

# INDIAN HEALTH CARE

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## HEARING

BEFORE THE

COMMITTEE ON INDIAN AFFAIRS  
UNITED STATES SENATE

ONE HUNDRED EIGHTH CONGRESS

FIRST SESSION

ON

### **S. 556**

TO AMEND THE INDIAN HEALTH CARE IMPROVEMENT ACT TO REVISE  
AND EXTEND THAT ACT

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APRIL 2, 2003  
WASHINGTON, DC



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**INDIAN HEALTH CARE IMPROVEMENT ACT  
REAUTHORIZATION OF 2003**

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**WEDNESDAY, APRIL 2, 2003**

U.S. SENATE,  
COMMITTEE ON INDIAN AFFAIRS,  
*Washington, DC.*

The committee met, pursuant to notice, at 10 a.m. in room 485, Senate Russell Building, Hon. Ben Nighthorse Campbell (chairman of the committee) presiding.

Present: Senators Campbell, Inouye, and Murkowski.

**STATEMENT OF HON. BEN NIGHTHORSE CAMPBELL, U.S. SENATOR FROM COLORADO, CHAIRMAN, COMMITTEE ON INDIAN AFFAIRS**

The CHAIRMAN. The committee will be in session.

Good morning and welcome to the Committee on Indian Affairs hearing on Secretary Thompson's proposed reorganization of the Department of Health and Human Services. This proposal, known as the One-HHS Initiative, is being vigorously debated on Capitol Hill, in Indian Country and elsewhere. Today, we will hear how the One-HHS Initiative will impact health delivery to Native people.

We are focusing on this One-HHS Initiative today, but in a sense this hearing is the first in a series this committee will be holding on legislation to reauthorize and extend the Indian Health Care Improvement Act that I introduced, along with my friends and colleagues Senator Inouye and Senator McCain. Effort to consolidate Federal programs are not new and at times have proven very successful, such as the employment and training program known as the 477 Program. We are trying to achieve the same success with alcohol, drug and mental health programs, and will hold a hearing on that bill next week. Nevertheless, the Tribes have expressed concerns with the One-HHS proposal, and today we will hear about some of those concerns.

[Text of S. 556 follows:]

108TH CONGRESS  
1ST SESSION

# S. 556

To amend the Indian Health Care Improvement Act to revise and extend that Act.

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IN THE SENATE OF THE UNITED STATES

MARCH 6, 2003

Mr. CAMPBELL (for himself, Mr. INOUE, and Mr. McCAIN) introduced the following bill; which was read twice and referred to the Committee on Indian Affairs

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## A BILL

To amend the Indian Health Care Improvement Act to revise and extend that Act.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Indian Health Care Improvement Act Reauthorization of  
6 2003”.

7 (b) TABLE OF CONTENTS.—The table of contents for  
8 this Act is as follows:

Sec. 1. Short title.

TITLE I—REAUTHORIZATION AND REVISIONS OF THE INDIAN  
HEALTH CARE IMPROVEMENT ACT



3

2

Sec. 101. Amendment to the Indian Health Care Improvement Act.

TITLE II—CONFORMING AMENDMENTS TO THE SOCIAL  
SECURITY ACT

Subtitle A—Medicare

Sec. 201. Limitations on charges.

Sec. 202. Qualified Indian health program.

Subtitle B—Medicaid

Sec. 211. State consultation with Indian health programs.

Sec. 212. FMAP for services provided by Indian health programs.

Sec. 213. Indian Health Service programs.

Subtitle C—State Children’s Health Insurance Program

Sec. 221. Enhanced FMAP for State children’s health insurance program.

Sec. 222. Direct funding of State children’s health insurance program.

Subtitle D—Authorization of Appropriations

Sec. 231. Authorization of appropriations.

TITLE III—MISCELLANEOUS PROVISIONS

Sec. 301. Repeals.

Sec. 302. Severability provisions.

Sec. 303. Effective date.

1 **TITLE I—REAUTHORIZATION**  
2 **AND REVISIONS OF THE IN-**  
3 **DIAN HEALTH CARE IM-**  
4 **PROVEMENT ACT**

5 **SEC. 101. AMENDMENT TO THE INDIAN HEALTH CARE IM-**  
6 **PROVEMENT ACT.**

7 The Indian Health Care Improvement Act (25 U.S.C.  
8 1601 et seq.) is amended to read as follows:

9 **“SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

10 “(a) **SHORT TITLE.**—This Act may be cited as the  
11 ‘Indian Health Care Improvement Act’.

1       “(b) TABLE OF CONTENTS.—The table of contents  
2 for this Act is as follows:

- “Sec. 1. Short title; table of contents.
- “Sec. 2. Findings.
- “Sec. 3. Declaration of health objectives.
- “Sec. 4. Definitions.

“TITLE I—INDIAN HEALTH, HUMAN RESOURCES AND  
DEVELOPMENT

- “Sec. 101. Purpose.
- “Sec. 102. General requirements.
- “Sec. 103. Health professions recruitment program for Indians.
- “Sec. 104. Health professions preparatory scholarship program for Indians.
- “Sec. 105. Indian health professions scholarships.
- “Sec. 106. American Indians into psychology program.
- “Sec. 107. Indian Health Service extern programs.
- “Sec. 108. Continuing education allowances.
- “Sec. 109. Community health representative program.
- “Sec. 110. Indian Health Service loan repayment program.
- “Sec. 111. Scholarship and loan repayment recovery fund.
- “Sec. 112. Recruitment activities.
- “Sec. 113. Tribal recruitment and retention program.
- “Sec. 114. Advanced training and research.
- “Sec. 115. Nursing programs; Quentin N. Burdick American Indians into Nursing Program.
- “Sec. 116. Tribal culture and history.
- “Sec. 117. INMED program.
- “Sec. 118. Health training programs of community colleges.
- “Sec. 119. Retention bonus.
- “Sec. 120. Nursing residency program.
- “Sec. 121. Community health aide program for Alaska.
- “Sec. 122. Tribal health program administration.
- “Sec. 123. Health professional chronic shortage demonstration project.
- “Sec. 124. Scholarships.
- “Sec. 125. National Health Service Corps.
- “Sec. 126. Substance abuse counselor education demonstration project.
- “Sec. 127. Mental health training and community education.
- “Sec. 128. Authorization of appropriations.

“TITLE II—HEALTH SERVICES

- “Sec. 201. Indian Health Care Improvement Fund.
- “Sec. 202. Catastrophic Health Emergency Fund.
- “Sec. 203. Health promotion and disease prevention services.
- “Sec. 204. Diabetes prevention, treatment, and control.
- “Sec. 205. Shared services.
- “Sec. 206. Health services research.
- “Sec. 207. Mammography and other cancer screening.
- “Sec. 208. Patient travel costs.
- “Sec. 209. Epidemiology centers.
- “Sec. 210. Comprehensive school health education programs.
- “Sec. 211. Indian youth program.

- “Sec. 212. Prevention, control, and elimination of communicable and infectious diseases.
- “Sec. 213. Authority for provision of other services.
- “Sec. 214. Indian women’s health care.
- “Sec. 215. Environmental and nuclear health hazards.
- “Sec. 216. Arizona as a contract health service delivery area.
- “Sec. 216A. North Dakota as a contract health service delivery area.
- “Sec. 216B. South Dakota as a contract health service delivery area.
- “Sec. 217. California contract health services demonstration program.
- “Sec. 218. California as a contract health service delivery area.
- “Sec. 219. Contract health services for the Trenton service area.
- “Sec. 220. Programs operated by Indian tribes and tribal organizations.
- “Sec. 221. Licensing.
- “Sec. 222. Authorization for emergency contract health services.
- “Sec. 223. Prompt action on payment of claims.
- “Sec. 224. Liability for payment.
- “Sec. 225. Authorization of appropriations.

“TITLE III—FACILITIES

- “Sec. 301. Consultation, construction and renovation of facilities; reports.
- “Sec. 302. Safe water and sanitary waste disposal facilities.
- “Sec. 303. Preference to Indians and Indian firms.
- “Sec. 304. Soboba sanitation facilities.
- “Sec. 305. Expenditure of nonservice funds for renovation.
- “Sec. 306. Funding for the construction, expansion, and modernization of small ambulatory care facilities.
- “Sec. 307. Indian health care delivery demonstration project.
- “Sec. 308. Land transfer.
- “Sec. 309. Leases.
- “Sec. 310. Loans, loan guarantees and loan repayment.
- “Sec. 311. Tribal leasing.
- “Sec. 312. Indian Health Service/tribal facilities joint venture program.
- “Sec. 313. Location of facilities.
- “Sec. 314. Maintenance and improvement of health care facilities.
- “Sec. 315. Tribal management of federally-owned quarters.
- “Sec. 316. Applicability of buy American requirement.
- “Sec. 317. Other funding for facilities.
- “Sec. 318. Authorization of appropriations.

