EXHIBIT J

SIGNIFICANT ITEMS IN HOUSE, SENATE, AND CONFERENCE APPROPRIATIONS COMMITTEES REPORTS

2001 House Report Language (106-646)

Podiatry Care Program -- The Committee is concerned about the Service's lack of response to direction in last year's Committee report requiring the development of a meaningful plan of action to augment and strengthen its podiatry care program and address the shortage of commissioned officers in the podiatry field.

Action Taken or to be Taken

The agency has met with representatives of the American Podiatric Medical Association (APMA) and developed a working approach to the issue of expanding podiatry services. The agency has recruited additional podiatry staff during FY 2000 and increased the total number of loan repayment options offered to podiatrists to 14 (giving the discipline the highest percentage of loan repayment offers of any discipline). A report to Congress was presented in October 2000 and discussions continued with the APMA throughout the fall.

The FY 2001 program increase of $1 million will be awarded to 6 sites. Each site will be given $165,000 to hire a full-time podiatrist with appropriate infrastructure. It is expected that the sites will be geographically dispersed. It is anticipated that the 6 sites will include 2 health centers, 2 hospitals and 2 surgical hospitals. All interested sites are encouraged to apply. Podiatry program planning information will be mailed to all sites submitting an application. Smaller service populations may submit combined applications with proposals to share a podiatry program.

Applications will be mailed to Tribal, Urban and Indian Health Service sites. Completed applications must be received by April 15, 2001. Site selection and notification will be completed by June 1, 2001.

Infant Mortality -- The Committee continues to be concerned about the infant mortality crisis in the Shoalwater Bay Tribe and expects the Service to continue to work closely with the tribe, the State, the Centers for Disease Control and Prevention and other agencies to identify the causes of and potential solutions for infant mortality. Funding for this program is continued at the fiscal year 2000 level.

Action Taken or to be Taken

The IHS continues to work closely with the Shoalwater Bay Tribe itself; in addition, the Tribe, IHS, Centers for Disease Control and Prevention, Agency for Toxic Substances and Disease Registry, Washington State Department of Health, Pacific County Health Department, and University of Washington are working closely together to implement a comprehensive program of care for women and their families. An IHS consultant spent one week recently on-site to deliver care, and met and consulted with the Tribe and all the other federal

and nonfederal agencies involved. The IHS is also seeking help from additional federal agencies. Finally, the IHS and CDC have begun investigating if high perinatal mortality is a problem for other tribes.

Diabetes Program -- Funding for the Joslin diabetes program is continued at the fiscal year 2000 level.

Action Taken or to be Taken

The IHS continues to support the Joslin Diabetes program. In FYs 2000 and 2001 an additional $1 million was appropriated to the IHS budget in order to address screening for diabetic retinopathy through a collaborative project with the Joslin Diabetes Center using the *Joslin Vision Network (JVN)*. The JVN is a remote site diabetes retinopathy screening system that uses low-level illumination and does not require pupil dilation. The acquired retinal image is sent electronically to a reading center and the analysis sent back to the remote site. The IHS has established a demonstration site at the IHS Phoenix Indian Medical Center (PIMC). The examining station has been set up in the Primary Care Building with the reading station in the Eye Department; staff has been hired to implement the process, and screening is currently underway. The feasibility of setting up a remote screening station site at the Sells PHS Indian Hospital located south of Tucson, Arizona on the Tohono O'odham reservation is being evaluated. The acquired retinal images will be electronically sent to the reading station at PIMC. A third site outside of Arizona is being considered for the future. A primary challenge to the implementation of JVN in remote sites beyond PIMC includes availability of communication lines and staffing.

Pharmacy Program -- Funds provided in 2000 for the pharmacy residency program remain in the base for fiscal year 2001.

Action Taken or to be Taken

In FY 2000, Congress provided IHS with $368,000 to establish post-graduate IHS Pharmacy residency programs. These programs are established to enhance recruitment and train future pharmacy leaders for the IHS. The IHS post-graduate residencies are accredited by American Society of Health-System Pharmacists (ASHP). Sites funded using FY 2000 funds include:

- Alaska Native Medical Center, Anchorage, AK
- W.W. Hastings Hospital, Tahlequah, OK
- Claremore IHS Hospital, Claremore, OK
- Phoenix Indian Medical Center, Phoenix, AZ
- Santa Fe Indian Hospital, Santa Fe, NM
- Whiteriver IHS Hospital, Whiteriver, AZ

In FY 2001, in an effort to expand the IHS Pharmacy residency program, Congress added an additional $220,000 to the appropriated funds (total $588,000 for FY 2001). This allowed for the expansion from the original 6 sites (six residents) to 11 sites (with 12 residents) including a two year residency in Pharmacoeconomics.

