



JUN 8 2001

Indian Health Service
Rockville MD 20857

Dear Tribal Leader:

This letter is to inform you of my decision for distributing the \$70 million increase appropriated for diabetes that the Indian Health Service (IHS) received in fiscal year (FY)2001. This congressional appropriation supports the tribal and Federal leadership concerns about the impact of diabetes on American Indian and Alaska Native people, families, and communities.

I have decided to allocate the FY 2001 increase (totaling \$63 million after subtractions of \$3.5 million for the urban diabetes projects and \$3.5 million for program support and administrative overhead costs) to IHS Areas. The \$63 million will be distributed by the same formula used for distributing the diabetes funding as appropriated by the Balanced Budget Act (BBA) of 1997. This formula allocates funds based on tribal size adjustment, user population, and health indicators. These funds are available for FYs 2001, 2002, and 2003.

I want to thank the members of the Tribal Leaders Diabetes Advisory Committee (TLDC) and all the tribal leaders and Indian health program representatives that participated in the regional and national consultation sessions held this year. The Committee summarized the views of all tribes, presented your major concerns, and formulated the national recommendations. The \$3.5 million allocated for program support and administrative overhead costs includes support for TLDC activities, evaluation, materials publication, technical analysis and assistance, information systems improvements, and grant and program administration. This amount accounts for 3.5 percent of the total and is below the 10 percent upper limit that had been identified for these kinds of costs. These funds are available for FYs 2001, 2002, and 2003.

My decision to provide \$3.5 million to urban Indian health projects added to the \$1.5 million already provided to them by the BBA funds for a total of \$5 million seems an appropriate

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amount to address the diabetes prevention and treatment needs and the size of the Indian population residing in urban communities. This allocation will also reduce the pressure placed on reservation-based programs that might have been experiencing an increasing demand from tribal members returning to the reservation for health care because care has not been available to them in their urban communities. We have all become aware that the size of the urban Indian population is growing and the scope of the need is great. These funds are available for FYs 2001, 2002, and 2003.

The funds are to support best practices in the diabetes effort and interventions that demonstrate positive impact on improving the health of American Indian and Alaska Native people. This approach will assure the accountability for the diabetes effort that you and the Congress have identified as critical. The IHS Diabetes Program has prepared packages for each funding recipient that describe the program interventions that have proven to positively impact American Indian and Alaska Native communities.

I trust these funds will be helpful in combating the diabetes epidemic in Indian country. Thank you for your commitment to this effort and I look forward to working with you to improve the health of American Indian and Alaska Native people.

Sincerely yours,

/Michael H. Trujillo/

Michael H. Trujillo, M.D., M.H.S., M.S.
Assistant Surgeon General
Director

Attachment