RIVERSIDE – SAN BERNARDINO COUNTY

INDIAN HEALTH, INC.

11980 Mt. Vernon Ave, Grand Terrace, CA 92313 • (909) 864-1097

I am Catalina VillaMontes and I am the Treasurer of the Board of Directors for the Riverside-San Bernardino County Indian Health, Inc. (RSBCIHI), located in Southern California. I am also a member of the Pechanga Band of Indians, one of nine consortium Tribes of RSBCIHI and I also serve on the California Rural Indian Health Board. I serve in all these roles because the health and welfare of my people is my highest priority. I am honored to be here and have the opportunity to testify today.

Protecting Vital Health Care Funds

Year after year, you hear from Tribes and tribal organizations asking for more Indian health funding. While we support those pleas, we also recognize the need to protect the recurring funding for Indian health programs we already rely on to provide services. Unfortunately, the many delays of the fiscal year (FY) 2024 appropriations process exemplified why the entire IHS budget needs to be moved to mandatory appropriations.

To be clear, we are extremely appreciative that in FY 2023, Congress first provided for advance appropriations for the Indian Health Service. However, certain accounts were excluded from those advanced appropriations, including contract support costs, lease funds, and certain facilities funds. The threat and disruption of potential shutdowns, sequestrations and continuing resolutions continue to loom over our operations despite advanced appropriations. The only way to ensure that Indian health programs are held harmless, like other Federal health programs, is to move the IHS budget to the mandatory side. This is necessary to uphold the Federal obligation for Indian health care and to provide funding stability for Tribal health programs.

We also ask that Congress realize that inflation, especially in the medical sector, has decreased our buying power and means these continuing funds do not go as far as they historically have. Post pandemic provider salaries, medication costs, and nearly every component of our programs have increased. While in fiscal year 2023, the Administration's projection to fully fund the Indian Health Service required only $36.7 billion, only one year later, that number rose to $54 billion. Yet, the total agency appropriation remains less than $10 billion. We continue to support the Budget's push towards full funding for the IHS and at the least meaningful increases to allow our programs to keep up with historically high inflation.

Purchased/Referred Care (PRC) Funding

The California Area does not receive equitable funding. Our State is one of four Indian Health Service Areas that are designated "PRC dependent," meaning we have little or no access to an IHS or tribally-operated hospital and therefore must purchase all or a large portion of inpatient and specialty care from non-tribal providers at a significantly higher cost. As we've shared previously, our current PRC funding is insufficient to meet the need for specialty and advanced care. Every year our PRC funding is depleted before the end of the fiscal year. Due to the large carryover in PRC funds from federally-operated service units, however, we have not seen a meaningful increase in PRC funds since 2018. As a result, our patients must forego the higher level care they need unless they have non-IHS resources to cover the costs. We ask this Committee to provide additional PRC funding for Tribal programs or to require redistribution of the large agency carryover balances so that funds can go where they are actually needed. We also ask the Committee to support funding for Regional Specialty Care Centers, especially in California, that will provide a Tribal facility we can refer patients to and alleviate pressure on our PRC budget.

We note that when new funding comes in or a change in distribution formula is discussed, the California Area is routinely out voted by other Areas. As a result, we have little recourse to correct these inequities without Congressional funds directing them to the areas that need them most.

Funding for Tribal EHR Modernization

We know that IHS has continued to ask for large budget outlays for its health information modernization project and that the agency intends to move to replace its antiquated system with a new Oracle system. However, our programs could no longer wait for IHS to decide to modernize; over six years ago, we purchased our own modern electronic health record (EHR) system that was necessary for us to meet our patient needs. However, using this different EHR technology impacts our ability to submit data to the Federal data warehouse and the incompatibility between our system and IHS's system impacts patient data that may feed into funding formulas. We ask that Congress provide funding to improve systems integration with new IHS EHR technology, and ongoing maintenance costs required to enhance data accuracy.

Fully Funding Contract Support Costs

Contract support costs, which cover our necessary overhead and administrative costs, are necessary to sustain our operations and ensure that our program funds can be dedicated to services. However, ever since Congress mandated full funding of contract support costs in 2014, IHS has devised different ways to attempt to limit or reduce these reimbursements. Therefore, we support the enactment of H.R. 409 sponsored by Representative Tom Cole, which will maintain the status quo on these calculations, and protect against IHS reducing them by over 90% as it tried to do to a Tribal contractor on the Navajo Nation in 2022 and 2023. We also ask the Committee to order IHS to eliminate its "reconciliation process," which permits IHS to come back years after our books are closed to request funds back for a prior fiscal year, many of which

have already been spent. Our indirect cost rate-setting process already accounts for over or under recoveries in any given fiscal year and this repetitive agency reconciliation process only distorts this process further.

We thank you for your time and consideration of our requests.