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## GENERAL MEMORANDUM 12-086

### House Committee Marks up FY 2013 Indian Health Service Appropriations

On June 28, 2012, the House Appropriations Committee completed its markup of the FY 2013 appropriations bill (HR 6091) for Interior, Environment and Related Agencies. The Committee report, H. Rpt. 112-589, was filed on July 10, 2012. The Committee bill and report are available at <http://appropriations.house.gov/>. We focus in this Memorandum on the recommendations for the Indian Health Service (IHS).

While the House Committee-reported bill is not likely to advance to the House floor, the Senate Appropriations Committee has tentative plans to unveil its version of an Interior spending bill in July. The two houses have differing discretionary spending caps for the Interior, Environment and Related Agencies bill – \$28 billion for the House and \$29.7 billion for the Senate. In addition to having differing spending caps, there will be significant differences between the two houses, notably with regard to funding and policy provisions for the Environmental Protection Agency (the House Committee bill would reduce EPA funding by 17 percent).

Current expectations are that Congress will not enact FY 2013 funding bills prior to the beginning of the fiscal year (October 1) and that funding will be provided under a Continuing Resolution (CR) lasting past the November election and into December. Under the Budget Control Act, there will be a significant across-the-board sequestration of funding for many federal programs if Congress does not find a way to enact \$1.2 trillion toward deficit reduction over a ten-year period. The IHS would be held to a statutory two percent reduction under sequestration (not so for the Bureau of Indian Affairs/Bureau of Indian Education). Another option is that Congress could amend the Budget Control Act to eliminate or modify the current sequestration language.

Despite the uncertainty it is worth following whatever FY 2013 recommendations are made by the House and Senate Appropriations Committees – both with regard to funding and policy provisions – as they may affect the final FY 2013 funding bill(s).

*The House Committee states that unless otherwise indicated, the IHS is to "implement its fiscal year 2013 budget in accordance with its budget justification." See our General Memorandum 12-028 of February 22, 2012, regarding the proposed FY 2013 IHS budget.*

## FUNDING OVERVIEW

The Committee recommended \$187 million over the FY 2012 enacted level and \$71 million over the Administration's request for the IHS. In most instances the Committee went along with the Administration's recommendations, including its requests for funding increases. The Committee requested increases *over the Administration's requests* in the following areas: contract supports costs (\$70 million increase); staffing and operations of new facilities (\$4 million increase – \$3.6 million in Hospitals and Clinics and \$362,000 in the Facilities accounts); urban Indian health (\$2.5 million increase); dental program (\$300,000); and Loan Repayment Program (\$1 million). *Decreases* below the Administration's request are \$1.5 million under Hospitals and Clinics for health information technology and \$5.3 million in Direct Operations.

*Staffing of New Facilities.* As mentioned above, the House Committee recommended an additional \$4 million over the Administration's request of \$49.2 million for staffing and operation costs of new facilities. The House report states that the funds "are limited to facilities funded through the Health Care Facilities Construction Priority System or the Joint Venture Construction Program that are newly opened in fiscal year 2012 or that open in fiscal year 2013. None of the funds may be allocated to a facility until such facility has achieved beneficial occupancy status."

We do not yet know how the additional \$4 million proposed by the Committee would be distributed, but the Administration in its budget justification would allocate the funds as follows: Norton Sound Regional Hospital (\$10.6 million); Chickasaw Nation Health Clinic in Ardmore (\$8.9 million); Cherokee Nation Health Center (\$2.8 million); Chickasaw Nation Health Clinic in Tishomingo (\$5.3 million); Southcentral Foundation Valley Primary Care Center (\$13.5 million); and Tanana Chiefs Conference Interior Health Center (\$8.1 million). All but the Norton Sound Hospital (which was funded through the Recovery Act) are joint venture projects.

*Lack of Funding for Built-in Costs.* The bill does not provide, nor did the Administration's request, funding for population growth, civilian pay raises or inflation (other than Contract Health Services). There would be a 1.7 percent pay increase for Commissioned Officers and the President has proposed a 0.5 percent pay increases for federal employees.

## LEGISLATIVE PROVISIONS

*Maintain the Restriction of IHS Funds in Alaska to Regional Native Organizations.* We note that the FY 2012 appropriations Act (PL 112-74) extended through October 1, 2013, the provision which provides that IHS funds for Alaska be made available only to regional Alaska Native health organizations (with some exceptions). Thus the FY 2013 appropriations bill does not address this matter. The Administration did not request that this provision be discontinued in FY 2013.

