



HOUSE COMMITTEE ON  
**NATURAL RESOURCES**  
CHAIRMAN BRUCE WESTERMAN

**To:** House Committee on Natural Resources Republican Members  
**From:** Indian and Insular Affairs Subcommittee staff, Jocelyn Broman  
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**Date:** Tuesday, April 30, 2024  
**Subject:** Legislative Hearing on two bills: H.R. 7516 and H.R. 2687

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The Subcommittee on Indian and Insular Affairs will hold a legislative hearing on two bills: H.R. 7516 (Rep. Johnson of SD), “*Purchased and Referred Care Improvement Act of 2024*”; and H.R. 2687 (Rep. Peltola), To amend the Alaska Native Claims Settlement Act to exclude certain payments to aged, blind, or disabled Alaska Natives or descendants of Alaska Natives from being used to determine eligibility for certain programs, on **Tuesday, April 30, 2024, at 2:00 p.m. in 1324 Longworth House Office Building.**

Member offices are requested to notify Ransom Fox ([Ransom.Fox@mail.house.gov](mailto:Ransom.Fox@mail.house.gov)) by 4:30 p.m. on Monday, April 29, 2024, if their member intends to participate in the hearing.

## **I. KEY MESSAGES**

- H.R. 7516 would amend the Indian Health Care Improvement Act (IHCIA) to hold the Indian Health Service (IHS), rather than the patient, liable for payments for authorized Purchased/Referred Care (PRC) services.
- H.R. 2687 would exclude amounts or benefits distributed to aged, blind, or disabled Alaska Natives, or their descendants, from Alaska Native Corporations with settlement trusts when determining eligibility for means-tested federal benefits, like social security or nutrition benefits.

## **II. WITNESSES**

- **The Hon. Melanie Egorin**, Assistant Secretary for Legislation, U.S. Department of Health and Human Services, Washington, D.C. [H.R. 7516]
- **The Hon. Frank White Clay**, Chairman, Crow Tribe of Indians, Crow Agency, MT [H.R. 7516]
- **The Hon. Jarred-Michael Erickson**, Chairman, Confederated Tribes of the Colville Reservation, Nespelem, WA [H.R. 7516]
- **Ms. Janet Alkire**, Great Plains Area Representative, National Indian Health Board, Washington, D.C. [H.R. 7516]
- **Ms. Sheri Buretta**, Chairman of the Board, Chugach Alaska Corporation, Anchorage, AK [*Minority Witness*] [H.R. 2687]

### III. BACKGROUND

#### [H.R. 7516 \(Rep. Johnson of SD\), “Purchased and Referred Care Improvement Act of 2024”](#)

The Indian Health Service (IHS) provides healthcare to approximately 2.7 million American Indians and Alaska Natives (AI/ANs) through a network of more than 600 hospitals, clinics, and health stations on or near Indian reservations.<sup>1</sup>

In instances when the IHS is unable to provide a needed healthcare service for an AI/AN, IHS can provide care through the Purchased/Referred Care (PRC) program.<sup>2</sup> Similar to the Choice Program in the Veterans Administration,<sup>3</sup> the PRC program is designed to ensure AI/ANs can obtain care when it is not available at IHS facilities. If IHS care is not available, AI/ANs are referred to private health providers and IHS will then reimburse those private health providers.<sup>4</sup>

Unfortunately, there are serious deficiencies in the PRC program. A 2020 Department of Health and Human Services Inspector General Report found that out of a 100-paid claim sample, 18 PRC claims were paid in accordance with Federal requirements, and 82 PRC claims were paid but did not meet one or more of the nine eligibility criteria.<sup>5</sup> In these cases, IHS failed to implement controls to properly collect the required information. The report also found that an estimated 32,099 completed PRC claims were not paid within 30 days from the date of submission.<sup>6</sup> According to the report, unpaid claims occurred because “IHS did not have procedures in place to track claims submitted for payment, and because of human error.”<sup>7</sup>

Additionally, the IHS often denies PRC claims due to technicalities that are attributable to the program’s complex and confusing referral process.<sup>8</sup> This results in uncompensated care costs for private providers, who then seek payment from other sources, usually the patient. Without payment from a patient or other provider, these PRC bills are then sent to collection agencies, and individual tribal members find themselves on the receiving end of credit collection calls and other negative effects. In 2022, Chairman Jarred-Michael Erickson of the Confederated Tribes of the Colville Reservation testified before the subcommittee on Indian and Insular Affairs, stating

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<sup>1</sup> Indian Health Service Budget Justification FY 2024 at CJ-2. [https://www.ihs.gov/sites/budgetformulation/themes/responsive2017/display\\_objects/documents/FY2024-IHS-CJ31423.pdf](https://www.ihs.gov/sites/budgetformulation/themes/responsive2017/display_objects/documents/FY2024-IHS-CJ31423.pdf).