“TITLE IV—ACCESS TO HEALTH SERVICES

- “Sec. 401. Treatment of payments under medicare program.
- “Sec. 402. Treatment of payments under medicaid program.
- “Sec. 403. Report.
- “Sec. 404. Grants to and funding agreements with the service, Indian tribes or tribal organizations, and urban Indian organizations.
- “Sec. 405. Direct billing and reimbursement of medicare, medicaid, and other third party payors.
- “Sec. 406. Reimbursement from certain third parties of costs of health services.
- “Sec. 407. Crediting of reimbursements.
- “Sec. 408. Purchasing health care coverage.
- “Sec. 409. Indian Health Service, Department of Veteran’s Affairs, and other Federal agency health facilities and services sharing.

- “Sec. 410. Payor of last resort.
- “Sec. 411. Right to recover from Federal health care programs.
- “Sec. 412. Tuba City demonstration project.
- “Sec. 413. Access to Federal insurance.
- “Sec. 414. Consultation and rulemaking.
- “Sec. 415. Limitations on charges.
- “Sec. 416. Limitation on Secretary’s waiver authority.
- “Sec. 417. Waiver of medicare and medicaid sanctions.
- “Sec. 418. Meaning of ‘remuneration’ for purposes of safe harbor provisions; antitrust immunity.
- “Sec. 419. Co-insurance, co-payments, deductibles and premiums.
- “Sec. 420. Inclusion of income and resources for purposes of medically needy medicaid eligibility.
- “Sec. 421. Estate recovery provisions.
- “Sec. 422. Medical child support.
- “Sec. 423. Provisions relating to managed care.
- “Sec. 424. Navajo Nation medicaid agency.
- “Sec. 425. Indian advisory committees.
- “Sec. 426. Authorization of appropriations.

“TITLE V—HEALTH SERVICES FOR URBAN INDIANS

- “Sec. 501. Purpose.
- “Sec. 502. Contracts with, and grants to, urban Indian organizations.
- “Sec. 503. Contracts and grants for the provision of health care and referral services.
- “Sec. 504. Contracts and grants for the determination of unmet health care needs.
- “Sec. 505. Evaluations; renewals.
- “Sec. 506. Other contract and grant requirements.
- “Sec. 507. Reports and records.
- “Sec. 508. Limitation on contract authority.
- “Sec. 509. Facilities.
- “Sec. 510. Office of Urban Indian Health.
- “Sec. 511. Grants for alcohol and substance abuse related services.
- “Sec. 512. Treatment of certain demonstration projects.
- “Sec. 513. Urban NIAAA transferred programs.
- “Sec. 514. Consultation with urban Indian organizations.
- “Sec. 515. Federal Tort Claims Act coverage.
- “Sec. 516. Urban youth treatment center demonstration.
- “Sec. 517. Use of Federal government facilities and sources of supply.
- “Sec. 518. Grants for diabetes prevention, treatment and control.
- “Sec. 519. Community health representatives.
- “Sec. 520. Regulations.
- “Sec. 521. Authorization of appropriations.

“TITLE VI—ORGANIZATIONAL IMPROVEMENTS

- “Sec. 601. Establishment of the Indian Health Service as an agency of the Public Health Service.
- “Sec. 602. Automated management information system.
- “Sec. 603. Authorization of appropriations.

“TITLE VII—BEHAVIORAL HEALTH PROGRAMS

- “Sec. 701. Behavioral health prevention and treatment services.

- “Sec. 702. Memorandum of agreement with the Department of the Interior.
- “Sec. 703. Comprehensive behavioral health prevention and treatment program.
- “Sec. 704. Mental health technician program.
- “Sec. 705. Licensing requirement for mental health care workers.
- “Sec. 706. Indian women treatment programs.
- “Sec. 707. Indian youth program.
- “Sec. 708. Inpatient and community-based mental health facilities design, construction and staffing assessment.
- “Sec. 709. Training and community education.
- “Sec. 710. Behavioral health program.
- “Sec. 711. Fetal alcohol disorder funding.
- “Sec. 712. Child sexual abuse and prevention treatment programs.
- “Sec. 713. Behavioral mental health research.
- “Sec. 714. Definitions.
- “Sec. 715. Authorization of appropriations.

“TITLE VIII—MISCELLANEOUS

- “Sec. 801. Reports.
- “Sec. 802. Regulations.
- “Sec. 803. Plan of implementation.
- “Sec. 804. Availability of funds.
- “Sec. 805. Limitation on use of funds appropriated to the Indian Health Service.
- “Sec. 806. Eligibility of California Indians.
- “Sec. 807. Health services for ineligible persons.
- “Sec. 808. Reallocation of base resources.
- “Sec. 809. Results of demonstration projects.
- “Sec. 810. Provision of services in Montana.
- “Sec. 811. Moratorium.
- “Sec. 812. Tribal employment.
- “Sec. 813. Prime vendor.
- “Sec. 814. National Bi-Partisan Commission on Indian Health Care Entitlement.
- “Sec. 815. Appropriations; availability.
- “Sec. 816. Authorization of appropriations.

1 **“SEC. 2. FINDINGS.**

2 “Congress makes the following findings:

3 “(1) Federal delivery of health services and  
 4 funding of tribal and urban Indian health programs  
 5 to maintain and improve the health of the Indians  
 6 are consonant with and required by the Federal Gov-  
 7 ernment’s historical and unique legal relationship  
 8 with the American Indian people, as reflected in the

1 Constitution, treaties, Federal laws, and the course  
2 of dealings of the United States with Indian tribes,  
3 and the United States' resulting government to gov-  
4 ernment and trust responsibility and obligations to  
5 the American Indian people.

6 “(2) From the time of European occupation  
7 and colonization through the 20th century, the poli-  
8 cies and practices of the United States caused or  
9 contributed to the severe health conditions of Indi-  
10 ans.

11 “(3) Indian tribes have, through the cession of  
12 over 400,000,000 acres of land to the United States  
13 in exchange for promises, often reflected in treaties,  
14 of health care secured a de facto contract that enti-  
15 tles Indians to health care in perpetuity, based on  
16 the moral, legal, and historic obligation of the  
17 United States.

18 “(4) The population growth of the Indian peo-  
19 ple that began in the later part of the 20th century  
20 increases the need for Federal health care services.

21 “(5) A major national goal of the United States  
22 is to provide the quantity and quality of health serv-  
23 ices which will permit the health status of Indians,  
24 regardless of where they live, to be raised to the  
25 highest possible level, a level that is not less than

1 that of the general population, and to provide for the  
2 maximum participation of Indian tribes, tribal orga-  
3 nizations, and urban Indian organizations in the  
4 planning, delivery, and management of those serv-  
5 ices.

6 “(6) Federal health services to Indians have re-  
7 sulted in a reduction in the prevalence and incidence  
8 of illnesses among, and unnecessary and premature  
9 deaths of, Indians.

10 “(7) Despite such services, the unmet health  
11 needs of the American Indian people remain alarm-  
12 ingly severe, and even continue to increase, and the  
13 health status of the Indians is far below the health  
14 status of the general population of the United  
15 States.

16 “(8) The disparity in health status that is to be  
17 addressed is formidable. In death rates for example,  
18 Indian people suffer a death rate for diabetes  
19 mellitus that is 249 percent higher than the death  
20 rate for all races in the United States, a pneumonia  
21 and influenza death rate that is 71 percent higher,  
22 a tuberculosis death rate that is 533 percent higher,  
23 and a death rate from alcoholism that is 627 percent  
24 higher.

1 **“SEC. 3. DECLARATION OF HEALTH OBJECTIVES.**

2 “Congress hereby declares that it is the policy of the  
3 United States, in fulfillment of its special trust respon-  
4 sibilities and legal obligations to the American Indian  
5 people—

6 “(1) to assure the highest possible health status  
7 for Indians and to provide all resources necessary to  
8 effect that policy;

9 “(2) to raise the health status of Indians by the  
10 year 2010 to at least the levels set forth in the goals  
11 contained within the Healthy People 2010, or any  
12 successor standards thereto;

13 “(3) in order to raise the health status of In-  
14 dian people to at least the levels set forth in the  
15 goals contained within the Healthy People 2010, or  
16 any successor standards thereto, to permit Indian  
17 tribes and tribal organizations to set their own  
18 health care priorities and establish goals that reflect  
19 their unmet needs;

20 “(4) to increase the proportion of all degrees in  
21 the health professions and allied and associated  
22 health professions awarded to Indians so that the  
23 proportion of Indian health professionals in each ge-  
24 ographic service area is raised to at least the level  
25 of that of the general population;



1           “(5) to require meaningful, active consultation  
2 with Indian tribes, Indian organizations, and urban  
3 Indian organizations to implement this Act and the  
4 national policy of Indian self-determination; and

5           “(6) that funds for health care programs and  
6 facilities operated by tribes and tribal organizations  
7 be provided in amounts that are not less than the  
8 funds that are provided to programs and facilities  
9 operated directly by the Service.

