



# USET

SOVEREIGNTY PROTECTION FUND

1730 Rhode Island Avenue, NW  
Suite 210  
Washington, DC 20036  
P: (615) 872-7900  
F: (615) 872-7417  
www.usetinc.org

## Office of Management and Budget/Department of Health and Human Services Consultation on IHS Mandatory Funding USET SPF Tribal Leader Talking Points

### Background

On May 2, 2023, the Office of Management and Budget (OMB), in coordination with the U.S. Department of Health and Human Services (HHS) [initiated consultation](#) to seek Tribal Nation input and recommendations on the Fiscal Year (FY) 2024 President's Budget Proposal to shift funding for the Indian Health Service (IHS) from discretionary to mandatory beginning in FY 2025. Under the proposed mandatory funding structure, IHS funding would grow automatically over 10 years to address inflationary factors, key operational needs, and existing backlogs in both healthcare services and facilities. More information on the proposal can be found in [Appendix A of the Dear Tribal Leader Letter](#). USET SPF has [consistently advocated for full and mandatory funding](#) for the IHS, as well as other federal agencies and programs for Native peoples, as this would better reflect the United States' perpetual trust and treaty obligations to Tribal Nations.

Because of our history and unique relationship with the U.S., the trust obligation of the federal government to Native peoples, as reflected in the federal budget, is fundamentally different from ordinary discretionary spending and should be mandatory in nature. As Congress continues to cap and/or cut non-defense discretionary spending in pursuit of deficit reduction, it is more important than ever that the IHS budget be shielded from the discretionary appropriations process through the provision of mandatory funding. Payments on debt to Indian Country should not be vulnerable to year to year "discretionary" decisions by appropriators. Rather, funding for Indian Country should instead mirror other federal entitlement spending, such as Medicare, as the U. S.'s trust and treaty obligations exist in perpetuity. USET SPF firmly believes that the IHS should receive open-ended, mandatory appropriations. Open-ended funding sources do not have an upper limit on spending and would provide payment for the full cost of services to Tribal Nations and Native people.

Recently, the IHS convened its "FY 2025 Sub-Workgroup on Mandatory Funding for IHS." This group is tasked with aiding in the development of a mandatory spending plan. USET SPF has been actively involved in the Workgroup since its convening. We will continue to actively engage with the effort to bring mandatory and full funding to the IHS, maintaining that any proposal must go through thorough Tribal consultation.

When initiating consultation, OMB and HHS requested input on the following discussion points:

- Input on how mandatory funding for IHS should grow in the outyears, including specific feedback on the different components of the proposed mandatory formula.
- Specific feedback on the highest priority programs and activities recommended for investment in the FY 2024 budget, including associated funding levels.
- Specific suggestions on how the Administration can build support for enactment of this proposal.

*Because there is Strength in Unity*

## Talking Points

- USET SPF celebrates the President's proposal to substantially increase IHS funding and shift it to the mandatory side of the budget. The Tribal Nations in the Nashville Area have long called for this pivotal change, which would more fully honor the federal government's sacred promises to Tribal Nations.
- The current mandatory funding proposal is incomplete and will need to be informed by consultation with Tribal Nations, and in collaboration with Tribal organizations, the Administration, legislators, and federal staff.
  - The Administration must meaningfully engage with and incorporate the guidance of the IHS FY 2025 Sub-Workgroup on Mandatory Funding Appropriations for IHS. This workgroup was created to inform and bolster the proposal and must have the resources and support necessary to carry out this work. The workgroup should have access to experts, like a health economist for example, in order to help determine an appropriate full funding amount and economic indicators for automatic growth. The workgroup's recommendations should then be subject to rigorous Tribal consultation.
  - The growth pattern for IHS mandatory funding will necessarily evolve over time and must account for national health care costs and trends, population growth, and new technologies, as well as the unique circumstances and priorities of the Indian Health System. Current estimates for annual full funding for the IHS are approximately \$54 billion, per the IHS Tribal Budget Formulation Workgroup. However, these current estimates are not comprehensive, as they do not include funding necessary for services and activities like public health. IHS must work with Tribal Nations to determine a more comprehensive full funding figure.
- Mandatory funding for Indian Country should be open-ended and structured like other federal entitlement spending. Native peoples have an inherent right to healthcare services and necessitates appropriate funding for the entities and agencies charged with providing that healthcare.
- Asking Tribal Nations to prioritize certain, specific programs or services for mandatory funding is inappropriate in a chronically underfunded system, as priorities vary across Areas and Tribal Nations. However, funding for certain programs, activities and services could be acted on immediately.
  - The President's FY 2024 Budget Request also calls for shifting Contract Support Costs (CSC) and 105(l) lease program funding to the mandatory side of the budget. This action would free up a significant amount of funding on the discretionary side of the budget. USET SPF calls for CSC and 105(l) lease funding to be immediately shifted to a mandatory, indefinite appropriation. This step can and should be taken immediately, independent of the larger mandatory funding proposal, while the full proposal is developed and consulted on.
- As with Advance Appropriations, building support for mandatory appropriations will take a collective, Administration-forward approach with close collaboration among Tribal Nations, legislators, Cabinet and other federal officials, Tribal organizations, and other stakeholders. We expect the same commitment from the Administration to bring full and mandatory funding to fruition.