- Phoenix Area Office, Phoenix, AZ (Pharmacoeconomics Residency)
- Chinle Comprehensive Health Care Facility, Chinle, AZ
- Gallup Indian Medical Center, Gallup, NM (2 residents)
- Warm Springs Wellness Center, Warm Springs, OR
- Cherokee Indian Hospital, Cherokee, NC

This Pharmacoeconomics program will produce pharmacists trained to fully analyze IHS and patient data and drug costs. The training will ultimately aid patients by helping facilities choose the most effective medications taking into consideration patient outcomes and total medication costs.

Construction of Staff Quarters -- The Service should consider a new, consistent approach to constructing staff quarters that involves cost sharing by the tribes to the extent possible and tribal operation of the completed quarters. Funding for quarters construction needs to be treated consistently for each project. Currently there are quarters projects that have never been built although the related hospital or clinic was built; projects that incorporate the cost of quarters in with the total cost of the facility construction (with no tribal cost share); and projects that are left to an individual tribe to fund.

Action Taken or to be Taken

For all projects on the IHS priority lists, the IHS has approached the respective tribes, seeking their participation in providing staff quarters, where needed, to assure health care providers have housing. For the Hopi and Bethel staff quarters projects, the respective tribes have elected to own, construct, and operate the staff quarters. Currently, no other tribe with a health care facility or quarters on a priority list has chosen the same option.

In response to quarters management concerns raised by the 1990 Office of Inspector General's (OIG) report, the IHS revised its prioritization process for staff quarters construction. One specific concern of the OIG was that the IHS had been completing the construction of health care facilities in remote locations without housing for new staff. To address this concern, the IHS now includes the quarters as part of new and replacement health care facility construction projects, with the intention of synchronizing the design and construction of quarters with the facilities construction so housing is available prior to the opening of the health care facility. For remote locations, it is necessary to have housing available for the new staff in order to hire health care providers for the new expanded health care services.

To address additional or new staff quarters at existing health care facilities or locations where staff quarters were not constructed along with the health care facility, the IHS will continue to follow the Quarters Construction Priority System in identifying projects with the highest relative need.

Although IHS has identified staff quarters as part of the projects on the inpatient and outpatient priority lists, there are quarters projects on the quarters priority list that have not been funded. During the overall prioritization process of the IHS budget, these projects have not received the same level of priority because they

compete with health care services and providing access to health care services through constructing health care facilities.

The IHS will continue working toward meeting the needs of all three priority lists and maintain consistency in requesting funding for these priority needs.

Indian Health Facilities -- The methodology used to distribute facilities funding should address the fluctuating annual workload and maintain parity among IHS areas and tribes as the workload shifts.

Action Taken or to be Taken

The IHS continues to distribute facilities funding in a manner, which addresses the fluctuating annual workload and maintains parity between IHS and tribes as workload shifts.

Construction -- The IHS should continue to support tribes in identifying and implementing alternative and innovative approaches to funding construction and repair and replacement of health care facilities throughout Indian country, including cost-sharing arrangements and the enhanced use of third-party collections for improving aging facilities. These alternative approaches should not result in increased operational funding requirements for IHS.

Action Taken or to be Taken

The IHS continues to support tribes interested in alternative methods of funding health care facility needs:

- In August 1999, the IHS conducted a "Roundtable Discussion and Analysis of Future Options for Indian Health Care Facility Funding," in cooperation with the U.S. House Appropriations Subcommittee on Interior and Related Agencies, where knowledgeable individuals from tribal, urban, Federal, Congressional, and private financing sectors discussed the growing need to improve and expand health care facility funding for American Indian and Alaska Native communities. Possible non-IHS funding opportunities were identified. The report of this "roundtable" has been made available to all Federally recognized tribes and over 500 copies have been distributed.

- Since the "roundtable," the IHS has co-sponsored with the Federal Reserve Bank of San Francisco, CA, five sovereign lending workshops dealing with the issue.

- The Portland Area, Ambulatory Expansion Pilot Project (AMEX), funded this year, is a prime example where tribes are assisted with their health care facilities construction.

