



**Department of Health and Human Services**

**Statement by**

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**Before the**

**Committee on Indian Affairs  
United States Senate**

**Oversight Hearing on  
The President's FY 2019 Budget Request for the  
Indian Health Service**

**March 21, 2018**

Good afternoon Chairman Hoeven and members of the Committee. I am Rear Admiral (RADM) Michael D. Weahkee, Acting Director of the Indian Health Service (IHS). Thank you for your support and for inviting me to speak with you this afternoon about the President's Fiscal Year (FY) 2019 Budget Request for the IHS. This budget supports and advances our mission to raise the physical, mental, social, and spiritual health of American Indians and Alaska Natives to the highest level.

The IHS, an agency within the Department of Health and Human Services (HHS), is responsible for providing federal health services to approximately 2.2 million American Indians and Alaska Natives from 573 federally recognized tribes in 37 states. The IHS system consists of 12 Area offices, which oversee 168 Service Units that provide care at the local level. Health services are provided through more than 850 facilities managed directly by the IHS, by tribes and tribal organizations under authorities of the Indian Self-Determination and Education Assistance Act (ISDEAA), 41 Urban Indian health organizations, and through services purchased from private providers.

Our budget plays a critical role in providing for a healthier future for American Indian and Alaska Native people. Likewise, it helps us maintain the progress we have made over the years. The President's FY 2019 Budget proposes \$5.4 billion in total discretionary budget authority for IHS, which is \$413 million above the FY 2018 Annualized Continuing Resolution. It also proposes Program Level funding of \$6.6 billion, which is \$263 million above the FY 2018 Annualized Continuing Resolution.

### **Prioritizing Clinical Health Care Services**

The IHS provides comprehensive health care, including but not limited to primary medical services, dental care, behavioral health services, community health services, and public health services such as environmental health and sanitation facilities, through a network of 608 hospitals, clinics, and health stations on and near Indian reservations. The budget reflects the Administration's strong commitment to Indian Country. Specifically, the budget protects direct clinical health care investments and increases IHS's discretionary budget authority by eight percent. In order to prioritize direct clinical health care services and the staffing of newly-constructed health care facilities, the budget discontinues the Health Education Program and Community Representatives Program.

The budget requests an increased level of funding to address accreditation issues in the IHS system and improve quality of care. An additional \$29 million is requested over the FY 2018 Annualized Continuing Resolution level for a total of \$58 million in funding to assist IHS-operated hospitals that are at risk or out of compliance with the Centers for Medicare & Medicaid Services (CMS) Conditions of Participation. These funds will be used to address CMS findings and may be used to sustain operations of any affected service unit.

The budget increases Purchased/Referred Care program funding that is essential for ensuring access to care by our patients by providing \$955 million, which is \$32 million above the FY 2018 Annualized Continuing Resolution. This program provides critical health care services through contracts with hospitals and other health care providers to purchase specialized or

critical care when IHS and tribally-managed facilities are unable to provide the services directly. In addition, it supports high-cost medical care for catastrophic injuries and specialized care.

### **Alcohol and Substance Abuse, Mental Health Disorders, and Suicide**

The IHS remains committed to addressing behavioral health challenges, including high rates of alcohol and substance abuse, mental health disorders, and suicide in native communities. The proposed budget for these services is \$340 million, which is \$30 million above the FY 2018 Annualized Continuing Resolution. Further, the budget provides \$10 billion in new resources across HHS to combat the opioid epidemic and address serious mental illness. As part of this effort, the budget includes an initial allocation of \$150 million for IHS to provide multi-year grants based on need for opioid abuse prevention, treatment, and recovery support in Indian Country.

### **Special Diabetes Program for Indians**

The Special Diabetes Program for Indians (SDPI) provides grants for evidence-based diabetes treatment and prevention services across Indian Country. These funds have been instrumental in improving access to diabetes treatment and prevention services for American Indians and Alaska Natives. Since 1997:

- 97 percent of American Indians and Alaska Natives have access to diabetes clinical teams, a 67 percent absolute percentage increase.
- 95 percent of American Indians and Alaska Natives have access to culturally tailored diabetes education programs, a 59 percent absolute percentage increase.

These efforts have had an impact. Diabetes-related health outcomes have improved significantly in Indian communities since the inception of the SDPI. Within our communities, the longtime trend of increasing rates of diabetes ended in 2011. The diabetes program has proven successful and has contributed to a decline in new cases of kidney failure due to diabetes of 54 percent among Native adults from 1996 to 2013. In addition, there has been an eight percent reduction in the average blood sugar level of American Indians and Alaska Natives with diagnosed diabetes between 1997 and 2015. Improved blood sugar control reduces complications from diabetes.

The SDPI grant program provides funding for diabetes treatment and prevention to 301 IHS, tribal, and Urban Indian health programs. To ensure sustained and additional improvements for the health of American Indians and Alaska Natives, the FY 2019 Budget continues funding for this essential program at \$150 million and shifts funding from mandatory to discretionary. Your continued support of these funds is saving lives, improving quality of life, and reducing the cost of care across Indian Country.