10 **“SEC. 4. DEFINITIONS.**

11       “In this Act:

12           “(1) ACCREDITED AND ACCESSIBLE.—The term  
13 ‘accredited and accessible’, with respect to an entity,  
14 means a community college or other appropriate en-  
15 tity that is on or near a reservation and accredited  
16 by a national or regional organization with accredit-  
17 ing authority.

18           “(2) AREA OFFICE.—The term ‘area office’  
19 means an administrative entity including a program  
20 office, within the Indian Health Service through  
21 which services and funds are provided to the service  
22 units within a defined geographic area.

23           “(3) ASSISTANT SECRETARY.—The term ‘As-  
24 sistant Secretary’ means the Assistant Secretary of  
25 the Indian Health as established under section 601.

1           “(4) CONTRACT HEALTH SERVICE.—The term  
2 ‘contract health service’ means a health service that  
3 is provided at the expense of the Service, Indian  
4 tribe, or tribal organization by a public or private  
5 medical provider or hospital, other than a service  
6 funded under the Indian Self-Determination and  
7 Education Assistance Act or under this Act.

8           “(5) DEPARTMENT.—The term ‘Department’,  
9 unless specifically provided otherwise, means the De-  
10 partment of Health and Human Services.

11           “(6) FUND.—The terms ‘fund’ or ‘funding’  
12 mean the transfer of monies from the Department  
13 to any eligible entity or individual under this Act by  
14 any legal means, including funding agreements, con-  
15 tracts, memoranda of understanding, Buy Indian  
16 Act contracts, or otherwise.

17           “(7) FUNDING AGREEMENT.—The term ‘fund-  
18 ing agreement’ means any agreement to transfer  
19 funds for the planning, conduct, and administration  
20 of programs, functions, services and activities to  
21 tribes and tribal organizations from the Secretary  
22 under the authority of the Indian Self-Determination  
23 and Education Assistance Act.

24           “(8) HEALTH PROFESSION.—The term ‘health  
25 profession’ means allopathic medicine, family medi-

1     cine, internal medicine, pediatrics, geriatric medi-  
2     cine, obstetrics and gynecology, podiatric medicine,  
3     nursing, public health nursing, dentistry, psychiatry,  
4     osteopathy, optometry, pharmacy, psychology, public  
5     health, social work, marriage and family therapy,  
6     chiropractic medicine, environmental health and en-  
7     gineering, and allied health professions, or any other  
8     health profession.

9           “(9) HEALTH PROMOTION; DISEASE PREVEN-  
10          TION.—The terms ‘health promotion’ and ‘disease  
11          prevention’ shall have the meanings given such  
12          terms in paragraphs (1) and (2) of section 203(c).

13           “(10) INDIAN.—The term ‘Indian’ and ‘Indi-  
14          ans’ shall have meanings given such terms for pur-  
15          poses of the Indian Self-Determination and Edu-  
16          cation Assistance Act.

17           “(11) INDIAN HEALTH PROGRAM.—The term  
18          ‘Indian health program’ shall have the meaning  
19          given such term in section 110(a)(2)(A).

20           “(12) INDIAN TRIBE.—The term ‘Indian tribe’  
21          shall have the meaning given such term in section  
22          4(e) of the Indian Self Determination and Education  
23          Assistance Act.

24           “(13) RESERVATION.—The term ‘reservation’  
25          means any federally recognized Indian tribe’s res-

1       ervation, Pueblo or colony, including former reserva-  
 2       tions in Oklahoma, Alaska Native Regions estab-  
 3       lished pursuant to the Alaska Native Claims Settle-  
 4       ment Act, and Indian allotments.

5               “(14) SECRETARY.—The term ‘Secretary’, un-  
 6       less specifically provided otherwise, means the Sec-  
 7       retary of Health and Human Services.

8               “(15) SERVICE.—The term ‘Service’ means the  
 9       Indian Health Service.

10              “(16) SERVICE AREA.—The term ‘service area’  
 11       means the geographical area served by each area of-  
 12       fice.

13              “(17) SERVICE UNIT.—The term ‘service unit’  
 14       means—

15                   “(A) an administrative entity within the  
 16       Indian Health Service; or

17                   “(B) a tribe or tribal organization operat-  
 18       ing health care programs or facilities with funds  
 19       from the Service under the Indian Self-Deter-  
 20       mination and Education Assistance Act,  
 21       through which services are provided, directly or  
 22       by contract, to the eligible Indian population  
 23       within a defined geographic area.

24              “(18) TRADITIONAL HEALTH CARE PRAC-  
 25       TICES.—The term ‘traditional health care practices’

1 means the application by Native healing practition-  
2 ers of the Native healing sciences (as opposed or in  
3 contradistinction to western healing sciences) which  
4 embodies the influences or forces of innate tribal dis-  
5 covery, history, description, explanation and knowl-  
6 edge of the states of wellness and illness and which  
7 calls upon these influences or forces, including phys-  
8 ical, mental, and spiritual forces in the promotion,  
9 restoration, preservation and maintenance of health,  
10 well-being, and life's harmony.

11 “(19) TRIBAL ORGANIZATION.—The term ‘trib-  
12 al organization’ shall have the meaning given such  
13 term in section 4(l) of the Indian Self Determination  
14 and Education Assistance Act.

15 “(20) TRIBALLY CONTROLLED COMMUNITY  
16 COLLEGE.—The term ‘tribally controlled community  
17 college’ shall have the meaning given such term in  
18 section 126 (g)(2).

19 “(21) URBAN CENTER.—The term ‘urban cen-  
20 ter’ means any community that has a sufficient  
21 urban Indian population with unmet health needs to  
22 warrant assistance under title V, as determined by  
23 the Secretary.

1           “(22) URBAN INDIAN.—The term ‘urban In-  
2           dian’ means any individual who resides in an urban  
3           center and who—

4                   “(A) for purposes of title V and regardless  
5                   of whether such individual lives on or near a  
6                   reservation, is a member of a tribe, band or  
7                   other organized group of Indians, including  
8                   those tribes, bands or groups terminated since  
9                   1940 and those tribes, bands or groups that are  
10                  recognized by the States in which they reside,  
11                  or who is a descendant in the first or second  
12                  degree of any such member;

13                  “(B) is an Eskimo or Aleut or other Alas-  
14                  kan Native;

15                  “(C) is considered by the Secretary of the  
16                  Interior to be an Indian for any purpose; or

17                  “(D) is determined to be an Indian under  
18                  regulations promulgated by the Secretary.

19           “(23) URBAN INDIAN ORGANIZATION.—The  
20           term ‘urban Indian organization’ means a nonprofit  
21           corporate body situated in an urban center, governed  
22           by an urban Indian controlled board of directors,  
23           and providing for the participation of all interested  
24           Indian groups and individuals, and which is capable  
25           of legally cooperating with other public and private

1 entities for the purpose of performing the activities  
2 described in section 503(a).

3 **“TITLE I—INDIAN HEALTH,**  
4 **HUMAN RESOURCES AND DE-**  
5 **VELOPMENT**

6 **“SEC. 101. PURPOSE.**

7 “The purpose of this title is to increase, to the maxi-  
8 mum extent feasible, the number of Indians entering the  
9 health professions and providing health services, and to  
10 assure an optimum supply of health professionals to the  
11 Service, Indian tribes, tribal organizations, and urban In-  
12 dian organizations involved in the provision of health serv-  
13 ices to Indian people.

14 **“SEC. 102. GENERAL REQUIREMENTS.**

15 “(a) SERVICE AREA PRIORITIES.—Unless specifically  
16 provided otherwise, amounts appropriated for each fiscal  
17 year to carry out each program authorized under this title  
18 shall be allocated by the Secretary to the area office of  
19 each service area using a formula—

20 “(1) to be developed in consultation with Indian  
21 tribes, tribal organizations and urban Indian organi-  
22 zations;

23 “(2) that takes into account the human re-  
24 source and development needs in each such service  
25 area; and

1           “(3) that weighs the allocation of amounts ap-  
2           propriated in favor of those service areas where the  
3           health status of Indians within the area, as meas-  
4           ured by life expectancy based upon the most recent  
5           data available, is significantly lower than the average  
6           health status for Indians in all service areas, except  
7           that amounts allocated to each such area using such  
8           a weighted allocation formula shall not be less than  
9           the amounts allocated to each such area in the pre-  
10          vious fiscal year.

11          “(b) CONSULTATION.—Each area office receiving  
12 funds under this title shall actively and continuously con-  
13 sult with representatives of Indian tribes, tribal organiza-  
14 tions, and urban Indian organizations to prioritize the uti-  
15 lization of funds provided under this title within the serv-  
16 ice area.

17          “(c) REALLOCATION.—Unless specifically prohibited,  
18 an area office may reallocate funds provided to the office  
19 under this title among the programs authorized by this  
20 title, except that scholarship and loan repayment funds  
21 shall not be used for administrative functions or expenses.