- Although IHS uses Medicare/Medicaid and third party insurance collections for facility needs, IHS does not identify funds that tribes could use for construction but rather provides technical expertise in meeting the health care needs of their communities.

- In dialogue with tribes, the IHS continues to emphasize the limited resources for additional operational funding and that health care needs must be met within existing funding.

SIGNIFICANT ITEMS IN HOUSE, SENATE, AND CONFERENCE APPROPRIATIONS COMMITTEES REPORTS

2001 Senate Report Language (106-312)

Dental services in remote areas -- . . . Within the increase provided for dental services, the Service should work with the Alaska Native Health Board to expand dental services to remote areas of Alaska to improve dental health and should coordinate with the State of Alaska on its sealant program to protect children's teeth from decay.

Action Taken or to be Taken

The Indian Health Service (IHS) Dental Program awarded $250,000 in FY 2000 to the All Alaska Native Health Board (AANHB) to establish a Dental Clinical and Preventive Support Center to provide training and technical assistance to the tribes in Alaska. The purpose of these grants is to increase access to the dental health care delivery system for American Indians and Alaska Natives. The intent of the AANHB grant is to train Dental Community Health Aides/ Practitioners to provide preventive and educational services in remote areas of Alaska and could include application of dental sealants. AANHB and the Alaska Area Native Health Service have periodic meetings with the State of Alaska Health Department and could coordinate a sealant program in partnership with the State of Alaska.

The IHS Dental Program also selected the Chugachmiut Tribal Program to receive funding for a preventive initiative award. This statewide initiative seeks to increase access to care for all Alaska Natives by using the Dental Community Health Aide/Practitioner (CHAP) program and developing an expanded functions training curricula for the Dental Community Health Aide Program. This award is in the amount of $33,000 for two years.

These two awards were funded in FY 2000 and will be funded in FY 2001.

Contract health services -- The Committee recommends $426,756,000 for contract care, an amount of $20,000,000 above the fiscal year 2000 enacted level. The Committee understands that additional funding for contract care is one of the highest priorities for the Service and tribes. The Committee notes that within the contract health services activity, funds will be available to the Cowlitz Tribe for the provision of health care, if the tribe is recognized within the coming fiscal year.

Action Taken or to be Taken

The Committee correctly notes the priority given to Contract Health Care by the Indian health system. Many programs depend solely on CHS for basic services. The Cowlitz Tribe will be provided funding from CHS sub-activity upon recognition.

Indian Health Professions - The Committee recommends $30,604,000 for Indian health professions activities, an amount of $113,000 above the fiscal year 2000 enacted level. The increase is provided to help meet escalating pay costs. Within available funds, the Committee expects IHS to continue support for the University of Montana InPsych program at a level of $250,000.

Action Taken or to be Taken

In FY 1998, the Indian Health Service awarded a $200,000 grant to the University of Montana to establish Indians Into Psychology Program for a project period of September 1, 1998 through August 31, 2001. With FY 2001 funds, the IHS will provide additional $50,000 to this project on a non-competitive basis extending it to August 31, 2002. This grant provides scholarships to undergraduate and graduate students to pursue a career in psychology in addition to other support/recruitment activities.

The IHS also provides similar grants to 2 other INPSYCH programs at University of North Dakota and University of Oklahoma to recruit nation-wide American Indians/Alaska Natives into the mental health field and in particular Clinical Psychology.

Diabetes -- The Committee expects the Indian Health Service to continue the diabetes prevention and research activities centered at the National Diabetes Prevention Center in Gallup, New Mexico, and jointly funded with the Centers for Disease Control.

Action Taken or to be Taken

The IHS has been involved in the development of the NDPC since funding became available through CDC in FY98. The IHS convened a group of tribal leaders to advise the agency on diabetes issues related to the Balanced Budget Act of 1997. In their recommendations to the Director of IHS, this committee supported the transfer of $1 million of the $30 million total as well as 4 IHS FTE to CDC for creation of a national center in exchange for an advisory role to the new NDPC. The Director of IHS concurred and an interagency agreement was established with CDC.

The IHS National Diabetes Program has worked closely with the CDC Division of Diabetes to develop an approach to setting up the center and has actively served on the NDPC Steering Committee as one of the founding partners since its inception. The IHS National Diabetes Program actively participated in the technical assistance meeting sponsored by NDPC in Gallup. IHS has offered to partner with NDPC in its outreach and national expansion activities, and has also participated in the collection of national tribal input on expansion through its 8 regional meetings around the country. When NDPC hires a fulltime director, the IHS National Diabetes Program looks forward to an expanded partnership in development of diabetes clearinghouse activities, evaluation and sharing of "lessons learned" from the 333 new IHS diabetes grant programs established through the Balanced Budget Act of 1997, and expanded community-based participatory research.

