

The FY 2016 President's Budget also addresses a top Tribal priority by proposing an overall $70 million increase to the Purchased/Referred Care (PRC) budget, formerly known as Contract Health Services. This increase includes $43.6 million in medical inflation, $1.2 million in additional staffing for new facilities and a $25 million program increase. PRC funding has increased almost every year since 2008 (58 percent overall), which has allowed some of the IHS and Tribally-managed PRC programs to approve referrals in priority categories other than Medical Priority I – Emergent or Acutely Urgent Care Services (life or limb), including some preventive care services, thus increasing access to patient care services. In 2009, only four IHS-operated PRC programs were able to fund referrals that met PRC Medical Priority I. In FY 2013, 23 IHS-operated PRC programs were able to purchase services beyond Medical Priority I. This number increased to 41 of 69 IHS-operated PRC programs with the PRC increase in FY 2014. The recent increases in PRC have also enabled the Catastrophic Health Emergency Fund (CHEF) to reimburse high cost cases submitted through mid-September, rather than only through June as in the past.

The FY 2016 President's Budget proposes an additional $25 million for the IHS to expand its successful Methamphetamine and Suicide Prevention Initiative (MSPI) to increase the number of child and adolescent behavioral health professionals who will provide direct services and implement youth based programming at IHS, Tribal, and Urban Indian health programs, school based health centers, or youth based programs. This funding will enable the hiring of more behavioral health providers specializing in child, adolescent, and family services, which will improve access to behavioral health prevention treatment services for AI/AN youth. This expansion of the MSPI is the central focus of the Tribal Behavioral Health Initiative for Native Youth, which is part of the President's comprehensive Generation Indigenous Initiative to remove barriers to success and to create opportunities for Native youth and reflects a collaborative effort between the IHS and the Substance Abuse and Mental Health Services Administration.

The IHS and Tribes have made progress in improving behavioral health over the past few years with both the MSPI and the Domestic Violence Prevention Initiative (DVPI). The MSPI has funded 130 IHS, Tribal, and urban community developed programs since 2009 that have provided over 500,000 evidence-based and practice-based youth encounters in the first five years of MSPI implementation. The successes of the MSPI highlight the effective use of strength-based interventions and protective factors, such as identification with Native culture, increased social connectedness, and discussing problems with friends or family, emotional health, and connectedness to family, consistent with the scientific literature on

prevention of suicide and substance abuse among AI/AN youth. The increase in services is significant; the percent of individuals receiving depression screening in IHS and Tribal facilities increased from 35 percent in FY 2008 to 66 percent in FY 2014.

The DVPI currently funds 57 projects focusing on prevention, intervention, and treatment of domestic and sexual violence. Together these services have resulted in 50,500 direct service encounters, more than 38,000 referrals, and the delivery of over 600 forensic evidence collection kits submitted to federal, state, and Tribal law enforcement. These are vital services. According to a 2014 Centers for Disease Control and Prevention report, American Indian women residing on Indian reservations suffer domestic and sexual violence at rates far exceeding women of other ethnicities and locations. Native women are over 2.5 times more likely to be raped or sexually assaulted compared to other women in the U.S.

The FY 2016 President's budget also includes other increase focused on improving access to affordable health care. With the Affordable Care Act's Health Insurance Marketplaces and the Medicaid expansion, IHS has the potential to increase revenues to support more services through third party reimbursements when it provides services to eligible American Indians and Alaska Natives with other health insurance coverage. The FY 2016 President's budget includes a $10 million funding increase to improve third party billing and collections at IHS and Tribally operated facilities. Having more patients who are Medicaid beneficiaries or have private insurance is one part of increasing revenues for our hospitals and clinics. Improving our business practices to ensure timely and accurate billing, monitoring of open receivables, and follow up on unpaid bills is another critical component on which IHS has made progress. In FY 2014, IHS third party collections increased by $49 million, mainly due to improvements in business practices and from increased third party reimbursements from patients with health coverage.

Another important component necessary to improving quality and ensuring better outcomes for our patients is an effective, state-of-the-art health information technology system that helps us measure outcomes and provide better patient care. That is why we continue to upgrade the capabilities of our IHS Resource and Patient Management System (RPMS), which includes IHS' Electronic Health Record (EHR). The FY 2016 President's budget will help IHS to comply with the requirements for the 2015 EHR Certification and Stage 3 Meaningful Use (MU). Participation in MU is critical for the agency since it promotes activities to improve quality and penalties in Medicare payments will occur if IHS does not participate.

IHS has implemented several major upgrades related to the Meaningful Use (MU) initiative. The IHS was an early adopter of EHR technology and achieved certification for Stage 1 Meaningful Use, resulting in the IHS and Tribal health systems receiving over $120 million to date from the MU incentives. IHS recently received certification for the 2014 Certified EHR and is developing upgrades that will include the ability to achieve Meaningful Use Stage 2, which includes the ability to share records between facilities, have patients view their health records online, and even have patients send direct secure email to providers. IHS is also preparing to implement ICD-10 which can now proceed since IHS met the 2014 EHR Certification requirements. The IHS RPMS team is currently conducting testing of ICD-10 software upgrades with four sites and with external payers. We are on track to meet the ICD-10 implementation date of October 1, 2015 and plan to begin upgrading local RPMS systems in June.

