



October 1, 2025

Dear Tribal Leader and Urban Indian Organization Leader:

I am writing to share information regarding the current status of fiscal year (FY) 2026 appropriations for the Indian Health Service (IHS).

As you know, the IHS received advance appropriations in the Full-Year Continuing Appropriations and Extensions Act, 2025 (Public Law 119-4), which provides \$5.2 billion in FY 2026 for nearly all programs in the IHS Services and Facilities accounts. Advance appropriations mean that the IHS is in a position to maintain continuity of operations with increased funding stability for the Indian health system. I am pleased to share that FY 2026 funds are available for obligation as of today, October 1.

Congress did not enact a FY 2026 appropriations bill or continuing resolution before October 1, resulting in a lapse in appropriations for portions of the Federal Government. Due to the availability of FY 2026 advance appropriations for the IHS, the majority of agency operations will continue at the same funding level as FY 2025. Advance appropriations, third-party collections, and carryover balances from previously appropriated funds will continue to fund the provision of high-quality, direct health care services by the IHS, Tribal Health Programs, and Urban Indian Organizations. In addition, all IHS employees are exempt from furlough and will be paid during the lapse in Federal appropriations. In the coming days, the IHS will begin distributing FY 2026 advance appropriations to IHS programs, Tribal Health Programs, and Urban Indian Organizations.

Please note that the IHS will not be able to make FY 2026 Contract Support Costs or Tribal Lease (Section 105(l) Leases) payments until Congress enacts a FY 2026 appropriation. These funding sources do not receive advance appropriations, and the IHS lacks the authority to make these payments under a lapse in appropriations.

You can find additional information on IHS operations during the lapse in Federal appropriations in the [IHS Lapse Plan](#).

I want to thank each Tribal Leader and Urban Indian Organization Leader for your continued dedication and contributions to the IHS mission and the American Indians and Alaska Natives that we serve.

Sincerely,

Phillip B.
Smith -S

Digitally signed by Phillip
B. Smith -S
Date: 2025.10.01
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P. Benjamin Smith, M.B.A., M.A.
Acting Director