Hospitals Services -- The Committee notes that Alaska Natives living in Ketchikan and Saxman must travel by air or ferry to receive hospital services in Sitka. Ketchikan General Hospital is currently providing certain specialty care for Native patients in their community and has the capacity to provide hospital and other services locally. In administering funds for the Ketchikan Indian Corporation and the Native Village of Saxman, the Indian

Health Service should negotiate with Ketchikan General Hospital to provide such hospital and specialized services locally. The Committee believes that section 351 of Public Law 105-277, the Omnibus Appropriations Act of 1999 provides the Service with the necessary authority to procure hospital services from Ketchikan General Hospital on behalf of KIC and Saxman and directs the Service to advise it immediately if additional authority is required.

Action Taken or to be Taken

In its direction to the Indian Health Service (IHS), the Committee instructed the service to advise it immediately if additional authority is required. In response to this direction, IHS stated that several concerns must be considered if the Congress proceeded with what was outlined in the Senate report language: (1) the IHS is not bound to sole source procurement and must comply with competitive requirements set forth in the Competition in Contracting Act and Buy Indian Act; (2) the reduction of services for Ketchikan Indian Corporation (KIC) and Organized Village of Saxman (OVS) beneficiaries if they are no longer referred to Mt. Edgecumbe Hospital (MEH); (3) the loss of economy of scale if the beneficiaries no longer use the MEH; (4) an exception for the Ketchikan service area may lead to similarly justified requests from other Alaska communities, whose beneficiaries may prefer using non-IHS funded local hospitals instead of traveling to an IHS-funded regional or referral hospital; and finally, (5) in full compliance with Section 325 of the fiscal year 1998 Interior Appropriations Act, PL 105-83, all non-inherently Federal functions and resources, including management of the contract health service (CHS) program of the Alaska Area IHS have been transferred to tribal entities. The Alaska Area IHS no longer has the administrative capacity to manage a CHS program as contemplated by the report language.

The IHS resolved the issue of specialty care for IHS beneficiaries in Ketchikan and Saxman by reaching agreement with the tribes/tribal organizations responsible to provide medical care to those beneficiaries. On September 12, 2000 the IHS agreed to add $140,000 to the KIC's FY 2001 Contract Health Service (CHS) program funding base. (See Conference Report 106-914, page 181: "8. Within the funding provided for contract health services, the Indian Health Service should allocate an increase to the Ketchikan Indian Corporation's (KIC) recurring budget for hospital-related services for patients of KIC and the Organized Village of Saxman (OVS) to help implement the agreement reached by the Indian Health Service, KIC, OVS and the Southeast Alaska Regional Health Corporation on September 12, 2000. The additional funding will enable KIC to purchase additional related services at the local Ketchikan General Hospital. The managers remain concerned that the viability of Alaska Native regional entities must be preserved. The accommodation by the managers of the September 12, 2000 agreement in no way is intended to imply that similar requests for similar arrangements will be encouraged or supported elsewhere in Alaska.")

In the above referenced September 12, 2000 agreement, the Southeast Alaska Regional Health Consortium agreed to sub-contract with KIC for specialty medical services, providing $400,000 to KIC. This enabled KIC to use the combined $540,000 to negotiate directly with the

Ketchikan General Hospital (KGH) for provision of specialty medical care to tribal members of KIC and the OVS.

Health Care Facilities -- The Committee expects the Service to establish a new health care facilities construction priority methodology that encourages alternative financing and more partnerships with tribes to meet the wide variances in tribal needs and capabilities. The Committee is encouraged by the efforts of many tribes, led by the Oneida Tribe of Wisconsin, to secure non-Federal funding for their health care facility needs. Many of these tribes do not have existing Federal health care facilities and are unable to get on the existing IHS construction priority list. The Joint Venture project funding authority provides a basis for these tribes to provide an appropriate health care facility in exchange for future equipment and staffing funds. The Committee wants to demonstrate that Joint Venture projects are cost-effective and can be started and completed quickly. Therefore, a strong emphasis has been placed on projects already planned, which have high relative health care facility needs, and are ready to go to design and construction.

