



MAY 2 2008

Indian Health Service
California Area Office
650 Capitol Mall, Suite 7-100
Sacramento, California 95814-4708

Dear Tribal Leader:

This letter supersedes any earlier faxed correspondence you may have received from the California Area Office on this subject. In recent months events have occurred that have raised the issue of whether or not Tribes can bill eligible Indian Health Service (IHS) beneficiaries for services they receive through their IHS funded Tribal health programs. There was a recent district court decision in California that held that the IHS could not prohibit the Tribe from billing its members for pharmacy services provided by the Tribe through its Title V annual funding agreement. In addition, the Indian Health Care Improvement Act reauthorization legislation, S. 1200, recently passed by the Senate includes a provision that would give Title V, Self-Governance Tribes the option to bill their Tribal members for services received at their Tribal health program. The legislation is now under consideration by the House and has not yet been enacted into law. While the IHS chose not to appeal the district court decision, we are evaluating potential policy and funding implications of the decision. Both of these events have prompted the IHS to consult with all Tribes.

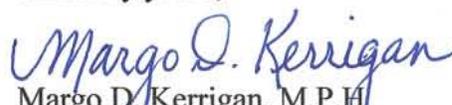
I have been asked by Mr. Robert McSwain, Director, IHS, to consult with Area Tribes on the issue of charging eligible patients for services. This Tribal consultation will take place on May 20 to ensure that Tribes have been consulted before the IHS makes any changes to its current position of record and approach on this very important issue. Pending this consultation, the existing IHS position of record and policy, which prohibits Tribes from charging eligible beneficiaries, remains unchanged.

We have often heard that tribal leaders prefer one meeting on issues of consultation so that everyone has the opportunity to hear all the same information. Therefore, we are changing our original plan from two separate morning and afternoon sessions to one session on May 20 beginning at 9:00 a.m. at the Double Tree Hotel in Sacramento. Hotel information follows:

DoubleTree Hotel - Grand Ballroom
2001 Point West Way
Sacramento, California 95815
Phone: (916) 929-8855

If you have any questions on this matter, please direct them to Dennis Heffington, Indian Self-Determination Program Manager, 916-930-3927, extension 309.

Sincerely yours,


Margo D. Kerrigan, M.P.H.
Director