22          “(d) LIMITATION.—This section shall not apply with  
23 respect to individual recipients of scholarships, loans or  
24 other funds provided under this title (as this title existed  
25 1 day prior to the date of enactment of this Act) until



1 such time as the individual completes the course of study  
 2 that is supported through the use of such funds.

3 **“SEC. 103. HEALTH PROFESSIONS RECRUITMENT PROGRAM**  
 4 **FOR INDIANS.**

5 “(a) IN GENERAL.—The Secretary, acting through  
 6 the Service, shall make funds available through the area  
 7 office to public or nonprofit private health entities, or In-  
 8 dian tribes or tribal organizations to assist such entities  
 9 in meeting the costs of—

10 “(1) identifying Indians with a potential for  
 11 education or training in the health professions and  
 12 encouraging and assisting them—

13 “(A) to enroll in courses of study in such  
 14 health professions; or

15 “(B) if they are not qualified to enroll in  
 16 any such courses of study, to undertake such  
 17 postsecondary education or training as may be  
 18 required to qualify them for enrollment;

19 “(2) publicizing existing sources of financial aid  
 20 available to Indians enrolled in any course of study  
 21 referred to in paragraph (1) or who are undertaking  
 22 training necessary to qualify them to enroll in any  
 23 such course of study; or

24 “(3) establishing other programs which the area  
 25 office determines will enhance and facilitate the en-

1 rollment of Indians in, and the subsequent pursuit  
2 and completion by them of, courses of study referred  
3 to in paragraph (1).

4 “(b) ADMINISTRATIVE PROVISIONS.—

5 “(1) APPLICATION.—To be eligible to receive  
6 funds under this section an entity described in sub-  
7 section (a) shall submit to the Secretary, through  
8 the appropriate area office, and have approved, an  
9 application in such form, submitted in such manner,  
10 and containing such information as the Secretary  
11 shall by regulation prescribe.

12 “(2) PREFERENCE.—In awarding funds under  
13 this section, the area office shall give a preference  
14 to applications submitted by Indian tribes, tribal or-  
15 ganizations, or urban Indian organizations.

16 “(3) AMOUNT.—The amount of funds to be  
17 provided to an eligible entity under this section shall  
18 be determined by the area office. Payments under  
19 this section may be made in advance or by way of  
20 reimbursement, and at such intervals and on such  
21 conditions as provided for in regulations promul-  
22 gated pursuant to this Act.

23 “(4) TERMS.—A funding commitment under  
24 this section shall, to the extent not otherwise prohib-

1       ited by law, be for a term of 3 years, as provided  
2       for in regulations promulgated pursuant to this Act.

3       “(c) DEFINITION.—For purposes of this section and  
4 sections 104 and 105, the terms ‘Indian’ and ‘Indians’  
5 shall, in addition to the definition provided for in section  
6 4, mean any individual who—

7               “(1) irrespective of whether such individual  
8 lives on or near a reservation, is a member of a  
9 tribe, band, or other organized group of Indians, in-  
10 cluding those tribes, bands, or groups terminated  
11 since 1940;

12               “(2) is an Eskimo or Aleut or other Alaska Na-  
13 tive;

14               “(3) is considered by the Secretary of the Inte-  
15 rior to be an Indian for any purpose; or

16               “(4) is determined to be an Indian under regu-  
17 lations promulgated by the Secretary.

18 **“SEC. 104. HEALTH PROFESSIONS PREPARATORY SCHOL-**  
19 **ARSHIP PROGRAM FOR INDIANS.**

20       “(a) IN GENERAL.—The Secretary, acting through  
21 the Service, shall provide scholarships through the area  
22 offices to Indians who—

23               “(1) have successfully completed their high  
24 school education or high school equivalency; and

1           “(2) have demonstrated the capability to suc-  
2           cessfully complete courses of study in the health pro-  
3           fessions.

4           “(b) PURPOSE.—Scholarships provided under this  
5           section shall be for the following purposes:

6           “(1) Compensatory preprofessional education of  
7           any recipient. Such scholarship shall not exceed 2  
8           years on a full-time basis (or the part-time equiva-  
9           lent thereof, as determined by the area office pursu-  
10          ant to regulations promulgated under this Act).

11          “(2) Pregraduate education of any recipient  
12          leading to a baccalaureate degree in an approved  
13          course of study preparatory to a field of study in a  
14          health profession, such scholarship not to exceed 4  
15          years (or the part-time equivalent thereof, as deter-  
16          mined by the area office pursuant to regulations  
17          promulgated under this Act) except that an exten-  
18          sion of up to 2 years may be approved by the Sec-  
19          retary.

20          “(c) USE OF SCHOLARSHIP.—Scholarships made  
21          under this section may be used to cover costs of tuition,  
22          books, transportation, board, and other necessary related  
23          expenses of a recipient while attending school.

1       “(d) LIMITATIONS.—Scholarship assistance to an eli-  
 2 gible applicant under this section shall not be denied solely  
 3 on the basis of—

4               “(1) the applicant’s scholastic achievement if  
 5 such applicant has been admitted to, or maintained  
 6 good standing at, an accredited institution; or

7               “(2) the applicant’s eligibility for assistance or  
 8 benefits under any other Federal program.

9 **“SEC. 105. INDIAN HEALTH PROFESSIONS SCHOLARSHIPS.**

10       “(a) SCHOLARSHIPS.—

11               “(1) IN GENERAL.—In order to meet the needs  
 12 of Indians, Indian tribes, tribal organizations, and  
 13 urban Indian organizations for health professionals,  
 14 the Secretary, acting through the Service and in ac-  
 15 cordance with this section, shall provide scholarships  
 16 through the area offices to Indians who are enrolled  
 17 full or part time in accredited schools and pursuing  
 18 courses of study in the health professions. Such  
 19 scholarships shall be designated Indian Health  
 20 Scholarships and shall, except as provided in sub-  
 21 section (b), be made in accordance with section  
 22 338A of the Public Health Service Act (42 U.S.C.  
 23 2541).

24               “(2) NO DELEGATION.—The Director of the  
 25 Service shall administer this section and shall not

1 delegate any administrative functions under a fund-  
 2 ing agreement pursuant to the Indian Self-Deter-  
 3 mination and Education Assistance Act.

4 “(b) ELIGIBILITY.—

5 “(1) ENROLLMENT.—An Indian shall be eligible  
 6 for a scholarship under subsection (a) in any year in  
 7 which such individual is enrolled full or part time  
 8 in a course of study referred to in subsection (a)(1).

9 “(2) SERVICE OBLIGATION.—

10 “(A) PUBLIC HEALTH SERVICE ACT.—The  
 11 active duty service obligation under a written  
 12 contract with the Secretary under section 338A  
 13 of the Public Health Service Act (42 U.S.C.  
 14 2541) that an Indian has entered into under  
 15 that section shall, if that individual is a recipi-  
 16 ent of an Indian Health Scholarship, be met in  
 17 full-time practice on an equivalent year for year  
 18 obligation, by service—

19 “(i) in the Indian Health Service;

20 “(ii) in a program conducted under a  
 21 funding agreement entered into under the  
 22 Indian Self-Determination and Education  
 23 Assistance Act;

24 “(iii) in a program assisted under title  
 25 V; or

1           “(iv) in the private practice of the ap-  
2           plicable profession if, as determined by the  
3           Secretary, in accordance with guidelines  
4           promulgated by the Secretary, such prac-  
5           tice is situated in a physician or other  
6           health professional shortage area and ad-  
7           dresses the health care needs of a substan-  
8           tial number of Indians.

9           “(B) DEFERRING ACTIVE SERVICE.—At  
10          the request of any Indian who has entered into  
11          a contract referred to in subparagraph (A) and  
12          who receives a degree in medicine (including os-  
13          teopathic or allopathic medicine), dentistry, op-  
14          tometry, podiatry, or pharmacy, the Secretary  
15          shall defer the active duty service obligation of  
16          that individual under that contract, in order  
17          that such individual may complete any intern-  
18          ship, residency, or other advanced clinical train-  
19          ing that is required for the practice of that  
20          health profession, for an appropriate period (in  
21          years, as determined by the Secretary), subject  
22          to the following conditions:

23                 “(i) No period of internship, resi-  
24                 dency, or other advanced clinical training  
25                 shall be counted as satisfying any period of

1 obligated service that is required under  
2 this section.

3 “(ii) The active duty service obligation  
4 of that individual shall commence not later  
5 than 90 days after the completion of that  
6 advanced clinical training (or by a date  
7 specified by the Secretary).

8 “(iii) The active duty service obliga-  
9 tion will be served in the health profession  
10 of that individual, in a manner consistent  
11 with clauses (i) through (iv) of subpara-  
12 graph (A).

13 “(C) NEW SCHOLARSHIP RECIPIENTS.—A  
14 recipient of an Indian Health Scholarship that  
15 is awarded after December 31, 2003, shall meet  
16 the active duty service obligation under such  
17 scholarship by providing service within the serv-  
18 ice area from which the scholarship was award-  
19 ed. In placing the recipient for active duty the  
20 area office shall give priority to the program  
21 that funded the recipient, except that in cases  
22 of special circumstances, a recipient may be  
23 placed in a different service area pursuant to an  
24 agreement between the areas or programs in-  
25 volved.