Action Taken or to be Taken

Pursuant to the Conference report language, accompanying the FY 2001 Interior appropriation legislation, the Congress directed the IHS to review the health care facilities construction priority system in consultation with the tribes. Through the Facilities Appropriation Advisory Board, composed of tribal and IHS representatives, a "Facilities Needs Assessment and Prioritization Criteria Work Group" has been established. This workgroup contains representatives from 19 tribes or tribal organizations. This workgroup has been charged to recommend: (1) criteria to be used for establishing and annually reviewing the need for facilities construction in Indian Country; (2) criteria and relative weight of each criteria to be used to prioritize among competing projects; and (3) strategies for dealing with (coordinating and integrating) the prioritization needs of various health care facilities construction programs (inpatient, outpatient, dental units, Joint Venture Program projects, Small Ambulatory Program projects, etc.). In addition, the workgroup has been tasked to address the issues included in the Conference Report accompanying the FY 2001 Interior Appropriations Act. Starting on February 22, 2001, this workgroup has a one year target to accomplish its assigned task.

Pursuant to the language accompanying the FY 2001 Interior Appropriations Act, the IHS requested Joint Venture Construction Program proposals from tribes having projects on the Outpatient Priority List. Meeting the March 1, 2001 deadline, two tribes have submitted proposals. The appropriated funds have been allocated for these two projects. After the IHS completes negotiating Joint Venture agreements with these two tribes, the appropriated funds will be dispersed for the equipment portions of these projects, for which the funds were appropriated.

Maintenance and Improvement - The Committee recommends... An additional amount of $1,000,000 in matching funds is included within this activity for the NW Portland Area Indian Health Service Office to continue its AMEX project, which is designed to assist tribes in addressing their most critical maintenance and improvement work. The committee understands that with this

amount, three tribes that could not be reached with the initial Federal funding dedicated to the project can now be considered.

Action Taken or to be Taken

In FY 1999 the IHS had a one-time opportunity to assist a small number of tribes in the Portland area with facility improvements. With the FY 2001 Maintenance and Improvement funding for the Portland Area Ambulatory Expansion Program, three tribes that were not reached with previous funding can be considered.

Construction of Facilities -- The Committee recommends $70,969,000 for the construction of facilities, an increase of $20,576,000 above the FY 2000 enacted level. Funds are distributed as follows: $40,115,000 for the Fort Defiance, AZ, Hospital; $12,286,000 for the Winnebago, NE, Hospital; $8,328,000 for the Parker, AZ, Health Center; and $240,000 for the Hopi Tribe to assist with the debt associated with the construction of staff quarters that is being funded by the tribe. In addition to the foregoing, $5,000,000 is provided to begin construction of the Bethel, AK, staff quarters, the first priority for funding on the staff quarters list. Language is included in the bill that will allow the Service to direct funds to the Yukon-Kuskokwim Corporation, which will oversee construction of the project.

Action Taken or to be Taken

Based on the agreement reached in Conference, the Congress, in the FY 2001 appropriation, provided, after the 0.22 percent rescission:

- $40,026,000 for the Fort Defiance, AZ Hospital, for the continuation of construction of the replacement hospital by the existing construction contractor, procurement of equipment for the replacement hospital, and commencement of work for the staff quarters portion of the project.

- $12,259,000 for the Winnebago, NE Hospital, for the continuation of construction by the existing construction contractor.

- $8,310,000 for the Parker, AZ Health Center, for use by the Tribe's existing construction contractor to complete construction.

- $1,741,000 for the Pawnee, OK Health Center, for an A/E to design the project. Project is under design.

- $2,235,000 to assist the Hopi Tribe with the debt service on tribally constructed staff quarters for the Hopi Health Center, Polacca, AZ. Funds have been transferred to the Tribe.

- $4,989,000 contribution to the Yukon-Kuskokwim Health Corporation to provide staff quarters in Bethel, AK, associated with the Bethel, AK Hospital. An agreement is being negotiated for the use of appropriated funds.

- $4,989,000 for the Government's portion (equipment) for the IHS Joint Venture Construction Program, where tribes enter into agreements with the Government for the tribes to provide tribally owned health care facilities for the IHS to fund the staff,

operations, and maintenance and repair under 20-year no-cost leases. For the FY 2001 funds, agreements are being negotiated with two tribes having projects on the current IHS Outpatient Priority List.

