Indian Health Service

dollars in millions	2017 /1	2018 /2	2019/3	2019 +/- 2018
Services				
Clinical Services	3,359	3,336	3,689	+353
Hospitals and Health Clinics (non-add)	1,935	1,922	2,190	+268
Accreditation Emergencies (non-add)	29	29	58	+29
Purchased/Referred Care (non-add)	929	923	955	+32
Preventive Health	160	159	89	-70
Public Health Nursing (non-add)	79	78	87	+9
Health Education (non-add)	19	19	--	-19
Community Health Representatives (non-add)	60	60	--	-60
Other Services	176	175	168	-6
Tribal Management Grant Program (non-add)	2	2	--	-2
Direct Operations (non-add)	70	70	73	+3
Contract Support Costs/4	800	800	822	+22
Subtotal, Services and Contract Support Costs	**4,494**	**4,469**	**4,768**	**+299**
Facilities				
Health Care Facilities Construction	118	117	80	-38
Sanitation Facilities Construction	102	101	102	+1
Facilities and Environmental Health Support	227	225	229	+3
Maintenance and Improvement	76	75	76	+1
Medical Equipment	23	23	20	-3
Subtotal, Facilities	**545**	**542**	**506**	**-36**
Diabetes Grants				
Discretionary Budget Authority	--	--	150	+150
Total, Budget Authority	**5,040**	**5,011**	**5,424**	**+413**
Funds From Other Sources				
Health Insurance Collections	1,194	1,194	1,194	--
Rental of Staff Quarters	9	9	9	--
Diabetes Grants				
Current Law Mandatory	147	75	--	-75
Proposed Mandatory Law	--	75	--	-75

Subtotal, Diabetes Grants	147	150	--	-150
Subtotal, Other Sources	**1,349**	**1,352**	**1,202**	**--**
Total, Program Level	**6,389**	**6,363**	**6,626**	**+263**
Additional Opioids Allocation	--	--	150	+150
Total with Additional Opioids Allocation/5	**--**	**--**	**6,776**	**+513**

1/ Reflects FY 2017 enacted, post required and permissive transfers and rescissions.

2/ Reflects the annualized level of the Continuing Resolution (P.L. 115-96) and directed or permissive transfers (where applicable). Excludes an anomaly of $13 million for staffing and operating costs for newly-constructed health care facilities (P.L. 115-96).

3/ The Budget requests a total of $159 million for staffing and operating costs of new and replacement facilities and $95 million for current services, which is allocated across several funding lines.

4/ The total estimated Contract Support Costs amount of $800 million is reflected in the FY 2018 funding level.

5/ This funding is part of the $10 billion proposal to combat the opioid epidemic and address serious mental illness.

The mission of the Indian Health Service is to raise the physical, mental, social, and spiritual health of American Indians and Alaska Natives to the highest level.

The Fiscal Year (FY) 2019 Budget requests $5.4 billion for the Indian Health Service (IHS), which is $413 million or eight percent above the FY 2018 Continuing Resolution. The Budget continues to prioritize the provision of direct health care services across Indian Country through targeted funding increases to support improved health outcomes for American Indians and Alaska Natives. The Administration continues to honor its commitment to members of more than 567 Federally-recognized Tribes.

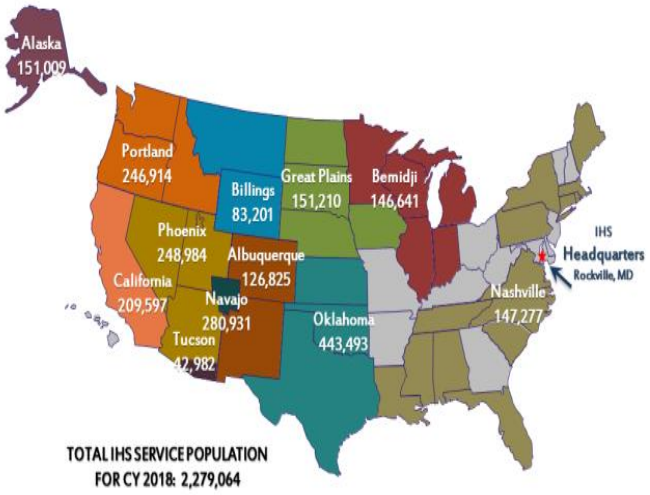
The FY 2019 Budget provides increased funding for Clinical Services programs, which fund direct health care services through hospitals and health clinics, dental health, mental health, alcohol and substance abuse services, and the Purchased/Referred Care Program. The Budget also fully funds staffing for new and replacement facilities, and supports Indian self-determination by fully funding Contract Support Costs, which assists Tribes that administer their own health programs and facilities.