Another successful program that is helping us improve the provision of quality health care is our Special Diabetes Program for Indians. The FY 2016 President's budget proposes to reauthorize the SDPI for another 3 years at the current $150 million funding level to continue progress in preventing and treating diabetes in the AI/AN population. This program has shown that, in partnership with our communities, we can prevent and treat diabetes in Indian country with innovative and culturally appropriate activities. The most recent SDPI data reflect improvements in diabetes care throughout our system. For example, the rate of increase in diabetes prevalence in adults is slowing and there is almost no increase in diabetes prevalence in youth. In addition, the most recent outcomes paper for the SDPI Diabetes Prevention Program (DPP) suggests that the DPP may reduce new cases of diabetes through lifestyle changes. Preventing diabetes, especially among Native youth, is important since it will help them avoid a lifetime of diabetes and related health problems.

Ensuring access to health care requires efficient and effective facilities and infrastructure, which contribute to improving public health and health outcomes. The FY 2016 President's budget includes significant investments in IHS facilities, including increases for maintenance and improvement, sanitation facility construction, and health care facility construction. Since 2008 the IHS has maintained the facility condition of its health care facilities, provided sanitation facilities service to 159,990 Indian homes, funded 2 hospitals, 6 health centers, and 2 youth regional treatment centers, and participated with Tribes in 12 joint venture projects. However, the backlog of essential maintenance, alteration, and repair is $467 million as of the end of FY 2014, over 34,500 AI/AN homes are without access to safe water or adequate wastewater disposal facility infrastructure and over 182,500 AI/AN homes that require upgrades

and/or capital improvements to the existing sanitation facilities, and there remains $2 billion of construction projects still to construct on the IHS Health Care Facilities Construction Priority List.

The FY 2016 President's Budget proposes an additional $171 million for the Facilities appropriation to address these needs. Included is $35 million to address the maintenance backlog and $36 million to provide sanitation facilities to 7,700 more homes than estimated to be served in FY 2015. In addition, the health care facilities construction budget is proposed to be increased by $100 million for a total funding level of $185 million, which will enable the IHS to complete construction of the Gila River Southeast Health Center, and begin construction on three other projects on the IHS Health Care Facility Construction Priority List including the Salt River Northeast Health Center in Arizona, the Rapid City Health Center in South Dakota, and the Dilkon Alternative Rural Health Center in Arizona.

Additional staffing for newly constructed facilities is critical to achieving the planned increased access to health care. The FY 2016 President's budget proposes to fund all three of the projects that are opening just prior to or in FY 2016. The requested amount is $18 million to complete the staffing packages for the Southern California Youth Regional Treatment Center and the Mississippi Band of Choctaw Indians' joint venture health center, and to begin funding of the staffing package for the Fort Yuma Health Center.

A top priority of the IHS is to strengthen our partnership with Tribes. I truly believe that the only way that we are going to improve the health of our communities is to work in partnership with them. This includes honoring and supporting Tribal self-determination and self-governance. That is why I am pleased to inform you that the FY 2016 President's budget includes a two-part, long term approach to funding Contract Support Costs (CSC), which is the result of our Tribal consultation that you requested last year on a long-term solution for CSC appropriations. The first part of the approach is full funding of the estimated CSC need in FY 2016, for which the budget requests an increase of $55 million.

The second part of the approach is a proposal to reclassify CSC as mandatory, rather than discretionary, starting in FY 2017, after Tribal consultation in FY 2016. The reclassification of CSC as mandatory would be authorized for a 3-year period that specifies annual amounts that fully fund the estimated CSC need for each year for FYs 2017-2019. This proposal is consistent with the top recommendation in FY 2014 from Tribes to shift CSC to a mandatory account as the long term approach to fully funding CSC, and will accomplish the top Tribal recommendation to fully fund CSC separately from the services budgets.
In the past year, IHS has worked in partnership with Tribes to improve estimates of CSC need and the

agency's business practices related to CSC appropriations. IHS has also made progress on past CSC claims, with offers extended on 1,232 past CSC claims and settlements on 889 claims for a total value of $699 million. The FY 2016 President's Budget proposal to move CSC to a mandatory appropriation helps us continue progress on this issue which is a top priority of Tribes and we look forward to working with you on this proposed approach.

I want to close by emphasizing that even with all the challenges we face, I know that, working together with our partners in Indian Country and Congress, we can continue changing and improving the IHS to better serve Tribal communities. The FY 2016 President's Budget helps IHS continue progress on improving access to quality healthcare and strengthens our partnership with Tribes. I appreciate all your efforts in helping us provide the best possible health care services to the people we serve, and in helping to ensure a healthier future for American Indians and Alaska Natives.

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