- $9,978,000 for the IHS Small Ambulatory Program, to assist tribes with construction of tribally owned health care facilities. Proposals are being requested for competitive selection for awards for the FY 2001 funds.

- $998,000 to provide two to three additional dental units under the IHS Dental Program. Selection process is underway.

The total enacted amount for health care facilities construction was $85,525,000.

SIGNIFICANT ITEMS IN HOUSE, SENATE, AND CONFERENCE APPROPRIATIONS COMMITTEES REPORTS

2001 Senate Report Language (106-293)

Alcoholism -- The Committee is supportive of efforts by the Secretary to give priority to projects that will promote the development of a national strategy for the prevention of alcohol-related birth defects and for the provision and coordination of appropriate interventions for affected individuals and their families. The Committee recognizes the prevalence of secondary disabilities among those with alcohol-related birth defects, including interaction with the criminal justice system, mental health problems, failure to live independently, and difficulties in school. The Committee understands that many of these secondary disabilities can be prevented, and it supports grant projects that will improve our ability to help children and families minimize the impact of alcohol-related birth defects. The Committee urges the Secretary to target appropriate funding to areas that demonstrate significant need and a high incidence or risk of alcohol-related birth defects. Special consideration could be given to Native American applicants, with recognition of the value of non-traditional or culturally-based treatment methods and reservation-based substance abuse treatment services. The Committee also urges the National Institute of Alcohol Abuse and Alcoholism, the Centers for Disease Control, the Indian Health Service and Substance Abuse and Mental Health Services Administration to work collaboratively on administration of the grant program.

Action Taken or to be Taken

Early in FY 2001, funds were provided from a congressional earmark to SAMHSA to administer funds through the Center for Substance Abuse Prevention for an FAS/FAE project. Funds were then awarded to a four-state consortium, that includes Montana, North Dakota, South Dakota and Minnesota. Each state within the consortium is working on a state-specific FAS/FAE plan. Over the next 2-3 years the consortium states will work together to identify high-risk populations, test interventions, and collect data. All citizens in the states are a part of the target population, however, specific high-risk groups will be identified early. It is anticipated that American Indians and Alaska Natives (AI/AN) will figure into the high-risk populations. When the state-specific plans are completed, there will be many opportunities to involve other agencies such as NIAAA, CDC, etc. to address the findings of the consortium, in the development of competitive grants for the high-risk communities and/or populations.

IHS provides funding to the Northwest Portland Area Indian Health Board to develop a surveillance system of fetal alcohol syndrome among Northwest tribal communities. It is anticipated that this surveillance system will be a model to be implemented in the rest of AI/AN communities.

IHS also provides funding to the University of Washington to provide training to AI/AN professionals and paraprofessionals in the screening, assessment and diagnosis of FAS/FAE. The funds also allow for consultation to AI/AN communities.

IHS contracted for the writing and publication of a manual entitled, "A Practical Native American Guide For Caregivers of Children, Adolescents, and Adults With Fetal Alcohol Syndrome and Alcohol Related Conditions". The manual has been distributed nationally. There is a plan to provide a second manual for professionals working with AI/AN.

IHS is collaborating with CDC on the publication of research based on data collected from American Indian mothers abusing alcohol during pregnancy. The research tool is a screening instrument developed specifically for the AI/AN mothers abusing alcohol during pregnancy.

SIGNIFICANT ITEMS IN HOUSE, SENATE, AND CONFERENCE APPROPRIATIONS COMMITTEES REPORTS

2001 Conference Report Language (106-914)

Program Funding -- In hospital and clinic programs there are increases of $225,000 for the Shoalwater Bay Infant mortality prevention program, $500,000 for technology improvements and AIDS research at epidemiology centers, $5,000,000 for loan repayment with emphasis on critical shortage specialties such as pharmacists, dentists and podiatrists, $220,000 for the pharmacy residents program, $1,000,000 for emergency medical services, $1,000,000 to hire podiatrists and $3,000,000 for technology upgrades.

Action Taken or to be Taken

The IHS continues to fund and work closely with the Shoalwater Bay Tribe, and other entities, to implement a comprehensive program of care for women and their families. For the other programs, increases will be provided to the specified programs to support IHS' capacity to provide health care.

Program Funding/Urban Indian Health -- The committee recommends $1,000,000 to incorporate the Southwest Indian Polytechnic Institute dental program into the urban Indian health program in the Albuquerque, NM, area. The urban program is funded pursuant to title V of the Indian Health Care Improvement Act and operated by the First Nations Community HealthSources. With these additional funds, dental services will be available for the large urban Indian population in the Albuquerque, NM area.

