President’s Proposed Fiscal Year 2017 Budget Supports Improved Quality of Care at the Indian Health Service

The fiscal year 2017 budget requests $6.6 billion for the Indian Health Service (IHS), an increase of $402 million above fiscal year 2016 and 53 percent since fiscal year 2008. President Obama’s proposed fiscal year 2017 budget for the Indian Health Service includes a 6.5 percent increase above the fiscal year 2016 enacted budget. The proposal addresses long-standing health disparities among American Indians and Alaska Natives, compared with other Americans, and a renewed focus on quality of care at IHS.

Targeted investments include maximizing the benefits of the Affordable Care Act and Medicaid expansion for Indian Country; expanding behavioral health services; supporting self-determination by fully funding Contract Support Costs of tribes who manage their own programs; and ensuring increased health care access by fully funding staffing for new IHS health care facilities, addressing critical health care facilities infrastructure needs and updating the IHS health information technology systems.

“This budget accurately reflects the challenges the Indian health system faces in providing comprehensive health care and public health services in some of the most remote parts of our country,” said Robert G. McSwain, IHS principal deputy director. “As IHS responds to improving quality of care – from new requirements for health information technology to the federal government’s commitment to honor the sovereign rights of tribes by fully funding Contract Support Costs – these resources are necessary to raise the physical, mental, social and spiritual health of American Indians and Alaska Natives to the highest level.”

Increasing access to critical behavioral health services for youth and families

The proposed budget includes $363 million to expand successful substance abuse, behavioral health and domestic violence programs. Specifically, it proposes:

- +$15 million for the Generation Indigenous program for Native youth.
- +$4 million to implement Zero Suicide, a comprehensive strategy to reduce and eliminate suicide in ten pilot projects.
- +$2 million to pilot aftercare services at Youth Regional Treatment Centers to ease the transition to the community once residential treatment is completed.
- +$21 million to facilitate the integration of behavioral health with primary care services.
- + $4 million increase for the successful Domestic Violence Prevention Program, formally known as the Domestic Violence Prevention Initiative.

Additionally, the proposed budget provides +$15 million to create a new Tribal Crisis Response Fund through the Mandatory Proposal for Mental Health Initiatives. The Tribal Crisis Response Fund will provide tribal communities with specialized crisis response staffing, technical assistance and community engagement services in the aftermath of behavioral health crises such as mass shootings, high rates of alcohol- and drug-related deaths, school violence, suicide clusters and other emergencies.
The Budget also provides a +$10 million expansion to the Indian Health Professions Scholarship Program for a total of $59 million. This expansion will focus on increasing the number of American Indian and Alaska Native behavioral health professionals through the American Indians into Psychology program, loan repayment and scholarships. These and other programs will support the Administration’s goal of providing adequate and effective behavioral health and domestic violence prevention and services to Native youth and families across the country.

Supporting tribal self-determination by fully funding Contract Support Costs

Over 60 percent of the IHS budget is operated by tribes with authority provided by the Indian Self-Determination and Education Assistance Act, under which tribes may assume the administration of programs and functions previously carried out by the federal government. IHS transfers operational costs for administering health programs to tribes through the “Secretarial amount,” which is the amount IHS would otherwise have spent to administer the health programs. In addition, tribes are authorized to receive an amount for Contract Support Costs that meet the statutory definition and criteria.

The proposed fiscal year 2017 budget fully funds estimated Contract Support Costs at $800 million, an increase of +$82 million above fiscal year 2016. The proposed budget maintains the indefinite appropriation for Contract Support Costs provided by Congress in fiscal year 2016. This funding approach continues the policy to fully fund Contract Support Costs and guarantees reliability of funding for the activities covered by Contract Support Costs under the statute.

In fiscal year 2018 and beyond, the Administration proposes to reclassify Contract Support Costs as a mandatory, three-year appropriation with sufficient increases year over year to fully fund the estimated need for such costs.

Increasing access to quality health care

The proposed budget demonstrates the Administration’s commitment to ensuring that critical health services are available for eligible American Indians and Alaska Natives. Highlights include:

- $570 million for facilities and environmental health programs, including $103 million for sanitation facilities construction, which will help to expand on the 190,000 homes that will receive sanitation facilities for the first time under this Administration.
- An increase of +$33 million to fully staff five new state-of-the-art facilities.
- An increase of +$48 million for a total of $962 million for the Purchased/Referred Care program, which provides access to essential health care services that IHS and tribally-managed facilities are unable to provide by contracting with hospitals and other health care providers to purchase care.
- An increase of +$20 million to modernize critical health IT systems, including the electronic health record system, the personal health record portal, hospital administrative and billing systems, security systems, data exchange and interoperability services.

Tribal consultation is fundamental to the IHS budget process, and the proposed budget incorporates tribal priorities and recommendations.


The IHS, an agency in the U.S. Department of Health and Human Services, provides a comprehensive health service delivery system for approximately 2.2 million American Indians and Alaska Natives.

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