FULFILLING THE UNIQUE ROLE OF THE INDIAN HEALTH SERVICE

IHS partners with Tribes to provide direct health care services for a growing population of more than 2.2 million eligible American Indians and Alaska Natives. By partnering with Tribes, IHS ensures maximum Tribal participation in administering programs that directly impact Tribal communities. Tribes also directly manage more than sixty percent of IHS's total budget.

Comprehensive health care services are delivered through a network of over 608 hospitals, clinics, and health stations across the Nation. The Budget reflects a continued commitment to Indian Country by investing in direct health care services. The FY 2019 Budget provides $3.7 billion for clinical services, an increase of $353 million above the FY 2018 Continuing Resolution. This increase will allow IHS to expand direct health care services across the IHS system. Direct health care services include outpatient and inpatient care in hospitals and clinics, behavioral health services, and dental health services. The Budget also

IHS SERVICE POPULATION BY AREA



provides $95 million for current services to offset the increasing cost of providing health care services due to medical inflation and pay increases.

Purchased/Referred Care

The Budget provides $955 million for the Purchased/Referred Care program, which is an increase of $32 million above the FY 2018 Continuing Resolution, to support medical care for catastrophic injuries, specialized care, and other critical care services. The Purchased/Referred Care program provides access to health care services where no IHS/Tribal facility is available or when the facility cannot provide the services needed through contracts with providers outside of the IHS health care system. IHS has been able to support a growing number of medical services in several areas across the country through the Purchased/Referred Care program, and this increase helps IHS maintain that expansion.

Behavioral Health

American Indians and Alaska Natives have a high prevalence of behavioral health problems compared to the broader United States population. Specifically, this population has the highest suicide rates of any racial/ethnic population. Similarly, American Indians and Alaska Natives have the highest rate of substance use disorders, including alcohol abuse, compared to any other racial/ethnic population. To combat these health disparities, the FY 2019 Budget requests a total of $340 million for Mental Health, Alcohol and Substance Abuse programs, which is an increase of $30 million above the FY 2018 Continuing Resolution.

Fighting the Opioid Epidemic

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 in IHS to provide multi-year competitive grants based on need for opioid abuse prevention, treatment, and recovery support in Indian Country. American Indians and Alaska Natives had the highest drug overdose death rates in 2015, and the largest percentage change increase in drug overdose deaths from 1999-2015 of any population at 519 percent.

Preventive Health Services

IHS provides preventive health care, including immunizations, case management, and patient follow-up care, to improve the health status of American Indians and Alaska Natives. In FY 2019, the Budget provides $89 million for Preventive Health services, which is a decrease of $70 million below the FY 2018 Continuing Resolution. In order to prioritize direct health care services and staffing of newly constructed facilities, the Budget discontinues the Health Education program and the Community Health Representatives program. Funding for Public Health Nursing and immunization programs are continued at nearly the same level as the FY 2018 Continuing Resolution. These activities deliver direct health care services across Indian Country and allow many who live in rural and isolated communities to access care.

Special Diabetes Program for Indians

American Indians and Alaska Natives are substantially more likely to have diagnosed diabetes than the general population. The prevalence of this disease also comes with increased complications for patients and health care costs for IHS and Tribes. The Special Diabetes Program for Indians has changed the diabetes landscape across the IHS system by improving access to quality, evidence-based diabetes care. The program has significantly reduced diabetes complications among American Indians and Alaska Natives, including a 54 percent decrease in kidney failure rates and a 50 percent reduction in diabetic eye diseases, such as blindness.

PROGRAM HIGHLIGHT

Quality Health Care

The IHS Quality Framework outlines how IHS is working to improve patient experience and outcomes, strengthen organizational capacity, and ensure the delivery of reliable, high-quality health care at IHS facilities. In October 2017, IHS announced results that the Quality Framework has produced to date; including establishing patient wait time standards for primary and urgent care settings and implementing emergency department telehealth consultation in the Great Plains Area and Billings Area.