1           “(D) PRIORITY IN ASSIGNMENT.—Subject  
 2           to subparagraph (C), the area office, in making  
 3           assignments of Indian Health Scholarship re-  
 4           cipients required to meet the active duty service  
 5           obligation described in subparagraph (A), shall  
 6           give priority to assigning individuals to service  
 7           in those programs specified in subparagraph  
 8           (A) that have a need for health professionals to  
 9           provide health care services as a result of indi-  
 10          viduals having breached contracts entered into  
 11          under this section.

12          “(3) PART-TIME ENROLLMENT.—In the case of  
 13          an Indian receiving a scholarship under this section  
 14          who is enrolled part time in an approved course of  
 15          study—

16               “(A) such scholarship shall be for a period  
 17               of years not to exceed the part-time equivalent  
 18               of 4 years, as determined by the appropriate  
 19               area office;

20               “(B) the period of obligated service de-  
 21               scribed in paragraph (2)(A) shall be equal to  
 22               the greater of—

23                       “(i) the part-time equivalent of 1 year  
 24                       for each year for which the individual was

1 provided a scholarship (as determined by  
2 the area office); or

3 “(ii) two years; and

4 “(C) the amount of the monthly stipend  
5 specified in section 338A(g)(1)(B) of the Public  
6 Health Service Act (42 U.S.C. 254l(g)(1)(B))  
7 shall be reduced pro rata (as determined by the  
8 Secretary) based on the number of hours such  
9 student is enrolled.

10 “(4) BREACH OF CONTRACT.—

11 “(A) IN GENERAL.—An Indian who has,  
12 on or after the date of the enactment of this  
13 paragraph, entered into a written contract with  
14 the area office pursuant to a scholarship under  
15 this section and who—

16 “(i) fails to maintain an acceptable  
17 level of academic standing in the edu-  
18 cational institution in which he or she is  
19 enrolled (such level determined by the edu-  
20 cational institution under regulations of  
21 the Secretary);

22 “(ii) is dismissed from such edu-  
23 cational institution for disciplinary reasons;

24 “(iii) voluntarily terminates the train-  
25 ing in such an educational institution for

1           which he or she is provided a scholarship  
2           under such contract before the completion  
3           of such training; or

4           “ (iv) fails to accept payment, or in-  
5           structs the educational institution in which  
6           he or she is enrolled not to accept pay-  
7           ment, in whole or in part, of a scholarship  
8           under such contract;

9           in lieu of any service obligation arising under  
10          such contract, shall be liable to the United  
11          States for the amount which has been paid to  
12          him or her, or on his or her behalf, under the  
13          contract.

14          “(B) FAILURE TO PERFORM SERVICE OB-  
15          LIGATION.—If for any reason not specified in  
16          subparagraph (A) an individual breaches his or  
17          her written contract by failing either to begin  
18          such individual’s service obligation under this  
19          section or to complete such service obligation,  
20          the United States shall be entitled to recover  
21          from the individual an amount determined in  
22          accordance with the formula specified in sub-  
23          section (l) of section 110 in the manner pro-  
24          vided for in such subsection.

1           “(C) DEATH.—Upon the death of an indi-  
2           vidual who receives an Indian Health Scholar-  
3           ship, any obligation of that individual for serv-  
4           ice or payment that relates to that scholarship  
5           shall be canceled.

6           “(D) WAIVER.—The Secretary shall pro-  
7           vide for the partial or total waiver or suspen-  
8           sion of any obligation of service or payment of  
9           a recipient of an Indian Health Scholarship if  
10          the Secretary, in consultation with the appro-  
11          priate area office, Indian tribe, tribal organiza-  
12          tion, and urban Indian organization, determines  
13          that—

14                 “(i) it is not possible for the recipient  
15                 to meet that obligation or make that pay-  
16                 ment;

17                 “(ii) requiring that recipient to meet  
18                 that obligation or make that payment  
19                 would result in extreme hardship to the re-  
20                 cipient; or

21                 “(iii) the enforcement of the require-  
22                 ment to meet the obligation or make the  
23                 payment would be unconscionable.

24           “(E) HARDSHIP OR GOOD CAUSE.—Not-  
25           withstanding any other provision of law, in any

1 case of extreme hardship or for other good  
 2 cause shown, the Secretary may waive, in whole  
 3 or in part, the right of the United States to re-  
 4 cover funds made available under this section.

5 “(F) BANKRUPTCY.—Notwithstanding any  
 6 other provision of law, with respect to a recipi-  
 7 ent of an Indian Health Scholarship, no obliga-  
 8 tion for payment may be released by a dis-  
 9 charge in bankruptcy under title 11, United  
 10 States Code, unless that discharge is granted  
 11 after the expiration of the 5-year period begin-  
 12 ning on the initial date on which that payment  
 13 is due, and only if the bankruptcy court finds  
 14 that the nondischarge of the obligation would  
 15 be unconscionable.

16 “(c) FUNDING FOR TRIBES FOR SCHOLARSHIP PRO-  
 17 GRAMS.—

18 “(1) PROVISION OF FUNDS.—

19 “(A) IN GENERAL.—The Secretary shall  
 20 make funds available, through area offices, to  
 21 Indian tribes and tribal organizations for the  
 22 purpose of assisting such tribes and tribal orga-  
 23 nizations in educating Indians to serve as  
 24 health professionals in Indian communities.

1           “(B) LIMITATION.—The Secretary shall  
 2 ensure that amounts available for grants under  
 3 subparagraph (A) for any fiscal year shall not  
 4 exceed an amount equal to 5 percent of the  
 5 amount available for each fiscal year for Indian  
 6 Health Scholarships under this section.

7           “(C) APPLICATION.—An application for  
 8 funds under subparagraph (A) shall be in such  
 9 form and contain such agreements, assurances  
 10 and information as consistent with this section.

11           “(2) REQUIREMENTS.—

12           “(A) IN GENERAL.—An Indian tribe or  
 13 tribal organization receiving funds under para-  
 14 graph (1) shall agree to provide scholarships to  
 15 Indians in accordance with the requirements of  
 16 this subsection.

17           “(B) MATCHING REQUIREMENT.—With re-  
 18 spect to the costs of providing any scholarship  
 19 pursuant to subparagraph (A)—

20           “(i) 80 percent of the costs of the  
 21 scholarship shall be paid from the funds  
 22 provided under paragraph (1) to the In-  
 23 dian tribe or tribal organization; and

24           “(ii) 20 percent of such costs shall be  
 25 paid from any other source of funds.

1           “(3) ELIGIBILITY.—An Indian tribe or tribal  
2 organization shall provide scholarships under this  
3 subsection only to Indians who are enrolled or ac-  
4 cepted for enrollment in a course of study (approved  
5 by the Secretary) in one of the health professions  
6 described in this Act.

7           “(4) CONTRACTS.—In providing scholarships  
8 under paragraph (1), the Secretary and the Indian  
9 tribe or tribal organization shall enter into a written  
10 contract with each recipient of such scholarship.  
11 Such contract shall—

12           “(A) obligate such recipient to provide  
13 service in an Indian health program (as defined  
14 in section 110(a)(2)(A)) in the same service  
15 area where the Indian tribe or tribal organiza-  
16 tion providing the scholarship is located, for—

17           “(i) a number of years equal to the  
18 number of years for which the scholarship  
19 is provided (or the part-time equivalent  
20 thereof, as determined by the Secretary),  
21 or for a period of 2 years, whichever period  
22 is greater; or

23           “(ii) such greater period of time as  
24 the recipient and the Indian tribe or tribal  
25 organization may agree;

1 “(B) provide that the scholarship—  
2 “(i) may only be expended for—  
3 “(I) tuition expenses, other rea-  
4 sonable educational expenses, and rea-  
5 sonable living expenses incurred in at-  
6 tendance at the educational institu-  
7 tion; and  
8 “(II) payment to the recipient of  
9 a monthly stipend of not more than  
10 the amount authorized by section  
11 338(g)(1)(B) of the Public Health  
12 Service Act (42 U.S.C.  
13 254m(g)(1)(B), such amount to be re-  
14 duced pro rata (as determined by the  
15 Secretary) based on the number of  
16 hours such student is enrolled, and  
17 may not exceed, for any year of at-  
18 tendance which the scholarship is pro-  
19 vided, the total amount required for  
20 the year for the purposes authorized  
21 in this clause; and  
22 “(ii) may not exceed, for any year of  
23 attendance which the scholarship is pro-  
24 vided, the total amount required for the



1                   year for the purposes authorized in clause  
2                   (i);

3                   “(C) require the recipient of such scholar-  
4                   ship to maintain an acceptable level of academic  
5                   standing as determined by the educational insti-  
6                   tution in accordance with regulations issued  
7                   pursuant to this Act; and

8                   “(D) require the recipient of such scholar-  
9                   ship to meet the educational and licensure re-  
10                  quirements appropriate to the health profession  
11                  involved.

