



**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**STATEMENT**

**OF**

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**ASSISTANT SURGEON GENERAL, DIRECTOR**

**INDIAN HEALTH SERVICE**

**BEFORE THE**

**SENATE COMMITTEE ON INDIAN AFFAIRS**

**OF THE**

**UNITED STATES SENATE**

**OVERSIGHT HEARING**

**ON**

**THE PRESIDENT'S FY 2007 BUDGET REQUEST**

**FOR THE**

**INDIAN HEALTH SERVICE**

**FEBRUARY 14, 2006**

## STATEMENT OF THE INDIAN HEALTH SERVICE

Mr. Chairman and Members of the Committee:

Good Afternoon. I am Dr. Charles W. Grim, Director of the Indian Health Service. Today I am accompanied by Mr. Robert McSwain, Deputy Director of the IHS, Dr. Craig Vanderwagen, Acting Chief Medical Officer, and Mr. Gary Hartz, Director, Environmental Health and Engineering. We are pleased to have the opportunity to testify on the President's FY 2007 budget request for the Indian Health Service.

As part of the Federal Government's special relationship with Tribes, the IHS delivers health services to more than 1.9 million American Indians and Alaska Natives. Individual and public health services are provided in more than 600 health care facilities located primarily in some of the most remote regions of the United States. For all of the American Indians and Alaska Natives served by these programs, the IHS is committed to its mission to raise their physical, mental, social, and spiritual health to the highest level, in partnership with them.

This mission is supported by the Department of Health and Human Services (HHS) and the IHS budget request reflects that support. To better understand the conditions in Indian country, senior Department and IHS officials have visited Tribal leaders and Indian reservations in all twelve IHS areas. In addition, I have the pleasure of serving as the Vice-Chair of the Intradepartmental Council on Native American Affairs (ICNAA) whose role is to assure

coordination across HHS in support of American Indian, Alaska Native, and Native American health and human services issues. The Administration takes seriously its commitment to honor the unique legal relationship with, and responsibility to, eligible American Indians and Alaska Natives by providing effective health care services.

Through the government's longstanding support of Indian health care, the IHS, in partnership with the people we serve, have demonstrated the ability to effectively utilize available resources to improve the health status of American Indians and Alaska Natives. The clearest example of this is the drop in mortality rates over the past few decades. More recently, this effectiveness has been demonstrated by the programs' success in achieving their annual performance targets as well as by the intermediate outcomes of the Special Diabetes Program for Indians. IHS programs have received favorable ratings through the Office of Management and Budget's Program Assessment Rating Tool (PART). Some programs' PART scores are among the highest in the Federal Government.

Although we are very pleased with these achievements, we recognize that there is still progress to be made. American Indian and Alaska Native mortality rates for alcoholism, tuberculosis, motor vehicle crashes, diabetes, unintentional injuries, homicide, and suicide are higher than the mortality rates for other Americans. Many of the health problems contributing to these higher mortality rates are behavioral. For example, the rate of violence for American Indian and Alaska Native youth aged 12-17 is 65 percent greater than the national rate for youth.

The IHS and our stakeholders remain resolved and deeply committed to address these disparities. As partners with the IHS in delivering needed health care to American Indians and Alaska Natives, these stakeholders participate in formulating the budget request and annual performance plan. The Department holds annual budget consultation sessions, both regionally and nationally, to give Indian Tribes opportunities to present their budget priorities and recommendations to the Department. This year during the budget consultation process tribal leaders provided us with what continue to be their top priorities - pay costs, increases in the cost of providing health care, and population growth. I am pleased to say that this budget, like the budget I presented last year, responds to those priorities by including the increases necessary to assure that the current level of services for American Indians and Alaska Natives is maintained in FY 2007 and that new services associated with the growing American Indian and Alaska Native population are covered.

The President's budget request for the IHS totals \$4.0 billion, a net increase of \$124.5 million or 3.2 percent above the FY 2006 enacted level. The request will allow IHS and Tribal health programs to maintain access to health care by providing \$41.4 million to fund pay raises for Federal and Tribal employees, and \$92.7 million to cover increases in the cost of delivering health care and to address the growing American Indian and Alaska Native population. Staffing and operating costs for four newly constructed health centers are also included in the amount of \$32.2 million. Once they are fully operational, these facilities will increase the number of primary care provider visits that can be provided at these sites by 81 percent and allow the provision of new services such as 24-hour emergency room, optometry, physical therapy, and

audiology services. The request also includes additional funding of \$11 million for the IHS costs for implementing the HHS Unified Financial Management System. This system is being implemented to replace five legacy accounting systems currently used across the HHS operating divisions. The UFMS will integrate the Department's financial management structure and provide HHS leaders with a more timely and coordinated view of critical financial management information.

To target these priority increases, the budget request eliminates funding for the Urban Indian Health Programs and reduces funding for Health Care Facilities Construction by \$20.1 million. Unlike Indian people living in isolated rural areas, urban Indians can receive health care through a wide variety of Federal, State, and local providers. One health care provider available to low-income urban Americans is the Health Resources and Services Administration's Health Centers program which currently operates in all of the cities served by the Urban Health program and in hundreds of other cities where Indian people live. The budget requests \$2.0 billion for Health Centers in FY 2007, allowing it to serve 1.5 million more urban Americans than it served in FY 2004. The request for Health Care Facilities Construction is \$ 17.7 million, sufficient to complete the construction of the Phoenix Indian Medical Center's Southwest Ambulatory Care Center. Since FY 2001, a total of \$364 million has been provided to complete twelve IHS health facilities. Consistent across HHS, no funds are requested in FY 2007 to initiate new construction.

The proposed budget that I have just described provides a continued investment in the

maintenance and support of the IHS and Tribal public health system to provide access to high quality medical and preventive services as a means of improving health status. It reflects a continued Federal commitment to American Indians and Alaska Natives.

Thank you for this opportunity to present the President's FY 2007 budget request for the IHS. We are pleased to answer any questions that you may have.