Contract Support Costs Cap. The Committee bill, consistent with the Administration's request and previous appropriations acts, would continue a statutory cap on IHS Contract Support Costs.

Contract Support Limitation. The Committee bill, consistent with the Administration's request and Interior appropriations acts for FYs 1999-2012, attempts to limit the ability of the IHS and BIA to fund past-year shortfalls in contract support funding from remaining unobligated balances for those fiscal years.

IDEA Data Collection Language. The Committee bill, consistent with the Administration's request, would continue to authorize the BIA to collect data from the IHS and tribes regarding disabled children in order to assist with the implementation of the Individuals with Disabilities Education Act (IDEA).

Prohibition on Implementing Eligibility Regulations. Consistent with the Administration's request, the prohibition on the implementation of the eligibility regulations published on September 16, 1987, would be continued.

Services for non-Indians. Consistent with the Administration's request, the provision that allows the IHS and tribal facilities to extend health care services to non-Indians, subject to charges, would be continued.

Assessments by DHHS. The Committee bill, consistent with the Administration's request, would continue bill language that provides that no IHS funds can be used for any assessments or charges by DHHS "unless identified in the budget justification and provided in this Act, or approved by the House and Senate Committees on Appropriations through the reprogramming process." In the past the Administration had proposed to not include this provision.

Limitation on No-Bid Contracts. The Committee bill, consistent with the Administration's request, would continue the provision from FY 2010 regarding the use of no-bid contracts. The provision (Section 413) specifically exempts Indian Self-Determination agreements.

Status of Appropriations Balances. The Committee bill would continue FY 2012 language that requires the DOI, IHS, EPA and Forest Service to provide Congress quarterly reports on the balances of appropriations. (Sec. 418)

**FUNDING FOR INDIAN HEALTH SERVICES**

|                         |                 |
|-------------------------|-----------------|
| FY 2012 Enacted         | \$3,866,181,000 |
| FY 2013 Admin. Request  | \$3,978,974,000 |
| FY 2013 House Committee | \$4,049,612,000 |

The Committee urges the IHS to reinstate the tracking and reporting on health trends among American Indians and Alaska Natives:

Health Research – The Committee is concerned by the continued disparity of the health status of American Indians and Alaska Natives (AI/ANs) compared to the general U.S. population. The Committee recognizes that identifying successful

strategies for reducing these disparities depends on monitoring ongoing health trends. Therefore, the Committee is disappointed that the Service has fallen behind in tracking the health status and treatment needs of AI/ANs. The Service's last *Trends in Indian Health and Regional Difference in Indian Health* report was based on data gathered for the 2002-2003 edition. In addition, supplemental reports targeting specific health issues have been discontinued. The last vision survey was completed in 1994; obstetrics in 1996; and oral health in 1999. Examining the prevalence of emerging issues like the incidence of HIV/AIDS, teen suicide outbreaks, disparities plaguing AI/AN males, and drug overdoses and alcohol abuse are vital for developing policies and programs that ensure adequate health care for all AI/ANs. The Committee strongly urges the Service to reinstate ongoing and timely monitoring of health trends as a means for the Service and Tribes to better target resources to improve the health status and eliminate the health disparities of AI/ANs. (H. Rpt. 112-589, pp 81-82)

SPECIAL DIABETES PROGRAM FOR INDIANS

While the entitlement funding for the Special Diabetes Program for Indians (SDPI) is not part of the IHS appropriations process, those funds are administered through the IHS. The SDPI is currently funded through FY 2013 at \$150 million annually (PL 111-309).

HOSPITALS AND CLINICS

|                         |                 |
|-------------------------|-----------------|
| FY 2012 Enacted         | \$1,810,966,000 |
| FY 2013 Admin. Request  | \$1,849,310,000 |
| FY 2013 House Committee | \$1,851,448,000 |

Built-In Costs. The House Committee bill would fund \$1.4 million for Commissioned Officers pay increase and \$36 million for staffing and operation of new facilities.

