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October 2, 2012

FOR IMMEDIATE RELEASE:

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**Tribes file suit against Indian Health Service over
Contract Support Cost Transparency**

The Northwest Portland Area Indian Health Board (NPAIHB) yesterday filed a Freedom of Information Act law suit against the Director of the U.S. Indian Health Service. The law suit seeks to force the disclosure of information on the agency's expenditure of public funds used to support tribally operated hospitals and clinics across the United States.

The law suit was brought after an abrupt reversal of agency policy in 2011. In prior years the agency would annually disclose to all of the Nation's Indian tribes precisely how the agency was spending the annual appropriation it received from Congress for "contract support cost" payments owed to the Tribes. ("Contract Support Costs" are paid to tribes and tribal organizations that have entered into contracts with the agency to operate IHS clinics, hospitals and other health care programs.)

In 2011, new IHS Director Roubideaux reversed policy and decided to withhold all agency data until the agency had first made a required annual report to Congress. But, with rare exception, the agency has never submitted any reports to Congress on these issues, and the last agency report that was submitted was sent to Congress three years late.

NPAIHB has been working with a coalition of tribes and intertribal organizations representing over 250 Tribes in eleven States to force the disclosure of the data. It has also worked with the tribal-federal Contract Support Cost Work Group to compel the release of the data. But the agency has consistently refused to disclose its data and has also ignored administrative appeals, leading to today's law suit.

Since the inception of Contract Support Cost policy in 1987, NPAIHB has always taken a leadership role in the development of such policy. In response to today's filing, Andy Joseph, Jr., Colville Tribal Council Member and NPAIHB Chair, explains, "At issue for the Tribe's is to ensure that the recovery of costs incurred for operating federal programs and the allocation of adequate contract support cost funds are fair. Failure to provide full financial support requires Tribes to reduce services or spend more than we collect when operating contracted programs. The data we have requested of the Indian Health Service

(IHS) allows us all to make this evaluation.” Mr. Joseph also serves as the Co-Chair for the IHS Contract Support Cost Workgroup. The Workgroup is charged with providing advice and guidance to the IHS Director on Contract Support Cost issues.

Contract Support Costs are one of the largest portions of the Indian Health Service’s annual budget. Although contracts with the Tribes entitle them to be paid roughly \$600 million annually to operate the federal government’s health care programs, the agency has historically failed to request sufficient funds from Congress to cover this obligation. This year IHS only requested \$480 million of the \$600 million requirement. In June 2012 the Supreme Court ruled that the agency’s underpayments were illegal and ordered the government to compensate the Tribes for their losses. (*Ramah Navajo Chapter v. Salazar.*)

Without access to the requested data, the Tribes are unable to determine if the agency is spending its contract support cost budget lawfully, and whether IHS is submitting accurate data to Congress. In 2011, the agency made a major error in the estimate it provided to Congress, misleading Congress into reducing an appropriation which would have been sufficient to fully pay all of the contracts IHS has with the Tribes. This is why the NPAIHB is seeking to force the disclosure of all data concerning how IHS spent these appropriated public funds.

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