The Budget prioritizes quality care by providing a total of $58 million to assist facilities, including those in the Great Plains Area, with meeting CMS quality health care standards. The Quality Framework and continued investments demonstrate IHS's commitment to providing quality health care across Indian Country.

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. These funds allow IHS and Tribes to continue to provide primary prevention awareness, education, and care, and to sustain efforts to control and eradicate this disease across Tribal communities.

Staffing Increases

The Budget includes an additional $159 million to support staffing and operating costs for six new or replacement health facilities to be completed in FY 2018 and FY 2019. This increase will allow the newly constructed facilities to expand the provision of health care in areas where the existing capacity is overextended. Newly constructed facilities include Red Tail Hawk Health Center in Arizona, Fort Yuma Health Center in California, Muskogee (Creek) Nation Health Center in Oklahoma, the Northern California Youth Regional Treatment Center in California, the Yukon-Kuskokwim Primary Care Center in Alaska, and the Cherokee Nation Regional Health Center in Oklahoma. Three of the facilities are Joint Venture projects in which IHS partners with Tribes to build new health care facilities. Specifically, Tribes provide the funding to support the construction of the new or replacement facility, and IHS works with Congress to provide funding for staffing and operating costs for the facility. These important partnerships will continue to increase access to care and decrease health disparities faced by American Indians and Alaska Natives.

Health Insurance Reimbursements

The FY 2019 Budget request for IHS estimates $1.2 billion in health insurance reimbursements from third party collections, including Medicare, Medicaid, the Veterans Health Administration, and private health insurance. The collection of health insurance reimbursements is essential for maintaining accreditation standards by covering the costs of hiring additional medical staff, purchasing equipment, and making necessary building improvements.

Other Programs

The Budget continues the same level of funding as the FY 2018 President's Budget for other services at $168 million, which is $6 million below the FY 2018 Continuing Resolution.

FACILITIES AND CONSTRUCTION

IHS and tribally-run facilities cover nearly 18 million square feet in 35 States across the country. IHS is responsible for the construction and maintenance of healthcare facilities as well as the purchase and maintenance of medical equipment in those facilities. To prioritize direct health care services and staffing and operating costs for new and replacement facilities, the Budget reduces facilities funding to $506 million, a decrease of $36 million below the FY 2018 Continuing Resolution.

Health Care Facilities Construction

IHS constructs new and replacement health care facilities through a process governed by the 1993 Health Facilities Construction Project Priority List, developed by IHS in consultation with Tribes. The 2010 reauthorization of the Indian Health Care Improvement Act incorporated the priority list into statute. The Budget provides $80 million for Health Care Facilities Construction, $38 million below the FY 2018 Continuing Resolution. This funding level continues construction of two facilities on the priority list: the Alamo Health Center in New Mexico and the Dilkon Alternative Rural Health Center in Arizona.

Sanitation Facilities Construction

The Sanitation Facilities Construction Program provides new and existing homes across Indian Country with safe drinking water and waste disposal. Under this program, infant mortality rates and mortality rates for gastroenteritis and other environmentally-related diseases have been reduced by approximately 80 percent since 1973. The Budget requests $102 million for these activities, which is $1 million above the FY 2018 Continuing Resolution and $26 million above the FY 2018 President's Budget.

Other Facilities Improvement and Construction Programs

The FY 2019 Budget includes $76 million for Maintenance and Improvement to maintain, repair, and improve existing IHS and Tribal health care facilities, which is $1 million above the FY 2018 Continuing Resolution. The Facilities and Environmental Health Support program, which supports an extensive array of real property, as well as community and institutional environmental health, and injury prevention, is funded at $229 million, which is +$3 million above the FY 2018 Continuing Resolution. Lastly, the Budget provides $20 million to purchase and maintain medical equipment, which is -$3 million below the FY 2018 Continuing Resolution.

FURTHERING INDIAN SELF-DETERMINATION

Under the Indian Self-Determination and Education Assistance Act of 1975, Tribes and Tribal organizations can take over the operation of IHS programs. Today, self-governance affords Tribes the most flexibility to tailor health care services to the needs and priorities of their communities and more than 60 percent of the IHS budget is administered directly by Tribes.

Contract Support Costs

The Budget fully funds Contract Support Costs at an estimated $822 million and continues the use of an indefinite appropriation, which allows IHS to guarantee full funding of this program. Funding for Contract Support Costs supports the costs incurred by Tribes for activities that are necessary for administering health care service programs under self-determination contracts and self-governance compacts.