Health Information Technology. The House Committee did not approve the full \$5 million increase requested by the Administration, but rather recommended an increase of \$3.5 million for a total of \$175.5 million. The Administration has proposed that an increase be used as follows:

IHS will use funds to complete systems development for the ICD-10 conversion and to deliver an acceptable level of national training for affected staff. Funding is essential to provide necessary training and implementation support in order to prevent delays in filing claims, erroneous and rejected claims, reduced third party capture, and potentially reduced services to underserved patients from IHS and Tribal health care facilities. (Congressional Justification (CJ) p.76)

The IHS received a \$3.4 million increase for Health Information Technology security in FY 2012, a portion of which, IHS explains, will be distributed to tribal programs.

The IHS and other Department of Health and Human Services agencies participate in Department- and Government-wide information initiatives, and IHS notes that it will contribute \$880,962 of its FY 2013 budget "to support Department-wide enterprise information technology and Government-wide E-Government initiatives." (CJ-182)

Indian Health Care Improvement Fund. The House Committee bill would provide, as requested by the Administration, \$57.5 million for the Indian Health Care Improvement Fund, which is the same as the FY 2012 enacted level and \$12 million above the FY 2011 level.

Other. Funding for the 12 epidemiology centers would be \$4.7 million, the same as the FY 2012 enacted level. There was no specific funding level requested for the Domestic Violence Initiative but bill language would be continued providing that funding made available for the methamphetamine and suicide prevention and treatment and the domestic violence prevention initiatives are to be allocated at the discretion of the Director.

DENTAL SERVICES

|                         |               |
|-------------------------|---------------|
| FY 2012 Enacted         | \$159,440,496 |
| FY 2013 Admin. Request  | \$166,297,000 |
| FY 2013 House Committee | \$166,597,000 |

Built-In Costs. The bill would provide, consistent with the Administration's request, \$268,000 for Commissioned Officers pay increase and \$5.6 million for staffing and operation of new facilities.

Increase. The House Committee bill would, consistent with the Administration's request, include a \$1 million increase to be used to implement the Electronic Dental Record at 18 additional sites, bringing the total to 118 out of 230 planned sites. The Committee urges the IHS to "continue to press forward with this program and, if possible, accelerate implementation to the remaining dental programs."

The House Committee also recommended \$300,000 above the Administration's request to be used for staffing in support of the Early Childhood Caries initiative.

Direct Hire Authority for Dental Vacancies. The Committee comments on the decline in dental vacancies and goes on to express concern about the ability for future recruitment:

The Committee is pleased that dental vacancies have dropped from 140 in fiscal year 2009 to 30 in fiscal year 2012. However, an improving economy could negatively impact recruitment. The Committee, therefore, directs the Indian Health Service to issue a report regarding the use of direct hire authority, and addressing the following questions: (1) how various divisions within the Indian

Health Service use this authority and to what extent there is a discrepancy between divisions; and (2) how the Division of Oral Health can have the same direct hire authority as other health disciplines in order to enhance future recruitments. (H. Rpt. 112-589, p. 81)

MENTAL HEALTH

|                         |              |
|-------------------------|--------------|
| FY 2012 Enacted         | \$75,588,864 |
| FY 2013 Admin. Request  | \$78,131,000 |
| FY 2013 House Committee | \$78,131,000 |

Built-In Costs. The House Committee bill, consistent with the Administration's request, would provide \$29,000 for Commissioned Officers pay increase and \$2.5 million for staffing and operation of new facilities.

The IHS notes that in FY 2013 they will "continue to focus on integration of behavioral health into primary care. The IHS supports changing the paradigm of mental health services from being episodic, fragmented, specialty, and/or disease focused to being part of primary care and the 'Medical Home'." (CJ-85)

The IHS reports that over 50 IHS and tribal facilities in eight IHS Areas offer some level of telebehavioral health services, with the remaining four Areas developing or using those services. While technological barriers to utilizing telehealth-based services are decreasing, the primary barrier to expansion of these services is the lack of adequate infrastructure and clinical professionals. The IHS states, "the expansion of telebehavioral health cannot be separated from the need for infrastructure and staffing resources." (CJ-83)

ALCOHOL AND SUBSTANCE ABUSE

|                         |               |
|-------------------------|---------------|
| FY 2012 Enacted         | \$194,296,627 |
| FY 2013 Admin. Request  | \$195,378,000 |
| FY 2013 House Committee | \$195,378,000 |

Built-In Costs. The House Committee bill, consistent with the Administration's request, would provide \$27,000 for Commissioned Officers pay increase and \$1 million for staffing and operation of new facilities.

