

Indian Health Service Budget Update

AUGUST 20, 2024

CALIFORNIA AREA IHS

CATAC & PROGRAM DIRECTORS MEETING



FY 2025 Appropriations Update

FY 2025 President's Budget

The FY 2025 President's Budget aims to address the longstanding underinvestment in IHS through a two-pronged approach.

- ❑ In FY 2025, the budget includes \$8.2 billion for IHS, including \$8.0 billion in discretionary funding, and \$260 million in proposed mandatory funding.
- ❑ Starting in FY 2026, the budget requests a mandatory funding formula for the next 9 years, culminating in a total funding level of \$42 billion in FY 2034, and exempts the IHS from sequestration.

FY 2025 House Bill

In FY 2025, the House Bill provides \$8.6 billion in discretionary funding for the IHS, which is +\$1.6 billion above FY 2024 enacted.

The Bill includes:

- Services: \$5.3 billion in discretionary funding;
- Facilities: \$851 million in discretionary funding;
- Contract Support Costs: \$2 billion indefinite discretionary funding; and
- Payments for Tribal Leases: \$400 million indefinite discretionary funding.

Not included in the House Mark, but in the FY 2025 President's Budget:

- Special Diabetes Program for Indians: \$260 million in mandatory funding, increased to +\$270 million through FY 2026.

FY 2025 House Bill (Cont.)

Some major highlights of the Bill include:

- Staffing of Newly Constructed Facilities: Fully funds +\$91 million
- Current Services: Fully funds increases for pay costs, medical and non-medical inflation and populations growth +\$345 million;
- Contract Support Costs: Maintains indefinite discretionary appropriations and includes an increase of +\$985 million for a total of \$2 billion; and
- Payments for Tribal Leases: Maintains indefinite discretionary appropriations and includes an increase of +\$251 million for a total of \$400 million.

FY 2025 House Bill (Cont.)

Other highlights of the Bill include:

- Other Notable Increases: +\$10 million for the Tribal Epidemiology Centers, +\$8 million for Indian Health Professions, and +\$7 million for dental health.
- Additional Smaller Increases: Emergency generators (+\$5 million), Produce Prescription Pilot Program (+\$4 million), staffing quarters (+\$3 million), the Behavioral Health Pilot Program (+\$2 million), and maternal health (+\$1 million).

FY 2025 House Bill (Cont.)

Although the House Bill provides a significant increase above FY 2024 enacted over all, it also includes a critical reduction.

- Electronic Health Record : -\$115 million for the Electronic Health Record modernization project, leaving a total of \$75 million in FY 2025.
- At this funding level, the IHS would have to dramatically scale back this effort, and would not be able to support Tribal and urban partners.

FY 2025 House Bill (Cont.)

The House Bill does not restore FY 2024 funding reductions to facilities programs.

- Health Care Facilities Construction: A total of \$183 million, which continues the -\$78 million reduction from the FY 2024 appropriation.
- Sanitation Facilities Construction: A total of \$124 million, which continues the -\$73 million reduction from the FY 2024 appropriation.

FY 2025 House Bill (Cont.)

The bill continues to provide advance appropriations for the IHS, including a total of \$6 billion for FY 2026 that will become available on October 1, 2025.

- The House bill expands advance appropriations to Health Care Facilities Construction and Sanitation Facilities Construction.
- The bill does not provide advance appropriations for Contract Support Costs or Section 105(I) Leases, Indian Health Care Improvement Fund, and Electronic Health Record.

FY 2025 Senate Bill

In FY 2025, the Senate Bill provides \$8.5 billion in discretionary funding for the IHS, which is +\$1.6 billion above FY 2024 enacted.

The Bill includes:

- Services: \$5.2 billion in discretionary funding;
- Facilities: \$892 million in discretionary funding;
- Contract Support Costs: \$2 billion indefinite discretionary funding; and
- Payments for Tribal Leases: \$400 million indefinite discretionary funding.

Not included in the Senate Mark, but in the FY 2025 President's Budget:

- Special Diabetes Program for Indians: \$260 million in mandatory funding, increased to +\$270 million through FY 2026.

FY 2025 Senate Bill (Cont.)

Some major highlights of the Bill include:

- Staffing of Newly Constructed Facilities: Funds increases of +\$91 million;
- Current Services: Funds increases for pay costs, medical and non-medical inflation and populations growth +\$124 million;
- Contract Support Costs: Maintains indefinite discretionary appropriations and includes an increase of +\$985 million for a total of \$2 billion; and
- Payments for Tribal Leases: Maintains indefinite discretionary appropriations and includes an increase of +\$251 million for a total of \$400 million.

FY 2025 Senate Bill (Cont.)

The Senate Bill partially restores FY 2024 funding reductions to facilities programs.

- Health Care Facilities Construction: A total of \$223 million, which restores +\$40 million from the FY 2024 appropriation reduction.
- Sanitation Facilities Construction: A total of \$145 million, which restores +\$22 million from the FY 2024 appropriation reduction. Of this total, \$11 million is for Congressionally Directed Spending.

FY 2025 Senate Bill (Cont.)

Other highlights of the Bill include:

- Other Notable Increases: +\$16 million to Improve Patient Care, +\$13 million for Electronic Health Record, +\$8 million for Purchased/Referred Care.
- Additional Smaller Increases: Indian Health Professions (+\$4 million), Alcohol Substance Abuse (+\$4 million), Community Health Aide Program (+\$3 million), Urban Health (+\$3 million), Public Health Nursing (+\$3 million), Facility & Environmental Health Support (+\$3 million).

FY 2025 Senate Bill (Cont.)

The bill continues to provide advance appropriations for the IHS, including a total of \$5 billion for FY 2026 that will become available on October 1, 2025.

- The bill does not provide advance appropriations for Electronic Health Record, Indian Health Care Improvement Fund, Health Care Facilities Construction, Sanitation Facilities Construction, Contract Support Costs and Section 105(I) Leases.

FY 2025 Next Steps

- August: Congressional recess.
- September: The conference committee negotiates differences for both the House and Senate Bills to develop a compromise bill for enactment in the next fiscal year. If an agreement isn't reached, Congress may pass a continuing resolution.

