FY 2019 Indian Health Service Budget Recommendations from the Facilities Appropriation Advisory Board (FAAB)

Presented by:

Mr. Michael Garcia, Primary Tribal Representative, FAAB

Vice Chairman, Ewwiiapaayp Band of Kumeyaay Indians

FAAB Background

- Established as a standing committee of Tribal and IHS representatives.
- The primary purpose of the FAAB is to make recommendations to the Director, IHS on matters involving all Office of Environmental Health and Engineering (OEHE) programs.
- The OEHE operates programs funded under the Facilities Appropriation of the IHS budget:
  - Health Care Facilities Construction (HCFC)
  - Sanitation Facilities Construction
  - Equipment
  - Maintenance and Improvement (M&I)
  - Facilities and Environmental Health Support

California Representatives

- Primary Tribal Representative
  Mr. Michael Garcia, Vice Chairman, Ewwiiapaayp Band of Kumeyaay Indians

- Alternate Tribal Representative
  Mr. *Mr. Gary Walker, Tribal Council Member, North Fork Rancheria of Mono Indians of California*

- Primary Technical Representative
  CDR Paul Frazier, Director of Health Facilities Engineering, California Area Indian Health Service

FAAB Recommendations

- The austere, underfunding of IHS facilities infrastructure is a major concern to the FAAB
- The IHS/tribal infrastructure needs continue to grow at a pace that far exceeds the funding levels meant to address these needs.
- The FAAB supports the National Budget Formulation fiscal year (FY) 2019 program expansion recommendations for the facilities appropriation.
- The FAAB has formulated alternate recommendations based on the recent "2016 Indian Health Service and Tribal Health Care Facilities Needs Assessment Report to Congress" and the "Facilities Appropriation Information Package".
- Specifically, the FAAB endorses the following program expansions:

FY 2019 Facilities Appropriation Line Item	National Budget Formulation Tribal Recommended Increases	FAAB Recommended Increases
Health Care Facilities Construction (HCFC)	~$55,000,000	>$750,000,000
Sanitation Facilities Construction (SFC)	~$46,000,000	~$90,000,000
Equipment	~$34,000,000	~$50,000,000
Maintenance and Improvement (M&I)	~$32,000,000	~$180,000,000
Facilities and Environmental Health Support (FEHS)	~$14,000,000	~$40,000,000

Basis for FAAB Recommendations

Health Care Facilities Construction (HCFC)

- There is a need of over $15 billion for (18,000,000 ft^2) IHS/Tribal Health Care Facilities Construction.[1]
- IHS/Tribal facilities have about ½ of space needed to provide the AI/AN service population healthcare.[2]
- Rate of HCFC appropriations (~$85 million annually) is insufficient to cover the annual growth in HCFC need.[3]
- To replace existing IHS facilities every 60 years (twice a 30 year design life), need ~$500 million/annually.[4]
- HCFC appropriations of ~$1 billion/annually would provide 95% of the needed facility space by 2040.[5]
- ~$750 million annually required to match U.S. average per capita expenditure for healthcare construction.[6]

Basis for FAAB Recommendations

Sanitation Facilities Construction (SFC)

- 171,674 AI/AN homes (43%) out of the 400,096 homes in the IHS data system need sanitation facilities.
- Most AI/AN homes without adequate sanitation facilities are in rural, remote and isolated locations.
- Expensive and challenging to construct and tribes to operate and maintain facilities in these remote locations.
- Estimated $3.4 billion in sanitation facilities need, of which $1.5 billion are economically feasible.
- For the past decade, SFC program and project funding relatively flat and overall need continues to grow.
- To reduce sanitation need, SFC appropriation should be in the range of $140 to $190 million annually.

Basis for FAAB Recommendations

Equipment

- The IHS/Tribes manage ~90,000 biomedical devices valued at ~ $500 million.
- The average Medical Equipment Useful Life is approximately 6 to 8 years. [7]
- Equipment funding has been flat for the last decade with equipment replacement ~every 30 years.
- Outdated, inefficient and unsupported equipment must be replaced with today's technology.
- To replace equipment on a 7 year cycle would require approximately $70 million annually.
- U.S. annual medical equipment maintenance costs average 5% to 10% of the equipment inventory value,[8] which would equate to $25 to $50 million annually for the IHS.
- A sustainable IHS medical equipment replacement and maintenance program requires $100 to $150 million annually.

Basis for FAAB Recommendations

Maintenance and Improvement (M&I)

- Adequate M&I funding ensures functional health care facilities that meet building/life safety codes and regulations
- Adequate M&I funding is necessary to satisfy accreditation standards.
- The backlog of deferred maintenance is ~$500 million, which if unaddressed could cost significantly more if systems fail.[9]
- The FY-2016 M&I funding was $73.6 million which for the first time since 2010 at a sustainment level.
- The estimated total IHS annual M&I funding level should include:
  - All maintenance costs including all repair, preventive maintenance, materials, benchstock, direct labor and contracts;
  - ~$90 to $180 million for maintenance using 2% to 4% of the aggregate replacement value[10] for full sustainment;
  - Plus, ~$90 to $180 million (2% to 4% aggregate replacement value) to improve/modernize existing facilities.[12]

Basis for FAAB Recommendations

Facilities and Environmental Health Support (FEHS)

- The FEHS budget line item includes Facilities Support, Environmental Health Support and OEHE support.
- The FEHS funding should be increased $40 million (5% of the proposed program increases) to cover increased workload.
- The FEHS resources staff and support IHS headquarters, regional, area, district, service unit and Tribal activities.
- The 5% includes staff to plan, design, manage construction and provide O&M training for new infrastructure and facilities.
- Funding for FEHS account has been essential flat (.4% average annual increase) during the last decade.

Basis for FAAB Recommendations

Facilities and Environmental Health Support (FEHS) cont'd.

- Includes a wide array of vital activities to address community environmental health needs including prevention of injuries and communicable disease, ensuring safe institutional environments, and preparing for and responding to disaster events. Two specialty areas include injury prevention and Institutional Environmental Health.
  - Unintentional Injuries are the leading cause of death for AI/ANs 1-44 years, and the 3rd leading cause of death overall.
  - Unintentional injury mortality rates for AI/ANs are ~2.4 times the combined All U.S. races rate.
  - IHS/Tribal Injury Prevention initiatives have contributed to a 58% decrease in unintentional injury deaths between 1973 and 2008. Health disparities remain.
  - As economic development/growth occurs in Tribal communities demands increase to ensure food safety, safe children's environments, prevention of emerging vector borne and other communicable diseases, safe drinking water, and healthy tribal homes.