Action Taken or to be Taken

On November 12, 2000, the Indian Health Service adviced $1,000,000 to the Albuquerque Area for distribution to the First Nations Community HealthSource and the Southwest Indian Polytechnic Institute for dental services in the Albuquerque, NM area. The Albuquerque IHS Area is entering into a cooperative agreement with the First Nations Community HealthSource to facilitate the provision of dental services in coordination with Southwest Indian Polytechnic Institute. The funding will be used for staffing, equipment and supplies to provide a full range of dental services.

Program Funding - . . . Contract support costs increases include up to $10,000,000 for new and expanded contracts and $10,000,000 for existing contracts.

Action Taken or to be Taken

Because of the rescission included in the Appropriations Act, funding was reduced to $9.7 million. The Indian Health Service will allocate $9.7 million to tribes that plan to expand and/or enter into new contracts/compacts with IHS. Another $9.7 million will be allocated to existing tribal contracts/compacts based on the IHS' Contract Support Cost shortfall report. The distribution of these funds is pending while the IHS is consulting with the tribes in accordance with its consultation policy.

Pay Cost Increases - The Service needs to do a better job of estimating costs, including the distribution of pay cost increases . . .

Action Taken or to be Taken

For the past several years, the Indian Health Service has been working to collect tribal pay costs data. In the absence of such data, IHS has calculated pay costs by assuming that the Federal pay increases represent 55 percent of the total pay increases needed, which is proportionate to the percentage of the budget under Federal administration. Accordingly, the tribal pay increases are assumed to amount to 45 percent of the total pay cost increases. Once the tribal amount is calculated, it is distributed among the appropriate budget line items according to the line item's percentage of the portion of the budget under Tribal administration.

The FY 2001 pay costs distribution is pending completion of pay costs data collection. The IHS is very close to completing the data collection from the 12 Areas and tribes.

Podiatry -- The Service should accept the offer from the American Podiatric Medical Association to assist in the recruitment and screening of candidates to fill podiatry positions in the Service. The APMA deserves credit for pursuing much needed improvements in the podiatry programs at IHS and has an excellent record with respect to prevention of diabetic amputations. The Service should consult with APMA on both the use of the $1,000,000 increase provided to hire additional podiatrists and the use of the loan repayment program for podiatrists.

Action Taken or to be Taken

The agency has met with representatives of the American Podiatric Medical Association (APMA) and developed a working approach to the issue of expanding podiatry services. The agency has recruited additional podiatry staff during FY 2000 and increased the total number of loan repayment options offered to podiatrists to 14 (giving the discipline the highest percentage of loan repayment offers of any discipline).

The $1 million allocation will be awarded to 6 sites. Each site will be given $165,000 to hire a full-time podiatrist with appropriate infrastructure. It is expected that the sites will be geographically dispersed. It is anticipated that the 6 sites will include 2 health centers, 2 hospitals and 2 surgical hospitals. All interested sites are encouraged to apply. Podiatry program planning information will be mailed to all sites submitting an application. Smaller service populations may submit combined applications with proposals to share a podiatry program.

Applications will be mailed to Tribal, Urban and Indian Health Service sites. Completed applications must be received by April 15, 2001. Site selection and notification will be completed by June 1, 2001.

Program Funding/Contract Health Care -- Within the funding provided for contract health services, the Indian Health Service should allocate an increase to the Ketchikan Indian Corporation's (KIC) recurring budget for hospital-related services for patients of KIC and the Organized Village of

Saxman (OVS) to help implement the agreement reached by the Indian Health Service, KIC, OVS and the Southeast Alaska Regional Health Corporation on September 12, 2000. The additional funding will enable KIC to purchase additional related services at the local Ketchikan General Hospital. The managers remain concerned that the viability of Alaska Native regional entities must be preserved. The accommodation by the managers of the September 12, 2000 agreement in no way is intended to imply that similar requests for similar arrangements will be encouraged or supported elsewhere in Alaska.

Action Taken or to be Taken

The IHS committed $140,000 recurring and SEARHC committed $400,000 recurring to the KIC, per the agreement. These additional funds will be used to increase health care services to the Alaska Native people.

Program funding -- In maintenance and improvement, increases include $2,000,000 to address the maintenance backlog and $1,000,000 for the Northwest Portland area AMEX program with the understanding that AMEX includes cost sharing in excess of 50 percent and there will be no increase for base funding requirements for these projects . . .