CONTRACT HEALTH SERVICES (CHS)

|                         |               |
|-------------------------|---------------|
| FY 2012 Enacted         | \$843,575,117 |
| FY 2013 Admin. Request  | \$897,562,000 |
| FY 2013 House Committee | \$897,562,000 |

*Built-In Costs.* The House Committee bill, consistent with the Administration's request, would provide \$34 million to cover the cost of inflation which was calculated at 3.6 percent. (In FY 2012 the Administration requested, but Congress did not approve, \$79 million to address inflation and population growth in the CHS account.)

*Increase.* In addition to funding to offset inflation, the Committee bill, consistent with the Administration's request, would provide a \$20 million program increase. The IHS estimates that this funding would purchase the following additional services: 848 inpatient admissions; 31,705 outpatient visits; and 1,166 one-way patient travel trips.

The IHS also notes that the demand for CHS, which always exceeds the available funding, will be even more in demand as five hospitals have been or are planned to be replaced by ambulatory health centers with no inpatient services. Those health centers will be required to purchase inpatient care from the private sector using CHS funding.

*Catastrophic Emergency Health Fund (CHEF).* Within the total CHS amount is \$51.5 million for CHEF, the same as the FY 2012 enacted level and \$6.5 million below the FY 2011 level.

*Government Accountability Office (GAO) Recommendations.* In response to a requirement of the Patient Protection and Affordable Care Act that the GAO study the administration of the CHS program, including its allocation of funds, the GAO issued a report in June 2012 entitled *Indian Health Service: Action Needed to Ensure Equitable Allocation of Resources for the Contract Health Service Program* (GAO-12-446).

The GAO made three recommendations, one of which the IHS does not agree with.

- "Require IHS to use actual counts of CHS users, rather than all IHS users, in any formula for allocation of CHS funds that relies on the number of active users." *The IHS does not concur with this recommendation.* The IHS contends that counting all IHS direct care users reflects the health care needs of those eligible for CHS services. GAO counters that even the IHS data/technical workgroup found that the current active user count does not yield an accurate measure of the number who are eligible for CHS services as not all persons receiving IHS direct care services are eligible for CHS services.
- "Require IHS to use variations in levels of available hospital services, rather than just the existence of a qualifying hospital, in any formula for allocating CHS funds that contains a hospital access component." The IHS concurred with this recommendation and noted that the "IHS Director's Workgroup on Improving CHS will review the formula and make recommendations in FY 2013."
- "Develop written policies and procedures to require Area Offices to notify IHS when changes are made to the allocations of funds to CHS programs." The IHS concurred with the recommendation and said that these changes will be added to the CHS manual.

PUBLIC HEALTH NURSING

|                         |              |
|-------------------------|--------------|
| FY 2012 Enacted         | \$66,632,218 |
| FY 2013 Admin. Request  | \$69,868,000 |
| FY 2013 House Committee | \$69,868,000 |

*Built-In Costs.* The House Committee bill, consistent with the Administration's proposal includes \$84,000 for Commissioned Officers pay increase and \$3.15 million for staffing and operation of new facilities.

HEALTH EDUCATION

|                         |              |
|-------------------------|--------------|
| FY 2012 Enacted         | \$17,056,666 |
| FY 2013 Admin. Request  | \$17,450,000 |
| FY 2013 House Committee | \$17,450,000 |

*Built-In Costs.* The House Committee bill, consistent with the Administration's proposal, includes \$2,000 for Commissioned Officers pay increase and \$391,000 for staffing and operation of new facilities.

The IHS reports that the number of patient visits in which health education was provided has more than tripled from FY 2004 to FY 2011. The funding supports 23 IHS health education field positions and 75 tribal health education staff. Areas of emphasis in FY 2013 include the development of "standardized, nationwide patient and health education programs through the integration of IHS Patient Education Protocols into all IHS software packages." (CJ-106)

COMMUNITY HEALTH REPRESENTATIVES (CHR)

|                         |              |
|-------------------------|--------------|
| FY 2012 Enacted         | \$61,406,592 |
| FY 2013 Admin. Request  | \$61,531,000 |
| FY 2013 House Committee | \$61,531,000 |

*Built-In Costs.* The House Committee bill, consistent with the Administration's proposal includes \$4,000 for Commissioned Officers pay increase and \$120,000 for staffing and operation costs for the Cherokee Nation Health Center.

Of the total amount, \$59.7 million is for administration of the CHR program through Self-Determination contracts and compacts. An additional \$1.8 million is for training, information technology, special projects and national education meetings.

