

**TESTIMONY OF KATHERINE GOTTLIEB
PRESIDENT/CEO SOUTHCENTRAL FOUNDATION
BEFORE THE HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON INTERIOR, ENVIRONMENT AND RELATED AGENCIES
REGARDING THE FY 2019 PRESIDENT’S BUDGET REQUEST
FOR THE INDIAN HEALTH SERVICE**

May 9, 2018

My name is Katherine Gottlieb and I am the President and Chief Executive Officer of Southcentral Foundation (SCF). SCF is the Alaska Native tribal health organization designated by Cook Inlet Region, Inc. and eleven Federally-recognized Tribes – the Aleut Community of St. Paul Island, Igiugig, Iliamna, Kokhanok, McGrath, Newhalen, Nikolai, Nondalton, Pedro Bay, Telida, and Takotna – to provide healthcare 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 two-time recipient of the Malcolm Baldrige National Quality Award for health (2011 and 2017).

SCF, through our 2,300 employees, provides critical health services, including pediatrics, obstetrics and gynecology, Native men’s wellness, dental, behavioral health and substance abuse treatment to over 65,000 Alaska Native and American Indian patients. This includes 52,000 people living in the Municipality of Anchorage, the Matanuska-Susitna Borough to the north, and 13,000 residents of 55 rural Alaska Native villages. Our service area encompasses over 100,000 square miles, an area the size of Wyoming. More so than any other affiliation of tribes, Alaska Native people have assumed the broadest responsibilities under the ISDEAA to own and manage healthcare systems which, together with the Alaska Public Health System, serve 150,000 Alaska Native and American Indian people and thousands of non-Native residents in rural Alaska.

I want to thank this Subcommittee for its bipartisanship in securing significant increases in federal appropriations for the Indian Health Service for Fiscal Year 2018, a total of \$4.82 billion for IHS Services and Facilities (excluding Contract Support Costs), a \$580 million *increase* over the FY 2017 enacted level, and nearly \$800 million *above* the Administration’s request for FY 2018.

My remarks today are simple: continue to increase federal appropriations for IHS programs and services until health disparities between Alaska Native and American Indian people and other Americans are extinguished. At present, IHS per capita spending on healthcare for Alaska Native and American Indian people is about one-third of the average national per capita healthcare spending level. Today, we are also fighting an opioid epidemic which is taking a disproportionate toll on Alaska Native people. As our Congressman, Don Young, noted: “No state, community or family is immune from the widespread growth of illicit prescription drugs. From Alaska to Florida, we’ve seen this epidemic spread at alarming rates.” With a service population of 65,000, our resources are wholly insufficient in comparison to the crisis.

We are extremely troubled by the current Administration’s recent comments and actions that seek to undermine the sovereign status of Alaska Native and American Indian tribes. We therefore ask that the Subcommittee reject efforts by the Administration to eliminate or cut appropriations to Indian healthcare programs. This Subcommittee appropriated nearly \$170 million for IHS’s

Preventive Health programs such as the Community Health Representatives Program, Public Health Nursing, the Health Education Program, and the Tribal Management Grants Program in the FY 2018 Consolidated Appropriations Act, passed only a few weeks ago. Investing in Native healthcare will only improve the health of the Nation's first peoples. Do not cut these programs.

SCF's testimony concerning the Administration's FY 2019 budget for IHS would be quite different were it not for the actions by this Subcommittee and the Congress, in passing the FY 2018 omnibus appropriation measure, to rebuke the harmful cuts the Administration proposed in FY 2018 to federal programs serving Alaska Natives and American Indians.

We are confident that the Subcommittee and the Congress will, in FY 2019, advocate for continued increases in federal programs serving Alaska Native and American Indian people and reject the Administration's proposal to cut or eliminate important IHS programs and services.

1. Continue to Provide Increases for Behavioral Health Programs

Last year, we stressed to this Subcommittee how important it was to increase funds for behavioral health. Alaska Native and American Indian people are disproportionately represented in substance abuse, especially opioid addiction, and suicide statistics. According to the Centers for Disease Control (CDC), and recently confirmed by IHS Chief Medical Officer, Rear Admiral Michael E. Toedt, Alaska Native and American Indian people "had the highest drug overdose death rates in 2015 and the largest percentage increase in the number of deaths over time from 1999-2015 compared to other racial and ethnic groups." During that time, deaths rose more than 500% among Alaska Native and American Indian people. The CDC also found that the suicide rate among Alaska Native people is almost four times the U.S. general population rate and at least six times the national average in some parts of the State.

This Subcommittee supported a combined \$16 million increase in FY 2018 for the Mental Health (\$100 million) and Alcohol and Substance Abuse programs (\$228 million), a 5% increase over the FY 2017 enacted level. We are pleased to see that the Administration requests an increase for these programs in FY 2019 by an additional \$12 million (\$340 million total). We recommend the Subcommittee increase these programs by at least 15% above the FY 2018 enacted level. Behavioral health funds are critical to our most vulnerable population – our youth. SCF runs several programs that provide mental health care for Alaska Native youth which focus on building academic, vocational and leadership skills through culturally-appropriate methods. It is our firm conviction that only by addressing the root causes that drive individuals to drug misuse and addiction – domestic and child abuse, poverty and unemployment - can we heal them.