12                  “(5) BREACH OF CONTRACT.—

13                  “(A) IN GENERAL.—An individual who has  
14                  entered into a written contract with the Sec-  
15                  retary and an Indian tribe or tribal organiza-  
16                  tion under this subsection and who—

17                  “(i) fails to maintain an acceptable  
18                  level of academic standing in the education  
19                  institution in which he or she is enrolled  
20                  (such level determined by the educational  
21                  institution under regulations of the Sec-  
22                  retary);

23                  “(ii) is dismissed from such education  
24                  for disciplinary reasons;

1           “(iii) voluntarily terminates the train-  
2           ing in such an educational institution for  
3           which he or she has been provided a schol-  
4           arship under such contract before the com-  
5           pletion of such training; or

6           “(iv) fails to accept payment, or in-  
7           structs the educational institution in which  
8           he or she is enrolled not to accept pay-  
9           ment, in whole or in part, of a scholarship  
10          under such contract, in lieu of any service  
11          obligation arising under such contract;

12          shall be liable to the United States for the Fed-  
13          eral share of the amount which has been paid  
14          to him or her, or on his or her behalf, under  
15          the contract.

16          “(B) FAILURE TO PERFORM SERVICE OB-  
17          LIGATION.—If for any reason not specified in  
18          subparagraph (A), an individual breaches his or  
19          her written contract by failing to either begin  
20          such individual’s service obligation required  
21          under such contract or to complete such service  
22          obligation, the United States shall be entitled to  
23          recover from the individual an amount deter-  
24          mined in accordance with the formula specified

1 in subsection (l) of section 110 in the manner  
2 provided for in such subsection.

3 “(C) INFORMATION.—The Secretary may  
4 carry out this subsection on the basis of infor-  
5 mation received from Indian tribes or tribal or-  
6 ganizations involved, or on the basis of informa-  
7 tion collected through such other means as the  
8 Secretary deems appropriate.

9 “(6) REQUIRED AGREEMENTS.—The recipient  
10 of a scholarship under paragraph (1) shall agree, in  
11 providing health care pursuant to the requirements  
12 of this subsection—

13 “(A) not to discriminate against an indi-  
14 vidual seeking care on the basis of the ability  
15 of the individual to pay for such care or on the  
16 basis that payment for such care will be made  
17 pursuant to the program established in title  
18 XVIII of the Social Security Act or pursuant to  
19 the programs established in title XIX of such  
20 Act; and

21 “(B) to accept assignment under section  
22 1842(b)(3)(B)(ii) of the Social Security Act for  
23 all services for which payment may be made  
24 under part B of title XVIII of such Act, and to  
25 enter into an appropriate agreement with the

1 State agency that administers the State plan  
 2 for medical assistance under title XIX of such  
 3 Act to provide service to individuals entitled to  
 4 medical assistance under the plan.

5 “(7) PAYMENTS.—The Secretary, through the  
 6 area office, shall make payments under this sub-  
 7 section to an Indian tribe or tribal organization for  
 8 any fiscal year subsequent to the first fiscal year of  
 9 such payments unless the Secretary or area office  
 10 determines that, for the immediately preceding fiscal  
 11 year, the Indian tribe or tribal organization has not  
 12 complied with the requirements of this subsection.

13 **“SEC. 106. AMERICAN INDIANS INTO PSYCHOLOGY PRO-**  
 14 **GRAM.**

15 “(a) IN GENERAL.—Notwithstanding section 102,  
 16 the Secretary shall provide funds to at least 3 colleges and  
 17 universities for the purpose of developing and maintaining  
 18 American Indian psychology career recruitment programs  
 19 as a means of encouraging Indians to enter the mental  
 20 health field. These programs shall be located at various  
 21 colleges and universities throughout the country to maxi-  
 22 mize their availability to Indian students and new pro-  
 23 grams shall be established in different locations from time  
 24 to time.

1       “(b) QUENTIN N. BURDICK AMERICAN INDIANS  
 2 INTO PSYCHOLOGY PROGRAM.—The Secretary shall pro-  
 3 vide funds under subsection (a) to develop and maintain  
 4 a program at the University of North Dakota to be known  
 5 as the ‘Quentin N. Burdick American Indians Into Psy-  
 6 chology Program’. Such program shall, to the maximum  
 7 extent feasible, coordinate with the Quentin N. Burdick  
 8 American Indians Into Nursing Program authorized under  
 9 section 115, the Quentin N. Burdick Indians into Health  
 10 Program authorized under section 117, and existing uni-  
 11 versity research and communications networks.

12       “(c) REQUIREMENTS.—

13               “(1) REGULATIONS.—The Secretary shall pro-  
 14 mulgate regulations pursuant to this Act for the  
 15 competitive awarding of funds under this section.

16               “(2) PROGRAM.—Applicants for funds under  
 17 this section shall agree to provide a program which,  
 18 at a minimum—

19                       “(A) provides outreach and recruitment for  
 20 health professions to Indian communities in-  
 21 cluding elementary, secondary and accredited  
 22 and accessible community colleges that will be  
 23 served by the program;

24                       “(B) incorporates a program advisory  
 25 board comprised of representatives from the

1 tribes and communities that will be served by  
2 the program;

3 “(C) provides summer enrichment pro-  
4 grams to expose Indian students to the various  
5 fields of psychology through research, clinical,  
6 and experimental activities;

7 “(D) provides stipends to undergraduate  
8 and graduate students to pursue a career in  
9 psychology;

10 “(E) develops affiliation agreements with  
11 tribal community colleges, the Service, univer-  
12 sity affiliated programs, and other appropriate  
13 accredited and accessible entities to enhance the  
14 education of Indian students;

15 “(F) utilizes, to the maximum extent fea-  
16 sible, existing university tutoring, counseling  
17 and student support services; and

18 “(G) employs, to the maximum extent fea-  
19 sible, qualified Indians in the program.

20 “(d) ACTIVE DUTY OBLIGATION.—The active duty  
21 service obligation prescribed under section 338C of the  
22 Public Health Service Act (42 U.S.C. 254m) shall be met  
23 by each graduate who receives a stipend described in sub-  
24 section (c)(2)(C) that is funded under this section. Such  
25 obligation shall be met by service—

1 “(1) in the Indian Health Service;

2 “(2) in a program conducted under a funding  
3 agreement contract entered into under the Indian  
4 Self-Determination and Education Assistance Act;

5 “(3) in a program assisted under title V; or

6 “(4) in the private practice of psychology if, as  
7 determined by the Secretary, in accordance with  
8 guidelines promulgated by the Secretary, such prac-  
9 tice is situated in a physician or other health profes-  
10 sional shortage area and addresses the health care  
11 needs of a substantial number of Indians.

12 **“SEC. 107. INDIAN HEALTH SERVICE EXTERN PROGRAMS.**

13 “(a) IN GENERAL.—Any individual who receives a  
14 scholarship pursuant to section 105 shall be entitled to  
15 employment in the Service, or may be employed by a pro-  
16 gram of an Indian tribe, tribal organization, or urban In-  
17 dian organization, or other agency of the Department as  
18 may be appropriate and available, during any nonacademic  
19 period of the year. Periods of employment pursuant to this  
20 subsection shall not be counted in determining the fulfill-  
21 ment of the service obligation incurred as a condition of  
22 the scholarship.

23 “(b) ENROLLEES IN COURSE OF STUDY.—Any indi-  
24 vidual who is enrolled in a course of study in the health  
25 professions may be employed by the Service or by an In-

1 dian tribe, tribal organization, or urban Indian organiza-  
2 tion, during any nonacademic period of the year. Any such  
3 employment shall not exceed 120 days during any calendar  
4 year.

5 “(c) HIGH SCHOOL PROGRAMS.—Any individual who  
6 is in a high school program authorized under section  
7 103(a) may be employed by the Service, or by a Indian  
8 tribe, tribal organization, or urban Indian organization,  
9 during any nonacademic period of the year. Any such em-  
10 ployment shall not exceed 120 days during any calendar  
11 year.

12 “(d) ADMINISTRATIVE PROVISIONS.—Any employ-  
13 ment pursuant to this section shall be made without re-  
14 gard to any competitive personnel system or agency per-  
15 sonnel limitation and to a position which will enable the  
16 individual so employed to receive practical experience in  
17 the health profession in which he or she is engaged in  
18 study. Any individual so employed shall receive payment  
19 for his or her services comparable to the salary he or she  
20 would receive if he or she were employed in the competitive  
21 system. Any individual so employed shall not be counted  
22 against any employment ceiling affecting the Service or  
23 the Department.