HEPATITIS B AND HAEMOPHILUS  
IMMUNIZATION (HIB) PROGRAMS IN ALASKA

|                         |             |
|-------------------------|-------------|
| FY 2012 Enacted         | \$1,927,000 |
| FY 2013 Admin. Request  | \$1,927,000 |
| FY 2013 House Committee | \$1,927,000 |

The Hepatitis B and Immunization (Hib) programs would be funded at their FY 2012 levels. The IHS reports that in 2011, 60 percent of American Indian/Alaska Natives in Alaska with chronic Hepatitis B or C infection were screened for liver cancer and inflammation. There continues to be an increase in Hepatitis C, and the IHS estimates that within 5-10 years, an estimated 25-33 percent of patients will need therapy for Hepatitis C.

URBAN INDIAN HEALTH

|                         |              |
|-------------------------|--------------|
| FY 2012 Enacted         | \$42,984,115 |
| FY 2013 Admin. Request  | \$42,988,000 |
| FY 2013 House Committee | \$45,488,000 |

The House Committee bill includes, as requested by the Administration, \$4,000 for Commissioned Officers pay increase. It also includes \$2.5 million above the Administration's request.

The IHS proposes in FY 2013 to provide third party billing training; increase the number of urban Indian health programs using Resource and Patient Management System (RPMS)/Electronic Health Record (EHR); and to increase the number of accredited programs.

INDIAN HEALTH PROFESSIONS

|                         |              |
|-------------------------|--------------|
| FY 2012 Enacted         | \$40,595,942 |
| FY 2013 Admin. Request  | \$40,598,000 |
| FY 2013 House Committee | \$41,598,000 |

Built-In Costs. The House Committee bill, as requested by the Administration, includes \$2,000 for Commissioned Officers pay increase.

Programs funded under Indian Health Professions and their estimated FY 2013 amounts are: Health Professions Preparatory and Pre-Graduate Scholarships (\$3.8 million); Health Professions Scholarships (\$10.5 million); Extern Program (\$1.18 million); Loan Repayment Program (\$21.3 million); Quentin N. Burdick American Indians into Nursing Program (\$1.76 million – 5 grants); Indians Into Medicine Program (\$1.16 million – 3 grants); and American Indians into Psychology (\$757,386 – 3 grants).

The Committee states that they are increasing the loan repayment authorization program by \$1 million which would be \$37 million. However, the bill language still uses the figures of \$36 million for the Loan Repayment Program.

The Committee bill, consistent with the Administration's proposal, would continue allowing funds collected on defaults from the loan repayment and health professions scholarship programs to be used to recruit health professionals for Indian communities.

#### TRIBAL MANAGEMENT

|                         |             |
|-------------------------|-------------|
| FY 2012 Enacted         | \$2,577,000 |
| FY 2013 Admin. Request  | \$2,577,000 |
| FY 2013 House Committee | \$2,577,000 |

Funding is for new and continuation grants for the purpose of evaluating the feasibility of contracting the IHS programs, developing tribal management capabilities, and evaluating health services. Funding priorities are, in order, 1) tribes that have received federal recognition or restoration within the past five years; 2) tribes/tribal organizations that are addressing audit material weaknesses; and 3) all other tribes/tribal organizations. The IHS estimates 30 awards in FY 2013 (three more than in FY 2012).

#### DIRECT OPERATIONS

|                         |              |
|-------------------------|--------------|
| FY 2012 Enacted         | \$71,653,171 |
| FY 2013 Admin. Request  | \$72,867,000 |
| FY 2013 House Committee | \$67,567,000 |

The IHS states in its budget submission that 56.5 percent of the Direct Operations budget would go to Headquarters and 43.5 percent to the 12 Area Offices. Tribal Shares funding for Title I contracts and Title V compacts are also included.

The Administration requested a \$1,115,000 increase in order to address an array of matters including oversight and accountability and responding to GAO and OIG and Congressional recommendations regarding management and oversight of programs. The House Committee, however, recommended a \$4.1 million *reduction* below the FY 2012 level and \$5.3 million below the Administration's request. The reduction would come from the Headquarters portion of funding.