<sup>2</sup> Indian Health Service. For Patients. Purchased/Referred Care (PRC). <https://www.ihs.gov/forpatients/prc/>

<sup>3</sup> VA News. “10 Things to Know About the Veterans Choice Program.” 2017. <https://news.va.gov/39882/10-things-know-veterans-choice-program/>.

<sup>4</sup> Indian Health Service Purchased/Referred Care (PRC). <https://www.ihs.gov/forpatients/prc/>.

<sup>5</sup> U.S. Dept. of Health & Human Services, Office of Inspector General, “Most Indian Health Service Purchased/Referred Care Program Claims Were Not Reviewed, Approved, and Paid in Accordance With Federal Requirements.” April 2020. Report. No. A-03-16-03002. <https://oig.hhs.gov/oas/reports/region3/31603002.pdf> at *Report in Brief*.

<sup>6</sup> Id.

<sup>7</sup> Id.

<sup>8</sup> See, “Can PRC pay for your referral medical care? Find out in 3 stages.” Indian Health Service. [https://www.ihs.gov/sites/prc/themes/responsive2017/display\\_objects/documents/PRC-ProcessHandout.pdf](https://www.ihs.gov/sites/prc/themes/responsive2017/display_objects/documents/PRC-ProcessHandout.pdf).

that he and other tribal members have dealt with collection notices for PRC care and the detrimental impact these unpaid bills had on their credit scores.<sup>9</sup>

The Indian Health Care Improvement Act (IHCIA) states that no patient should be liable for PRC services received that were authorized by IHS.<sup>10</sup> However, as PRC bills go unpaid by IHS, tribal citizens are left to bear the brunt of these costs.

H.R. 7516 would amend the IHCIA to ensure that IHS, not AI/ANs, are liable for payments related to PRC services and directs the IHS to notify PRC service providers that patients are not to be liable for charges related to authorized PRC services. The bill also allows IHS to establish and implement procedures to allow patients who paid out-of-pocket for IHS-authorized PRC services to be reimbursed by IHS no later than 30 days after a patient submits the necessary documentation.

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**[H.R. 2687 \(Rep. Peltola\), To amend the Alaska Native Claims Settlement Act to exclude certain payments to aged, blind, or disabled Alaska Natives or descendants of Alaska Natives from being used to determine eligibility for certain programs, and for other purposes.](#)**

H.R. 2687 would exclude amounts distributed or benefits provided to Alaska Natives who are blind, disabled, are elders (aged 65+), or their descendants, from Alaska Native Corporation (ANC) settlement trusts when determining eligibility for means-tested federal benefits. Federal means-tested benefits include programs like Supplemental Security Income (SSI), Supplemental Nutrition Assistance Program (SNAP), and federal housing benefits.

The Alaska Native Claims Settlement Act (ANCSA),<sup>11</sup> signed into law in 1971, settled the aboriginal land claims of Alaska Natives, and established Alaska Native Corporations (ANCs) to receive land under the settlement and disperse the payments to Alaska Natives. Alaska Natives received a \$962.5 million settlement payment and roughly 44 million acres of land, which were divided between almost 200 village corporations and 12 regional corporations established by the legislation.<sup>12</sup> All village corporations and regional corporations are referred to as ANCs. ANCs are state-chartered, for-profit corporations tasked with promoting the social, cultural, and economic advancement of their Alaska Native people and communities in perpetuity.<sup>13</sup> Each ANC controls its own corporate structure, and the types of stock and programs offered to Alaska Native shareholders vary by corporation.<sup>14</sup>

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<sup>9</sup> Legislative Hearing on H.R. 5549, Subcommittee for Indigenous Peoples. 117th Congress. Jul. 28, 2022. [https://www.youtube.com/watch?v=DugphPP\\_TXo](https://www.youtube.com/watch?v=DugphPP_TXo) at 2:21:41 – 2:23:35.

<sup>10</sup> 25 U.S.C. Sec. 1621u.

<sup>11</sup> 43 U.S.C. 1601, et seq.

<sup>12</sup> Id.

<sup>13</sup> 43 U.S.C. 1601; See also, “About the Alaska Native Claims Settlement Act” ANCSA Regional Assn. <https://ancsaregional.com/about-ancsa/>.

<sup>14</sup> 43 U.S.C. 1606 and 1607.

When Congress enacted ANCSA, Section 29 stated that no provisions of the Act would replace or diminish any obligations of the U.S. or Alaska to “protect and promote the rights or welfare of Natives.”<sup>15</sup> In 1988, Congress amended ANCSA to provide for the exclusion of the first \$2,000 that any Alaska Native individual receives from an ANC in determining eligibility of the recipient for the Supplemental Assistance Program (SNAP), financial assistance under the Social Security Act, or other means-based benefits received through other federal programs or federally-assisted programs.<sup>16</sup>

The 1988 amendments also authorized ANCs to establish settlement trusts as a tool to distribute benefits to Alaska Native beneficiaries. A settlement trust is a settlement management tool used to preserve money received through a settlement and is usually used to benefit a specific person or group.<sup>17</sup> Under the 1988 amendments, settlement trusts could be established by ANCs “to promote the health, education, and welfare of its beneficiaries and preserve the heritage and culture of Natives.”<sup>18</sup> They also served as a mechanism for ANCs to take advantage of new tax benefits. However, Congress did not exclude settlement trust benefits received when determining recipient eligibility for government assistance programs, like they had with the first \$2,000 of other benefits Alaska Natives can receive from ANCs.