### **Health Insurance Reimbursements**

The budget assumes \$1.2 billion in estimated health insurance reimbursements from third party collections. The collection of health insurance reimbursements for the provision of care to

patients covered by Medicare, Medicaid, the Veterans Health Administration, and private insurance allows IHS and tribally-managed programs to meet accreditation and compliance standards. It also allows IHS to expand the provision of health care services by funding staff positions, purchasing new medical equipment, and maintaining and improving health care facilities.

### **Access to Quality Health Care Services through Improved Infrastructure**

The budget proposes \$159 million for staffing of newly constructed health care facilities. This funding will support staffing and operating costs for three Joint Venture Construction Program (JVCP) projects: Muskogee (Creek) Nation Health Center, the Cherokee Nation Regional Health Center in Oklahoma, and the Yukon-Kuskokwim Primary Care in Alaska. Through JVCP agreements, IHS has partnered with the tribes to provide funds for staffing and facility operations while the tribes have invested in the design, construction, and equipment costs associated with the new facilities. These funds will allow the new facilities to expand access to health care.

These funds also provide staffing for new or expanded IHS constructed facilities, including Hau'pal (Red Tail Hawk) Health Center in Arizona, the Fort Yuma Health Center Replacement, and the Northern California Youth Regional Treatment Center in California.

The Health Care Facilities Construction budget includes funding to continue construction of two facilities on the priority list: the Alamo Health Center in New Mexico and the Dilkon Alternative Rural Health Center in Arizona. A total of \$80 million is requested, \$38 million below the FY 2018 Annualized Continuing Resolution.

### **Supporting Indian Self-Determination**

The budget supports self-determination by continuing the separate indefinite appropriation account for contract support costs (CSC) through FY 2019. Authorized and required by the ISDEAA, CSC funding supports certain operational costs of tribes and tribal organizations administering health care service programs under self-determination contracts and self-governance compacts. The budget includes an estimate of \$822 million to fully fund CSC, which is \$22 million above the FY 2018 Annualized Continuing Resolution estimate. Maintaining the flexible funding authority of an indefinite appropriation allows the IHS to guarantee full funding of CSC, as required by the law, while protecting services funding for direct services tribes.

### **Quality of Care**

We are working aggressively to address quality of care issues across our system. In spite of ongoing challenges involving recruitment and retention of providers, aging infrastructure, and rural health facilities, today we are able to report progress.

As a recent example, at the Pine Ridge Hospital, CMS notified us that its survey on February 13-15 found the hospital in compliance with the Condition of Participation for Emergency Services. Pine Ridge IHS Hospital is now in a "Reasonable Assurance" period to demonstrate the ability to

maintain compliance. The Joint Commission will conduct a full survey with CMS deeming status to determine if Pine Ridge IHS Hospital has maintained compliance with all Medicare participation requirements. Pine Ridge IHS Hospital will be readmitted to participate in the Medicare program upon demonstrating full compliance by the second survey. I am proud of the efforts and commitment of the staff at Pine Ridge for the progress made thus far. We still have more work to do in the Great Plains to honor our commitment to American Indians and Native Alaskans, and I am reassured by the recent progress we have made.

At Rosebud Hospital, after satisfying the requirements of the Systems Improvement Agreement with CMS in September 2017, the hospital is preparing for Joint Commission accreditation this spring. Our application for survey was submitted to the Joint Commission in January, and we look forward to their review.

We are also addressing concerns in the Navajo Area at Gallup Indian Medical Center. Specifically, the concerns derive from a Joint Commission unannounced survey in November 2017 that also triggered a CMS survey in December 2017. The surveys found the hospital Emergency Department out of compliance with the Joint Commission standards and CMS Conditions of Participation. We moved quickly to address these issues, and the hospital remedied the Joint Commission's findings. Efforts to restore accreditation of all services surveyed by the Joint Commission continue. The facility also shifted under CMS's survey authority for Medicare Program compliance and will receive a full CMS survey.

We developed the Quality Framework with tribal input, and brought together people and expertise from across the Department of Health and Human Services to focus efforts on improving the quality of care and patient safety. The Quality Framework has been a blueprint for system level improvements of processes and infrastructure to improve quality and safety throughout the agency. We have achieved remarkable progress in the areas of oversight and management of quality, modernizing credentialing and privileging policy and processes (aided by new, standardized software), accreditation master contracts for hospitals and ambulatory health centers, development of a standardized patient experience survey, and the establishment of primary care patient wait time standards. Following a year of implementation of the Quality Framework, IHS is moving toward sustainment of the gains and improvements with the development of a five-year strategic plan to enhance quality in all aspects of agency operations.

I especially want to thank the Congress for the funding that has been provided for accreditation emergencies. These funds have been critical to giving IHS the flexibility to address quality issues at impacted facilities and to offset lost third-party revenue, which is critical to the operating tempo of our facilities. The requested \$58 million will be used to build on the improvements we have made to date. IHS does not have another reserve of funding to meet any significant emergency or emergent issues, and our existing reserves are simply not designed to meet a challenge of this magnitude.

Despite all of the challenges, we are firmly committed to improving quality, safety, and access to health care for American Indians and Alaska Natives, in collaboration with our partners in HHS, across Indian country, and Congress. We appreciate all your efforts in helping us provide the

best possible health care services to the people we serve to ensure a healthier future for all American Indians and Alaska Natives.

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