1 **“SEC. 108. CONTINUING EDUCATION ALLOWANCES.**

2 “In order to encourage health professionals, including  
3 for purposes of this section, community health representa-  
4 tives and emergency medical technicians, to join or con-  
5 tinue in the Service or in any program of an Indian tribe,  
6 tribal organization, or urban Indian organization and to  
7 provide their services in the rural and remote areas where  
8 a significant portion of the Indian people reside, the Sec-  
9 retary, acting through the area offices, may provide allow-  
10 ances to health professionals employed in the Service or  
11 such a program to enable such professionals to take leave  
12 of their duty stations for a period of time each year (as  
13 prescribed by regulations of the Secretary) for professional  
14 consultation and refresher training courses.

15 **“SEC. 109. COMMUNITY HEALTH REPRESENTATIVE PRO-**  
16 **GRAM.**

17 “(a) IN GENERAL.—Under the authority of the Act  
18 of November 2, 1921 (25 U.S.C. 13) (commonly known  
19 as the Snyder Act), the Secretary shall maintain a Com-  
20 munity Health Representative Program under which the  
21 Service, Indian tribes and tribal organizations—

22 “(1) provide for the training of Indians as com-  
23 munity health representatives; and

24 “(2) use such community health representatives  
25 in the provision of health care, health promotion,

1 and disease prevention services to Indian commu-  
2 nities.

3 “(b) ACTIVITIES.—The Secretary, acting through the  
4 Community Health Representative Program, shall—

5 “(1) provide a high standard of training for  
6 community health representatives to ensure that the  
7 community health representatives provide quality  
8 health care, health promotion, and disease preven-  
9 tion services to the Indian communities served by  
10 such Program;

11 “(2) in order to provide such training, develop  
12 and maintain a curriculum that—

13 “(A) combines education in the theory of  
14 health care with supervised practical experience  
15 in the provision of health care; and

16 “(B) provides instruction and practical ex-  
17 perience in health promotion and disease pre-  
18 vention activities, with appropriate consider-  
19 ation given to lifestyle factors that have an im-  
20 pact on Indian health status, such as alcohol-  
21 ism, family dysfunction, and poverty;

22 “(3) maintain a system which identifies the  
23 needs of community health representatives for con-  
24 tinuing education in health care, health promotion,

1 and disease prevention and maintain programs that  
2 meet the needs for such continuing education;

3 “(4) maintain a system that provides close su-  
4 pervision of community health representatives;

5 “(5) maintain a system under which the work  
6 of community health representatives is reviewed and  
7 evaluated; and

8 “(6) promote traditional health care practices  
9 of the Indian tribes served consistent with the Serv-  
10 ice standards for the provision of health care, health  
11 promotion, and disease prevention.

12 **“SEC. 110. INDIAN HEALTH SERVICE LOAN REPAYMENT**  
13 **PROGRAM.**

14 “(a) ESTABLISHMENT.—

15 “(1) IN GENERAL.—The Secretary, acting  
16 through the Service, shall establish a program to be  
17 known as the Indian Health Service Loan Repay-  
18 ment Program (referred to in this Act as the ‘Loan  
19 Repayment Program’) in order to assure an ade-  
20 quate supply of trained health professionals nec-  
21 essary to maintain accreditation of, and provide  
22 health care services to Indians through, Indian  
23 health programs.

24 “(2) DEFINITIONS.—In this section:

1           “(A) INDIAN HEALTH PROGRAM.—The  
2           term ‘Indian health program’ means any health  
3           program or facility funded, in whole or part, by  
4           the Service for the benefit of Indians and  
5           administered—

6                     “(i) directly by the Service;

7                     “(ii) by any Indian tribe or tribal or  
8           Indian organization pursuant to a funding  
9           agreement under—

10                    “(I) the Indian Self-Determina-  
11           tion and Educational Assistance Act;  
12           or

13                    “(II) section 23 of the Act of  
14           April 30, 1908 (25 U.S.C. 47) (com-  
15           monly known as the ‘Buy-Indian  
16           Act’); or

17                    “(iii) by an urban Indian organization  
18           pursuant to title V.

19           “(B) STATE.—The term ‘State’ has the  
20           same meaning given such term in section  
21           331(i)(4) of the Public Health Service Act.

22           “(b) ELIGIBILITY.—To be eligible to participate in  
23           the Loan Repayment Program, an individual must—

24                    “(1)(A) be enrolled—

1           “(i) in a course of study or program in an  
2           accredited institution, as determined by the  
3           Secretary, within any State and be scheduled to  
4           complete such course of study in the same year  
5           such individual applies to participate in such  
6           program; or

7           “(ii) in an approved graduate training pro-  
8           gram in a health profession; or

9           “(B) have—

10           “(i) a degree in a health profession; and

11           “(ii) a license to practice a health profes-  
12           sion in a State;

13           “(2)(A) be eligible for, or hold, an appointment  
14           as a commissioned officer in the Regular or Reserve  
15           Corps of the Public Health Service;

16           “(B) be eligible for selection for civilian service  
17           in the Regular or Reserve Corps of the Public  
18           Health Service;

19           “(C) meet the professional standards for civil  
20           service employment in the Indian Health Service; or

21           “(D) be employed in an Indian health program  
22           without a service obligation; and

23           “(3) submit to the Secretary an application for  
24           a contract described in subsection (f).

25           “(e) FORMS.—

1           “(1) IN GENERAL.—In disseminating applica-  
2           tion forms and contract forms to individuals desiring  
3           to participate in the Loan Repayment Program, the  
4           Secretary shall include with such forms a fair sum-  
5           mary of the rights and liabilities of an individual  
6           whose application is approved (and whose contract is  
7           accepted) by the Secretary, including in the sum-  
8           mary a clear explanation of the damages to which  
9           the United States is entitled under subsection (1) in  
10          the case of the individual’s breach of the contract.  
11          The Secretary shall provide such individuals with  
12          sufficient information regarding the advantages and  
13          disadvantages of service as a commissioned officer  
14          in the Regular or Reserve Corps of the Public  
15          Health Service or a civilian employee of the Indian  
16          Health Service to enable the individual to make a  
17          decision on an informed basis.

18          “(2) FORMS TO BE UNDERSTANDABLE.—The  
19          application form, contract form, and all other infor-  
20          mation furnished by the Secretary under this section  
21          shall be written in a manner calculated to be under-  
22          stood by the average individual applying to partici-  
23          pate in the Loan Repayment Program.

24          “(3) AVAILABILITY.—The Secretary shall make  
25          such application forms, contract forms, and other in-

1       formation available to individuals desiring to partici-  
2       pate in the Loan Repayment Program on a date suf-  
3       ficiently early to ensure that such individuals have  
4       adequate time to carefully review and evaluate such  
5       forms and information.

6       “(d) PRIORITY.—

7               “(1) ANNUAL DETERMINATIONS.—The Sec-  
8       retary, acting through the Service and in accordance  
9       with subsection (k), shall annually—

10               “(A) identify the positions in each Indian  
11       health program for which there is a need or a  
12       vacancy; and

13               “(B) rank those positions in order of prior-  
14       ity.

15               “(2) PRIORITY IN APPROVAL.—Notwithstanding  
16       the priority determined under paragraph (1), the  
17       Secretary, in determining which applications under  
18       the Loan Repayment Program to approve (and  
19       which contracts to accept), shall—

20               “(A) give first priority to applications  
21       made by individual Indians; and

22               “(B) after making determinations on all  
23       applications submitted by individual Indians as  
24       required under subparagraph (A), give priority  
25       to—

1                   “(i) individuals recruited through the  
2                   efforts an Indian tribe, tribal organization,  
3                   or urban Indian organization; and

4                   “(ii) other individuals based on the  
5                   priority rankings under paragraph (1).

6                   “(e) CONTRACTS.—

7                   “(1) IN GENERAL.—An individual becomes a  
8                   participant in the Loan Repayment Program only  
9                   upon the Secretary and the individual entering into  
10                  a written contract described in subsection (f).

11                  “(2) NOTICE.—Not later than 21 days after  
12                  considering an individual for participation in the  
13                  Loan Repayment Program under paragraph (1), the  
14                  Secretary shall provide written notice to the individ-  
15                  ual of—

16                  “(A) the Secretary’s approving of the indi-  
17                  vidual’s participation in the Loan Repayment  
18                  Program, including extensions resulting in an  
19                  aggregate period of obligated service in excess  
20                  of 4 years; or

21                  “(B) the Secretary’s disapproving an indi-  
22                  vidual’s participation in such Program.

