

DEPARTMENT OF HEALTH AND HUMAN SERVICES

STATEMENT

OF

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DIRECTOR

INDIAN HEALTH SERVICE

BEFORE THE

SENATE COMMITTEE ON INDIAN AFFAIRS

OVERSIGHT HEARING

ON

THE PRESIDENT'S FY 2012 BUDGET REQUEST

FOR THE

INDIAN HEALTH SERVICE

March 15, 2011

STATEMENT OF THE INDIAN HEALTH SERVICE

Mr. Chairman and Members of the Committee:

Good morning. I am Dr. Yvette Roubideaux, Director of the Indian Health Service. I am accompanied today by Mr. Randy Grinnell, Deputy Director. I am pleased to have the opportunity to testify on the President's FY 2012 budget request for the Indian Health Service (IHS).

While the President's FY 2012 budget for the entire federal government reflects hard choices necessary to control the deficit, the IHS budget request reflects a sustained commitment by President Obama to honor treaty commitments made by the United States and to provide for a necessary investment in our future. In addition, the FY 2012 budget request reflects Secretary Sebelius' continued priority to improve the IHS, and represents one of the largest annual percent increases in discretionary budget authority, compared to other operating divisions within the Department of Health and Human Services. This request will help IHS further meet its mission to raise the physical, mental, social and spiritual health of American Indians and Alaska Natives to the highest level.

AGENCY AND TRIBAL PRIORITIES

This budget request was built upon tribal priorities identified during the IHS budget formulation process. Tribes have consistently expressed that maintaining current services must be addressed before programs are expanded, and they have consistently identified the need for program funding increases to be distributed broadly across as many patients and communities as possible. The agency priorities provide a framework for responding to the Tribes and improving what we do and how we do it. Specifically, our agency priorities are:

- Renew and strengthen our partnership with Tribes
- Reform the IHS
- Improve the quality of and access to health care
- Make all of our work transparent, accountable, fair and inclusive

BUDGET REQUEST

The FY 2012 President's budget request in discretionary budget authority for the IHS is \$4.6 billion; an increase of \$571.4 million, or 14 percent, over the FY 2010 enacted funding level.

Maintaining Current Services

The request includes \$327.5 million in increases for pay costs for Commissioned Corps personnel, inflation and population growth that will cover the rising costs of providing health care to maintain the current level of services provided in IHS, Tribal, and Urban Indian Health Programs. This amount also includes \$71.5 million to staff and operate newly constructed health facilities, including facilities completely constructed by Tribes under the Joint Venture Construction Program, one facility constructed primarily from Recovery Act funds, and one facility constructed by the Army Corps of Engineers. The success of the Joint Venture

program demonstrates the strong commitment of this Administration and the Tribes to reduce the backlog of health facility construction projects and staffing needs.

Funding Increases to Improve Quality of and Access to Care

The IHS proposed budget includes a \$243.9 million increase for a number of programs and initiatives that will increase access to care, and strengthen the capacity of the Indian health system to provide clinical and preventive care. This budget will also help address longstanding unmet needs and inequities in funding levels within the Indian health system. The budget request includes a total increase of \$169.3 million for the Contract Health Services (CHS) program, the top Tribal priority for program increases. This increase will help meet the significant need for referrals for medical services in the private sector. The increase provides \$79.6 million to maintain current services and \$89.6 million to expand the program. Within the programmatic increase, \$10 million will be targeted to the Catastrophic Health Emergency Fund (CHEF), for a total funding level of \$58 million for the CHEF to help pay for very high-cost cases. The budget request also includes \$54 million for the Indian Health Care Improvement Fund and will allow approximately 75 of our lowest funded hospitals and health centers to expand health and primary care services. To fund the shortfall in Contract Support Costs (CSC), a \$63.3 million increase is included for Tribes that have assumed the management of health programs previously managed by the Federal government. These increases represent some of the highest priorities identified by Tribes over the past several years, as well as by me to increase the recurring base budget for our patients' provide needed healthcare services.

In this budget request we also target modest but important funding increases to specific activities to improve quality and access to care. A request of \$4 million for Health Information Technology will address critical security maintenance and enhancements, and facilitate IHS participation in external exchanges and support meaningful use requirements. Prevention of chronic illness, currently widespread and costly in the American Indian and Alaska Native population, will be enhanced by the request for \$2.5 million in competitive awards to reduce the principal risk factors of chronic diseases, i.e., smoking, obesity, and a sedentary lifestyle. IHS also has an important role in the national drug control strategy, as behavioral health issues are pervasive throughout Indian communities. Therefore, the budget requests \$4 million for a competitive grant program to expand access to and improve quality of substance abuse treatment in our primary care settings.

For the Facilities appropriation, the overall request is \$457.7 million, with an increase of \$62.9 million over the FY 2010 funding level. Within this increase, the total Health Care Facilities Construction budget is \$85.2 million, for construction to continue on the replacement hospital in Barrow, Alaska, the San Carlos Health Center in Arizona, and the Kayenta Health Center on the Navajo Reservation. It will also fund the design and site grading of the Youth Regional Treatment Center for Southern California.

