



Indian Health Service Press Release

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FOR IMMEDIATE RELEASE

Contact: (301) 443-3593, FAX (301) 443-0507

President Signs Fiscal Year 2006 Budget for Indian Health Service

The Indian Health Service (IHS) will have approximately \$3.9 billion available in fiscal year (FY) 2006 to administer health care programs for American Indian and Alaska Native people. This is an increase of approximately \$100 million, or about 2.7 percent, over fiscal 2005.

Approximately \$3.1 billion of the funding comes from the FY 2006 IHS budget appropriation recently signed by President Bush, which includes an increase of approximately \$91 million, or about 3 percent, over the FY 2005 budget appropriation. The remaining funding for the agency includes \$6 million from staff quarters rentals; \$648 million from private health insurance and Medicare/Medicare collections; and \$150 million through the Special Diabetes Program for Indians congressional appropriation.

An estimated 1.8 million American Indians and Alaska Natives will be eligible for IHS services in 2006, a 1.6 percent increase over 2005. The FY 2006 budget increase will help provide health care services for an additional 29,000 people who are expected to seek IHS services in FY 2006, cover increased pay costs for the Federal and Tribal employees who provide these services, and respond to the rising cost of providing these services. Funds will go primarily to Clinical Services (operation of hospitals and clinics, and purchase of medical care), and to other IHS programs that are providing additional services and support functions.

The IHS is the agency of the Department of Health and Human Services (HHS) with primary responsibility for providing health care services to American Indians and Alaska Natives. The FY 2006 appropriated budget increase reflects the impact of the HHS policy of consulting with Tribes on budget decisions affecting their members, as well as the continuing Federal Government commitment to provide health service resources to members of federally recognized Tribes.

PAY COSTS

The budget includes an additional \$32 million toward covering increased Federal employee pay costs and to allow tribally run health programs to provide comparable pay raises to their staffs.

HEALTH FACILITIES CONSTRUCTION/STAFFING

A total of \$38 million is included for health care facility construction. This amount will complete funding of staff quarters in Ft. Belknap, Mont.; begin construction of a replacement hospital in Barrow, Alaska; complete the design and initiate construction of a health center in Kayenta, Ariz.; complete the design of a health center in San Carlos, Ariz.; and begin the construction of an ambulatory care center supporting the Phoenix Indian Medical Center. In addition, \$2 million is provided for dental units and \$7 million to fund construction projects under the Small Ambulatory facilities program.

An additional \$35 million is included to add staffing for six newly constructed health care facilities, which include Red Mesa, Ariz.; Sisseton, S.D.; Pinon, Ariz.; Idabel, Okla.; Coweta, Okla.; and St. Paul, Alaska. Tribes financed construction of two of these facilities, the Idabel and Coweta facilities, through the Joint Venture Program, saving the Federal Government \$22 million in construction costs.

SANITATION CONSTRUCTION

The FY 2006 appropriation includes \$93 million for sanitation construction – an increase of \$1.3 million, or 1.4 percent, over FY 2005, to provide safe water and waste disposal systems to an estimated 20,000 Indian homes. Approximately 88 percent of American Indian and Alaska Native homes have been provided safe and reliable water since the inception of the IHS sanitation construction program. The IHS credits its sanitation constructions program with playing a key role in long-term reductions in infant mortality, gastroenteritis, and other environmentally related diseases.

CONTRACT SUPPORT COSTS

Tribes continue to increase the number of IHS programs they operate under the authority of the Indian Self-Determination and Education Assistance Act (Public Law 93-638, as amended). In FY 2006, Tribes will administer an estimated \$1.6 billion, or approximately 53 percent, of the total IHS budget appropriation. To enable Tribes to develop the administrative infrastructure necessary to successfully manage these programs, the budget includes approximately \$267 million for contract support costs, an increase of \$3.7 million over FY 2005. The additional funds will be provided to Tribes and Tribal organizations to support continued contracting and compacting under P.L. 93-638, as amended.

CONTRACT HEALTH SERVICES

The appropriation includes an additional \$24 million for contract health service (CHS) costs, for a total of approximately \$523 million. The IHS uses CHS funds to supplement the care provided in its own facilities by purchasing medical care from hospitals and health providers. These CHS funds pay for specialty care, including most types of surgery, and are used to purchase medical care for Tribes that do not have an IHS facility nearby.

URBAN INDIAN HEALTH PROGRAM

While most IHS services are provided on or near reservations, approximately 1 percent of the budget is used to provide services to Indian people living in urban areas. The IHS 2006 budget provides \$33 million to help support 34 Urban Indian health organizations that provide service in cities with large numbers of Indian people. Services provided vary from outreach, referral, and case management to comprehensive care, including ambulatory medical care; dental services; community education; alcohol and substance abuse prevention, treatment, and counseling; mental health counseling; and social services.

SPECIAL DIABETES PROGRAM FOR INDIANS

The budget includes \$150 million for diabetes prevention and treatment grants. Through the Special Diabetes Program for Indians, the IHS has awarded \$650 million in grants over the past 5 years to over 300 Tribes and Indian organizations to support diabetes prevention and disease management at the local level. This program has substantially increased the availability of services such as basic clinical exams, newer treatment medications and therapies, laboratory tests to assess diabetes control and complications, screening for diabetes and pre-diabetes, nutrition education, and physical fitness activities.



NOTICE TO EDITORS: For additional information on this subject, please contact Dianne Dawson, IHS Public Affairs Staff, at 301-443-3593. Additional information about the IHS is available on the IHS website <http://www.ihs.gov> and <http://info.ihs.gov>



FY 2006 Budget Overview for the Indian Health Service

(Dollars in thousands)

	FY 2005 (Enacted)	FY 2006 (Enacted)	Change over FY 2005
Clinical Health Services:			
Hospitals & Health Clinics	\$1,289,418	\$1,353,070	\$63,652
Dental Health	109,023	118,920	9,897
Mental Health	55,060	59,046	3,986
Alcohol & Substance Abuse	139,073	144,644	5,571
Contract Health Services	498,068	522,522	24,454
<i>Total, Clinical Services</i>	2,090,642	2,198,202	107,560
Preventive Health Services:			
Public Health Nursing	45,015	49,453	4,438
Health Education	12,429	13,721	1,292
Community Health Reps.	51,365	53,481	2,116
Immunization AK	1,572	1,637	65
<i>Total, Preventive Health Programs</i>	110,381	118,292	7,911
Other Services:			
Urban Health	31,816	33,075	1,259
Health Professions	30,392	31,353	961
Tribal Management	2,343	2,418	75
Direct Operations	61,649	62,823	1,174
Self-Governance	5,586	5,725	139
Contract Support Costs	263,683	267,404	3,721
<i>Total, Health Services Programs</i>	2,596,492	2,719,292	122,800
Indian Health Facilities:			
Maintenance & Improvement	49,204	52,155	2,951
Sanitation Facilities	91,767	93,074	1,307
Health Care Facilities Construction	88,597	38,160	(50,437)
Facilities & Environmental Health Support	141,669	152,231	10,562
Medical Equipment	17,337	21,159	3,822
<i>Total, Facilities Programs</i>	388,574	356,779	(31,795)
<i>TOTAL BUDGET AUTHORITY</i>	2,985,066	3,076,071	91,005
Collections:			
Insurance (Medicare/Medicaid/Private)	632,829 (est)	641,920(est)	9,091(est)
Staff Housing	6,200	6,288	88
Allocations from other Sources:			
Special Diabetes Program for Indians	150,000	150,000	0
<i>TOTAL PROGRAM LEVEL</i>	3,774,095	3,874,279	100,184