The Committee expresses concern regarding the significant decrease in senior staff in the Direct Operations office:

The Committee is aware of the departures of approximately 25 senior staff during the past two years. The continued loss of well-trained and experienced agency leaders represents a serious threat to the agency's corporate knowledge, ongoing ability to manage programs and resources, and ability to be responsive to Tribes

and Federal accountability requirements in a timely and credible manner. The Committee directs the Service to provide a report within 30 days of enactment of this Act: (1) detailing the number and positions of senior personnel that have left the agency within the past two years and how many of these positions remain unfilled to date; (2) describing whether and how the Service is allocating funds that would have otherwise been spent on the salaries and expenses related to these positions; and (3) describing the steps the agency has taken to identify and address the underlying conditions that created this trend, in order to shore up its public health and administrative infrastructure with highly qualified and experienced replacements. (H. Rpt. 112-589, p. 81)

The Committee bill would provide \$99,000 for Commissioned Officers pay increase.

SELF-GOVERNANCE

|                         |             |
|-------------------------|-------------|
| FY 2012 Enacted         | \$6,044,314 |
| FY 2013 Admin. Request  | \$6,044,000 |
| FY 2013 House Committee | \$6,044,000 |

The Self-Governance budget supports implementation of the IHS Tribal Self-Governance Program including funding required Tribal Shares; oversight of the IHS Director's Agency Lead negotiators; technical assistance on tribal consultation activities; analysis of Indian health Care Improvement Act new authorities; and funding to support the activities of the IHS Director's Tribal Self-Governance Advisory Committee.

The IHS projects that in FY 2013 approximately \$1.5 billion will be transferred to support 90 tribal compacts and 115 funding agreements.

CONTRACT SUPPORT COSTS

|                         |               |
|-------------------------|---------------|
| FY 2012 Enacted         | \$471,437,491 |
| FY 2013 Admin. Request  | \$476,446,000 |
| FY 2013 House Committee | \$546,446,000 |

Increase. The House Committee recommended a \$70 million increase over the Administration's request or \$75 million over the FY 2012 enacted level, for a total of \$546 million. The Committee report states:

With this increase, the Committee is attempting to fund the projected shortfall so the Federal government can meet its contractual obligations. The Committee directs the Service to work with Tribes and tribal organizations to explore options for improving the transparency of current year contact support cost information, and to report back to the Committee within 90 days of enactment of this Act. (H. Rpt. 112-589, p. 81)

Indian Self-Determination (ISD) Fund. The House Committee bill, consistent with the Administration's proposal, would again authorize up to \$10 million of the total CSC funds for an Indian Self-Determination Fund. The IHS may allocate funds to the ISD Fund to support new or expanded self-determination contracts, grants, self-governance compacts or annual funding agreements.

Cap on Contract Support Costs. The House Committee bill, consistent with past appropriations acts, would continue language regarding a funding cap on contract support costs.

*Provided further,* That, notwithstanding any other provision of law, of the amounts provided herein, not to exceed \$546,446,000 shall be for payments to tribes and tribal organizations for contract or grant support costs associated with contracts, grants, self-governance compacts or annual funding agreements between the Indian Health Service and a tribe or tribal organization pursuant to the Indian Self-Determination Act of 1975, prior to or during fiscal year 2013, of which not to exceed \$10,000,000 may be used for contract support costs associated with new or expanded self-determination contracts, grants, self-governance compacts or annual funding agreements.

Contract Support Limitation. The Committee bill would, consistent with the Interior Appropriations Acts for FYs 1999-2012, attempt to limit the ability of the IHS and BIA to fund past-year shortfalls in contract support funding from remaining unobligated balances for those fiscal years (Section 407).

**FUNDING FOR INDIAN HEALTH FACILITIES**

|                         |               |
|-------------------------|---------------|
| FY 2012 Enacted         | \$440,346,317 |
| FY 2013 Admin. Request  | \$443,502,000 |
| FY 2013 House Committee | \$443,864,000 |

MAINTENANCE AND IMPROVEMENT

|                         |              |
|-------------------------|--------------|
| FY 2012 Enacted         | \$53,720,909 |
| FY 2013 Admin. Request  | \$55,470,000 |
| FY 2013 House Committee | \$55,470,000 |

Increase. The House Committee bill, as requested, would provide increase of \$1,749,000.

Maintenance and Improvement funds are provided to Area Offices for distribution to projects in their regions. Funding is for the following purposes: 1) approximately \$51.9 million for routine maintenance; 2) approximately \$3 million for environmental compliance; 3) approximately \$500,000 for demolition of vacant or obsolete health care facilities replaced through federal funding; and 4) limited funding for projects that improve the condition of facilities or make improvements to support health care delivery.