Funding Increases to Reform the IHS

This budget helps us continue our work to bring reform to the IHS. In my first year as Director, I sought input from Tribes and staff on where improvements are needed in IHS. Tribal priorities for reform focused on broad issues such as the need for more funding, the

distribution of resources, and improving how we consult with Tribes. Staff priorities focused on how we do business and how we lead and manage people. In this past year, input from external stakeholders have reinforced the need for change and improvement in the IHS and to focus more on our oversight responsibilities to assure accountability in providing quality health care in the most effective and efficient manner possible. We are working hard to make improvements and implement the recommendations of this committee from the Aberdeen Area investigation.

This budget includes funding increases for Direct Operations and Business Operations Support to improve our capacity for performing the functions highlighted above. The funds for Direct Operations will allow us to focus on improvements in the hiring process, recruitment and retention, performance management, and more effective financial management and accountability. The funds for Business Operations Support will allow IHS and Tribal health programs to focus on ensuring effective and efficient processes in billing and collecting from third party payers, processing CHS claims, and ensuring the best rates are negotiated for health care provided through CHS programs. All of these reforms are being conducted as we make all our work more transparent, accountable, fair and inclusive.

We are making progress on implementing the Indian Health Care Improvement Act's permanent reauthorization included in the Affordable Care Act. This budget proposes funding for two high priority demonstration projects: youth telemental health project; and innovative healthcare facility construction.

Savings

This budget request for IHS demonstrates actions to achieve fiscal responsibility without endangering patient care. Two areas of proposed savings have been identified that allow funds to be targeted to higher priority activities. One area is in the small grant programs funded within the Hospitals and Clinics budget, where \$7 million of savings can be accomplished. These grant programs have a small number of grantees, ranging from 1 to 11 Tribes or Urban Indian Health Programs receiving the awards. Tribes have expressed a preference for direct funding rather than competitive grant programs that benefit only a few Tribes, and the savings achieved here can be redirected towards priority budget items that benefit all Tribes. Another area identified for savings in FY 2012 is the Sanitation Facilities Construction program. Although the overall need for water, sewage and solid waste disposal facilities remains significant, funds received in FYs 2009 and 2010, including Recovery Act funds, totaled nearly \$350 million compared to an annual appropriation of approximately \$96 million for both FY 2009 and FY 2010. Redistribution of these funds will, thus, lessen the impact of this decrease in base funding.

INDIAN HEALTH SYSTEM – ACCOMPLISHMENTS

The FY 2012 budget proposal will provide resources to help the IHS further meet its mission. The IHS provides high quality, comprehensive primary care and public health services through a system of IHS, Tribal, and Urban Indian Health operated facilities and programs based on treaties, judicial determinations, and acts of Congress. This Indian health system provides services to nearly 1.9 million American Indians and Alaska Natives through hospitals, health centers, and clinics located in 35 states, often representing the only source of health care for

many American Indian and Alaska Native individuals, especially for those who live in the most remote and poverty stricken areas of the United States. The purchase of health care from private providers is also an integral component of the health system for services unavailable in IHS and Tribal facilities or, in some cases, in lieu of IHS or Tribal health care programs. Unlike many other health delivery systems, the IHS is involved in the construction of health facilities, including the construction of staff quarters necessary for recruitment and retention of health care providers, as well as being involved in the construction of water and sewer systems for Indian homes and communities that lack this basic infrastructure. I know of no other health care organization that accomplishes such a wide array of patient care, public health and community services within a single system.

Addressing Health Disparities

For several years since its inception in 1955, IHS made significant strides in reducing early and preventable deaths from infectious or communicable diseases. However, deaths due to chronic diseases and behavioral health conditions have been more challenging to address since they result primarily from lifestyle choices and individual behaviors. Progress in addressing these disparities will be a sure investment in winning the future, as more youth are ushered into adulthood without engaging in the risky behaviors that are so prevalent in the population today, and as more adults become tribal elders without succumbing to the complications of chronic disease.

Performance through GPRA measures indicates that the Indian health system is making progress in addressing health disparities. For example, the agency achieved its FY 2010 performance targets for mammography and colorectal cancer screenings performed, increasing the portion of the population screening by three and four percentage points respectively; however, the end result for both indicates less than half the user population received these important screenings. Also, while the IHS did not fully meet its FY 2010 performance targets for diabetic patients with ideal blood sugar control or with controlled blood pressure, there were improvements over the previous year's results. With this budget proposed for FY 2012, we anticipate seeing a positive impact on the lives of American Indian and Alaska Native people and progress towards improving the health status of the communities we serve.

CLOSING

The IHS is a predominantly rural, highly decentralized federal, Tribal, and Urban Indian health system that provide health care services under a variety of challenges. However, IHS has proven its ability to improve the health status of American Indians and Alaska Natives over the years. The President's FY 2012 budget request for the IHS is a necessary investment in winning the future that will result in healthier American Indian and Alaska Native communities.

Thank you for this opportunity to present the President's FY 2012 budget request for the Indian Health Service and helping to advance the IHS mission to raise the physical, mental, social, and spiritual health status of American Indians and Alaska Natives to the highest level, and I look forward to working with you over the next year.