According to several ANCs, this discrepancy between settlement trust income and other income from ANCs can place many Alaska Natives who are aged, blind, or disabled in the position of choosing between accepting the settlement trust income or qualifying for government assistance programs. H.R. 2687 would address that discrepancy and exclude amounts or benefits distributed to aged, blind, or disabled Alaska Natives from settlement trusts when determining eligibility for means-tested federal benefits. The bill defines “aged, blind, or disabled individual” according to the current definitions in section 1614(a) of the Social Security Act.<sup>19</sup>

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#### **IV. MAJOR PROVISIONS & SECTION-BY-SECTION**

##### **H.R. 7516 (Rep. Johnson of SD), “Purchased and Referred Care Improvement Act of 2024”**

###### *Section 2. Changes to Liability for Payment*

Amends the Indian Health Care Improvement Act to confirm that IHS, not tribal members, is liable for payments for PRC services authorized by IHS and establishes a mechanism by which IHS can reimburse patients who paid out-of-pocket for an authorized PRC service within 30 days. Additionally, the bill states it is the responsibility of the Secretary to notify PRC providers that patients are not liable for any charges related to authorized PRC services.

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<sup>15</sup> 43 U.S.C. 1601(c).

<sup>16</sup> 43 U.S.C. 1626(c).

<sup>17</sup> “The Mechanics of Setting Up a Settlement Trust” <https://www.amicusplanners.com/the-mechanics-of-setting-up-a-settlement-trust/>.

<sup>18</sup> 43 U.S.C. 1629e(b).

<sup>19</sup> 42 U.S.C. 1382c(a).

**H.R. 2687 (Rep. Peltola), To amend the Alaska Native Claims Settlement Act to exclude certain payments to aged, blind, or disabled Alaska Natives or descendants of Alaska Natives from being used to determine eligibility for certain programs, and for other purposes.**

Section 1. *Eligibility for Certain Programs*

Amends ANCSA to exclude amounts or benefits distributed to aged, blind, or disabled Alaska Natives, or their descendants, from Alaska Native Corporations with settlement trusts when determining eligibility for means-tested federal benefits as defined in the Social Security Act.

**V. CBO COST ESTIMATE**

CBO has not issued an estimate for H.R. 7516.

CBO has not issued an estimate for H.R. 2687. However, CBO has issued a cost estimate for an identical Senate bill, S. 623, stating that providing housing benefits to additional households would cost \$1 million over 10 years, subject to appropriated funds, and would increase direct spending through SSI and Medicaid by \$1 million over 10 years.<sup>20</sup>

**VI. ADMINISTRATION POSITION**

The administration’s position on H.R. 7516 is unknown.

Regarding H.R. 2687, The Department of the Interior provided a statement for the record in support of identical Senate legislation in the 117<sup>th</sup> Congress, stating:

The Department supports S. 2524. This bill would increase ground-level support for individuals in need in Alaska Native communities while also improving cohesion between federal, state, and local resources that are critical to supporting Alaska Natives in need.<sup>21</sup>

**VII. EFFECT ON CURRENT LAW (RAMSEYER)**

**[H.R. 7516 \(Rep. Johnson of SD\), “Purchased and Referred Care Improvement Act of 2024”](#)**

**[H.R. 2687 \(Rep. Peltola\), To amend the Alaska Native Claims Settlement Act to exclude certain payments to aged, blind, or disabled Alaska Natives or descendants of Alaska Natives from being used to determine eligibility for certain programs, and for other purposes.](#)**

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<sup>20</sup> CBO Cost Estimate, S. 623, a bill to amend the Alaska Native Claims Settlement Act to exclude certain payments to aged, blind, or disabled Alaska Natives or descendants of Alaska Natives from being used to determine eligibility for certain programs, and for other purposes, Aug.7, 2023. <https://www.cbo.gov/system/files/2023-08/s623.pdf>.

<sup>21</sup> Statement for the Record from the Office of the Assistant Secretary – Indian Affairs, DOI, before the Senate Committee on Energy and Natural Resources on S. 2524, A bill to amend the Alaska Native Claims Settlement Act to exclude certain payments to aged, blind, or disabled Alaska Natives or descendants of Alaska Natives from being used to determine eligibility for certain programs, and for other purposes, <https://www.doi.gov/ocl/s-2524>.