The IHS estimates that as of October 2011, the Backlog of Essential Maintenance list is \$427 million (down \$45 million from October 2010).

#### FACILITIES AND ENVIRONMENTAL HEALTH SUPPORT

|                         |               |
|-------------------------|---------------|
| FY 2012 Enacted         | \$199,413,427 |
| FY 2013 Admin. Request  | \$204,379,000 |
| FY 2013 House Committee | \$204,741,000 |

*Built-In Costs.* The House Committee bill would provide, as requested, \$510,000 for Commissioned Officers pay increase.

The bill would provide \$4,818,000 for staffing and operation of new facilities, which is \$362,000 over the Administration's request.

#### MEDICAL EQUIPMENT

|                         |              |
|-------------------------|--------------|
| FY 2012 Enacted         | \$22,582,000 |
| FY 2013 Admin. Request  | \$22,582,000 |
| FY 2013 House Committee | \$22,582,000 |

The IHS notes that they expect to distribute the FY 2013 funds as follows: \$16.6 million for routine replacement medical equipment at over 1,500 federally- and tribally-operated health care facilities; \$5 million for new medical equipment in tribally-constructed health care facilities; and \$500,000 each for the TRANSAM and ambulance programs.

#### CONSTRUCTION

##### Construction of Sanitation Facilities

|                         |              |
|-------------------------|--------------|
| FY 2012 Enacted         | \$79,582,464 |
| FY 2013 Admin. Request  | \$79,582,000 |
| FY 2013 House Committee | \$79,582,000 |

Four types of sanitation facilities projects are funded by the IHS: 1) projects to serve new or like-new housing; 2) projects to serve existing homes; 3) special projects such as studies, training, or other needs related to sanitation facilities construction; and 4) emergency projects. The IHS sanitation facilities construction funds cannot be used to provide sanitation facilities in HUD-built homes.

The IHS proposes to distribute up to \$48 million to the Area Offices for prioritized projects to serve existing homes; up to \$5 million for projects to clean up and replace open dumps on Indian lands; and \$2 million will be reserved at IHS Headquarters (\$1 million for special projects and emergency needs; \$500,000 to collect homeowner data and demographic information in three IHS Areas; and \$500,000 for improving data

collection systems to help fund a Water Resource Center to develop teaching materials and techniques for homeowners and communities to support usage in a way that promotes health). The Resource Center would be a partnership with the Alaska Native Tribal Health Consortium.

Construction of Health Care Facilities

|                         |              |
|-------------------------|--------------|
| FY 2012 Enacted         | \$85,047,706 |
| FY 2013 Admin. Request  | \$81,489,000 |
| FY 2013 House Committee | \$81,489,000 |

The House Committee, consistent with the Administration's proposal, would not fund new health care facilities starts, but would complete construction of the San Carlos Health Center (\$41.5 million) and continue construction for the Kayenta replacement health center (\$40 million).

The IHS notes the strong tribal interest in the Joint Venture Construction Program:

The Joint Venture Construction Program (JVCP) allows IHS to enter into agreements with Tribes that construct their own health facilities. Through this competitive process, applicants can and do fund equipment for the projects. Upon completion by the respective Tribe, IHS requests Congressional appropriations for staffing and operations based on the Tribes' projected dates of completion and opening. Between FY 2001 and FY 2011, sixteen joint venture project agreements signed by IHS and Tribes were initiated and eight have been completed. The JVCP continues to receive strong support by Tribes based upon the 55 positive responses to the FY 2009 congressionally directed solicitation for the JVCP FY 2010-FY 2012 cycle. The IHS will continue to work on the applications received for the FY 2010-FY 2012 cycle in accordance with ongoing construction projects and appropriation levels. (CJ-164-5)

**OTHER**

Transam Equipment, Ambulances, Demolition Fund. The House Committee bill, consistent with the Administration's proposal, would continue funding of up to \$500,000 to purchase TRANSAM equipment from the Department of Defense and \$500,000 to be deposited in a Demolition Fund to be used for the demolition of vacant and obsolete federal buildings. Up to \$2.7 million is proposed for the purchase of ambulances.

If we may be of further assistance regarding FY 2013 Indian Health Service appropriations, please contact us at the information below.

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Inquiries may be directed to:  
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