Action Taken or to be Taken

The FY 2001 enacted amount includes $1,996,000 to address the maintenance backlog and $998,000 for the AMEX project. The AMEX project includes cost sharing in excess of 50 percent by the tribes and there will be no increase for base funding required for these projects.

Program Funding -- For hospital and clinic construction, there are increases of $118,000 for the Parker, AZ clinic; $5,000,000 for small ambulatory facilities with the understanding there will be no operating funds associated with these projects; $5,000,000 for staff quarters in Bethel, AK; $5,000,000 for joint ventures; and $2,000,000 for Hopi, AZ staff quarters.

Action Taken or to be Taken

Based on the agreement reached in Conference, the Congress, in the FY 2001 appropriation, provided, after the 0.22 percent rescission:

- $40,026,000 for the Fort Defiance, AZ Hospital, for the continuation of construction of the replacement hospital by the existing construction contractor, procurement of equipment for the replacement hospital, and commencement of work for the staff quarters portion of the project.

- $12,259,000 for the Winnebago, NE Hospital, for the continuation of construction by the existing construction contractor.

- $8,310,000 for the Parker, AZ Health Center, for use by the Tribe's existing construction contractor to complete construction.

- $1,741,000 for the Pawnee, OK Health Center, for an A/E to design the project. Project is under design.

- $2,235,000 to assist the Hopi Tribe with the debt service on tribally constructed staff quarters for the Hopi Health Center, Polacca, AZ. Funds have been transferred to the Tribe.

- $4,989,000 contribution to the Yukon-Kuskokwim Health Corporation to provide staff quarters in Bethel, AK, associated with the Bethel, AK Hospital. An agreement is being negotiated for the use of appropriated funds.

- $4,989,000 for the Government's portion (equipment) for the IHS Joint Venture Construction Program, where tribes enter into agreements with the Government for the tribes to provide tribally owned health care facilities for the IHS to fund the staff, operations, and maintenance and repair under 20-year no-cost leases. For the FY 2001 funds, agreements are being negotiated with two tribes having projects on the current IHS Outpatient Priority List.

- $9,978,000 for the IHS Small Ambulatory Program, to assist tribes with construction of tribally owned health care facilities. Proposals are being requested for competitive selection for awards for the FY 2001 funds.

- $998,000 to provide two to three additional dental units under the IHS Dental Program. Selection process is underway.

The total enacted amount for health care facilities construction was $85,525,000.

Program Funding -- . . . There is also an increase of $2,000,000 for equipment to raise the total annual funding available for equipment at tribally built facilities from $3 million to $5 million . . .

Action Taken or to be Taken

Based on the agreement reached in Conference, the Congress, in the FY 2001 appropriation, provided, after the 0.22 percent rescission, $4,989,000 for equipment at tribally built facilities. These funds are distributed to tribes that construct health care facilities with non-IHS funding and apply for assistance to meet their equipment needs.

Packaging Staff Quarters Construction Projects -- The Service is urged to package together several staff quarters projects whenever possible to attract more bidders for construction projects and to lower costs. The various projects on the priority list for Navajo and other tribes in the area should be reviewed as potential candidates for packaging as should staff quarters projects in other areas where such projects can be combined to attract additional interest and achieve savings.

Action Taken or to be Taken

To address the issue of packaging staff quarters, the IHS commissioned an independent study and it revealed that the staff quarters portions of these health care facility construction projects need to be in sync with the construction of the health care facilities and not before. Appropriate staff housing should be available just prior to when the health care facility opens, so staff will be available to open the new

health care facility, particularly in remote locations. According to the study conducted, the number of quarters in Ft. Defiance, Pinon, and Red Mesa, Arizona are all large enough to achieve the greatest savings which occurs when the number of similar quarters is greater than 50. If funding were provided for the Pinon, and Red Mesa projects simultaneously then bundling may be feasible for those two projects.

The IHS plans to use the "design-build" construction method for staff quarters as a part of the overall health care facility projects whenever funding is available. From this aspect, for each of these projects, there is a potential that the "design-build" construction method could yield lower construction project costs as well.

Excess Construction Funding -- Any funds not needed for completion of individual construction projects should be reported to the House and Senate Committees on Appropriations as soon as identified.

Action Taken or to be Taken

The IHS is in the process of collecting this information and will provide it to the Committees, as soon as identified.