We appreciate the Administration including \$150 million in the FY 2019 budget for an Opioid Prevention, Treatment and Recovery program for Alaska Native and American Indian people. We recommend that these funds be distributed among tribes and tribal organizations as additions to our self-governance compacts and contracts. Alaska Native healthcare providers, like SCF, recognize that the size of the opioid and substance abuse problem in Alaska demands resources. Federal officials recently testified that far too few people suffering from addiction receive care. In Congressional hearings last December, federal health officials stated: "It is well-documented that the majority of people with opioid addiction in the U.S. do not receive treatment, and even among

those who do, many do not receive evidence-based care. Accounting for these factors is paramount to the development of a successful strategy to combat the opioid crisis.” With insufficient funds to address behavioral health challenges, we cannot reach those who suffer from substance abuse, those struggling with PTSD, our military veterans, or victims of violent crime. Prevention, education, and timely medication-assisted treatment (MAT) programs remain our most potent tools to raise a new generation of Alaska Native people who practice positive, life-affirming behavioral traits and who will, in turn, pass on these life skills to their children and grandchildren.

With our available funds, we established The Pathway Home, a voluntary, comprehensive, and individualized mental health program for adolescents aged 13 to 18 years. The Pathway Home teaches life skills to these Alaska Native youths so that they discontinue harmful behavior. Many of these youths have already experienced childhood trauma or seen family members struggle with drug and alcohol dependency, which puts them at greater risk of turning to drugs and alcohol. The Pathway Home creates a loving and supportive community environment and it is heartwarming to see how proud the graduates of this program are to go back out into the world with these new skills and new hope.

We applaud the efforts by Members of Congress who are introducing legislation to address the opioid, meth and heroine crisis in Indian Country, amending the 21st Century Cures Act to make tribes and tribal organizations *direct* recipients of Federal funds now being awarded to the States within the State Response to the Opioid Abuse Crisis program by establishing a tribal set-aside.

2. Reduce the Disparity in Federal Healthcare Expenditures for Alaska Native and American Indian People

In our testimony last year, we asked the Subcommittee to prioritize general program increases which are shared equally by all tribal programs. We are pleased to see that in the FY 2018 appropriations for the IHS, the Subcommittee included significant increases shared by all tribal programs, such as a \$110 million increase for Hospitals and Health Clinics, a \$33.8 million increase for Purchased/Referred Care, a \$6.3 million increase for Public Health Nursing, a \$1.6 million increase for Urban Indian Health, and a \$91.7 million increase in funding for Facilities Maintenance and Improvement. We also appreciate your acknowledgment that housing shortages in Alaska contribute to the high vacancy rates for medical personnel, especially in rural areas. For that reason, we appreciate the \$11.5 million in the FY 2018 omnibus for staff quarters and the \$15 million for the Small Ambulatory Program for clinic construction.

For FY 2019, we urge the Subcommittee to prioritize general program increases. By the estimate of the National Indian Health Board (NIHB), IHS funding is only about 1/5 of the total tribal needs budget of \$30 billion. So long as appropriations for the Indian Health Service reside within the Interior, Environment and Related Agencies, this Subcommittee will always be challenged to appropriate sufficient funds to address the healthcare disparities between Alaska Native and American Indian people and the rest of the population.

3. Continue to Support Increases for Section 105(l) Lease Payments

As SCF testified last year, we recommend that the Subcommittee create within the Direct Operations account a new subaccount to pay required Section 105(l) lease payments to tribes and tribal organizations that make tribally-owned or leased facilities available for IHS-financed health programs. This action is still necessary. For the second time, and in the face of two Federal court decisions addressing IHS's legal obligation to fund Section 105(l) leases, the Administration's FY 2019 budget asks Congress for statutory text, included in the Administrative Provisions concerning the IHS, to legislatively override Section 105(l), and the courts, and insert a "notwithstanding" clause which would make all lease payments by the Secretary entirely discretionary on the part of the IHS. In short, the IHS would secure the right to use tribal facilities to operate IHS-funded programs without paying for them which they had been doing for years by short-funding Village Built Clinic leases.

We urge the Subcommittee to again reject IHS's efforts to repeal a key provision of the ISDEAA through the appropriations process. This Subcommittee fully appreciates the challenges we face to build and maintain hospitals and clinics in unforgiving climates. Too often, lack of funds shortens the useful life of these vitally important structures. The cost to replace a hospital or clinic in Alaska is staggering. If tribes and tribal organizations are to extend the useful life of hospitals and clinics, we must be given the resources to properly operate and maintain them. Facilities worth having are worth maintaining.

Also, despite the obligation of the IHS to fully fund 105(l) leases, we have found the IHS to be slow to finalize these leases because they are not given enough money to fund all of the leases they are now clearly required to pay for. We continue to urge you to increase appropriations for Section 105(l) leases.

4. Contract Support Costs

With regards to Contract Support Costs, we appreciate the Subcommittee's use of an indefinite appropriation, and the Subcommittee's direction to IHS, in the FY 2018 Conference Report, that transfers of Substance Abuse and Suicide Prevention Program and other funds be awarded to tribes *through* Indian Self-Determination Act compacts and contracts, and *not through* separate grants, so that associated "administrative costs" will be covered through the contract support cost process.

In 2017 and this year, we have also been witness to the IHS making unilateral policy changes concerning its CSC policy, already an overly complicated process. It requires tribes to submit additional documentation to IHS and engage in two separate CSC negotiations each year. We urge the Subcommittee to direct the agency to simplify its CSC policy and not attempt to reduce the award of CSC funds to tribes through an unnecessarily complex methodology.

Thank you again for the opportunity to provide testimony on behalf of Southcentral Foundation and the people we serve.