23                  “(f) WRITTEN CONTRACT.—The written contract re-  
24                  ferred to in this section between the Secretary and an indi-  
25                  vidual shall contain—



1 “(1) an agreement under which—  
2 “(A) subject to paragraph (3), the Sec-  
3 retary agrees—  
4 “(i) to pay loans on behalf of the indi-  
5 vidual in accordance with the provisions of  
6 this section; and  
7 “(ii) to accept (subject to the avail-  
8 ability of appropriated funds for carrying  
9 out this section) the individual into the  
10 Service or place the individual with a tribe,  
11 tribal organization, or urban Indian orga-  
12 nization as provided in subparagraph  
13 (B)(iii); and  
14 “(B) subject to paragraph (3), the individ-  
15 ual agrees—  
16 “(i) to accept loan payments on behalf  
17 of the individual;  
18 “(ii) in the case of an individual de-  
19 scribed in subsection (b)(1)—  
20 “(I) to maintain enrollment in a  
21 course of study or training described  
22 in subsection (b)(1)(A) until the indi-  
23 vidual completes the course of study  
24 or training; and

1                   “(II) while enrolled in such  
2                   course of study or training, to main-  
3                   tain an acceptable level of academic  
4                   standing (as determined under regula-  
5                   tions of the Secretary by the edu-  
6                   cational institution offering such  
7                   course of study or training);

8                   “(iii) to serve for a time period (re-  
9                   ferred to in this section as the ‘period of  
10                  obligated service’) equal to 2 years or such  
11                  longer period as the individual may agree  
12                  to serve in the full-time clinical practice of  
13                  such individual’s profession in an Indian  
14                  health program to which the individual  
15                  may be assigned by the Secretary;

16                  “(2) a provision permitting the Secretary to ex-  
17                  tend for such longer additional periods, as the indi-  
18                  vidual may agree to, the period of obligated service  
19                  agreed to by the individual under paragraph  
20                  (1)(B)(iii);

21                  “(3) a provision that any financial obligation of  
22                  the United States arising out of a contract entered  
23                  into under this section and any obligation of the in-  
24                  dividual which is conditioned thereon is contingent

1 upon funds being appropriated for loan repayments  
2 under this section;

3 “(4) a statement of the damages to which the  
4 United States is entitled under subsection (l) for the  
5 individual’s breach of the contract; and

6 “(5) such other statements of the rights and li-  
7 abilities of the Secretary and of the individual, not  
8 inconsistent with this section.

9 “(g) LOAN REPAYMENTS.—

10 “(1) IN GENERAL.—A loan repayment provided  
11 for an individual under a written contract under the  
12 Loan Repayment Program shall consist of payment,  
13 in accordance with paragraph (2), on behalf of the  
14 individual of the principal, interest, and related ex-  
15 penses on government and commercial loans received  
16 by the individual regarding the undergraduate or  
17 graduate education of the individual (or both), which  
18 loans were made for—

19 “(A) tuition expenses;

20 “(B) all other reasonable educational ex-  
21 penses, including fees, books, and laboratory ex-  
22 penses, incurred by the individual; and

23 “(C) reasonable living expenses as deter-  
24 mined by the Secretary.

25 “(2) AMOUNT OF PAYMENT.—

1           “(A) IN GENERAL.—For each year of obli-  
2           gated service that an individual contracts to  
3           serve under subsection (f) the Secretary may  
4           pay up to \$35,000 (or an amount equal to the  
5           amount specified in section 338B(g)(2)(A) of  
6           the Public Health Service Act) on behalf of the  
7           individual for loans described in paragraph (1).  
8           In making a determination of the amount to  
9           pay for a year of such service by an individual,  
10          the Secretary shall consider the extent to which  
11          each such determination—

12                   “(i) affects the ability of the Secretary  
13                   to maximize the number of contracts that  
14                   can be provided under the Loan Repay-  
15                   ment Program from the amounts appro-  
16                   priated for such contracts;

17                   “(ii) provides an incentive to serve in  
18                   Indian health programs with the greatest  
19                   shortages of health professionals; and

20                   “(iii) provides an incentive with re-  
21                   spect to the health professional involved re-  
22                   maining in an Indian health program with  
23                   such a health professional shortage, and  
24                   continuing to provide primary health serv-  
25                   ices, after the completion of the period of

1 obligated service under the Loan Repay-  
2 ment Program.

3 “(B) TIME FOR PAYMENT.—Any arrange-  
4 ment made by the Secretary for the making of  
5 loan repayments in accordance with this sub-  
6 section shall provide that any repayments for a  
7 year of obligated service shall be made not later  
8 than the end of the fiscal year in which the in-  
9 dividual completes such year of service.

10 “(3) SCHEDULE FOR PAYMENTS.—The Sec-  
11 retary may enter into an agreement with the holder  
12 of any loan for which payments are made under the  
13 Loan Repayment Program to establish a schedule  
14 for the making of such payments.

15 “(h) COUNTING OF INDIVIDUALS.—Notwithstanding  
16 any other provision of law, individuals who have entered  
17 into written contracts with the Secretary under this sec-  
18 tion, while undergoing academic training, shall not be  
19 counted against any employment ceiling affecting the De-  
20 partment.

21 “(i) RECRUITING PROGRAMS.—The Secretary shall  
22 conduct recruiting programs for the Loan Repayment Pro-  
23 gram and other health professional programs of the Serv-  
24 ice at educational institutions training health professionals  
25 or specialists identified in subsection (a).

1       “(j) NONAPPLICATION OF CERTAIN PROVISION.—  
2 Section 214 of the Public Health Service Act (42 U.S.C.  
3 215) shall not apply to individuals during their period of  
4 obligated service under the Loan Repayment Program.

5       “(k) ASSIGNMENT OF INDIVIDUALS.—The Secretary,  
6 in assigning individuals to serve in Indian health programs  
7 pursuant to contracts entered into under this section,  
8 shall—

9           “(1) ensure that the staffing needs of Indian  
10 health programs administered by an Indian tribe or  
11 tribal or health organization receive consideration on  
12 an equal basis with programs that are administered  
13 directly by the Service; and

14           “(2) give priority to assigning individuals to In-  
15 dian health programs that have a need for health  
16 professionals to provide health care services as a re-  
17 sult of individuals having breached contracts entered  
18 into under this section.

19       “(l) BREACH OF CONTRACT.—

20           “(1) IN GENERAL.—An individual who has en-  
21 tered into a written contract with the Secretary  
22 under this section and who—

23           “(A) is enrolled in the final year of a  
24 course of study and who—

1           “(i) fails to maintain an acceptable  
2           level of academic standing in the edu-  
3           cational institution in which he is enrolled  
4           (such level determined by the educational  
5           institution under regulations of the Sec-  
6           retary);

7           “(ii) voluntarily terminates such en-  
8           rollment; or

9           “(iii) is dismissed from such edu-  
10          cational institution before completion of  
11          such course of study; or

12          “(B) is enrolled in a graduate training pro-  
13          gram, and who fails to complete such training  
14          program, and does not receive a waiver from  
15          the Secretary under subsection (b)(1)(B)(ii),  
16          shall be liable, in lieu of any service obligation aris-  
17          ing under such contract, to the United States for the  
18          amount which has been paid on such individual’s be-  
19          half under the contract.

20          “(2) AMOUNT OF RECOVERY.—If, for any rea-  
21          son not specified in paragraph (1), an individual  
22          breaches his written contract under this section by  
23          failing either to begin, or complete, such individual’s  
24          period of obligated service in accordance with sub-  
25          section (f), the United States shall be entitled to re-

1 cover from such individual an amount to be deter-  
 2 mined in accordance with the following formula:

3 
$$A=3Z(t-s/t)$$

4 in which—

5 “(A) ‘A’ is the amount the United States  
 6 is entitled to recover;

7 “(B) ‘Z’ is the sum of the amounts paid  
 8 under this section to, or on behalf of, the indi-  
 9 vidual and the interest on such amounts which  
 10 would be payable if, at the time the amounts  
 11 were paid, they were loans bearing interest at  
 12 the maximum legal prevailing rate, as deter-  
 13 mined by the Treasurer of the United States;

14 “(C) ‘t’ is the total number of months in  
 15 the individual’s period of obligated service in  
 16 accordance with subsection (f); and

17 “(D) ‘s’ is the number of months of such  
 18 period served by such individual in accordance  
 19 with this section.

20 Amounts not paid within such period shall be sub-  
 21 ject to collection through deductions in medicare  
 22 payments pursuant to section 1892 of the Social Se-  
 23 curity Act.

24 “(3) DAMAGES.—



1           “(A) TIME FOR PAYMENT.—Any amount  
2 of damages which the United States is entitled  
3 to recover under this subsection shall be paid to  
4 the United States within the 1-year period be-  
5 ginning on the date of the breach of contract or  
6 such longer period beginning on such date as  
7 shall be specified by the Secretary.

8           “(B) DELINQUENCIES.—If damages de-  
9 scribed in subparagraph (A) are delinquent for  
10 3 months, the Secretary shall, for the purpose  
11 of recovering such damages—

12           “(i) utilize collection agencies con-  
13 tracted with by the Administrator of the  
14 General Services Administration; or

15           “(ii) enter into contracts for the re-  
16 covery of such damages with collection  
17 agencies selected by the Secretary.

18           “(C) CONTRACTS FOR RECOVERY OF DAM-  
19 AGES.—Each contract for recovering damages  
20 pursuant to this subsection shall provide that  
21 the contractor will, not less than once each 6  
22 months, submit to the Secretary a status report  
23 on the success of the contractor in collecting  
24 such damages. Section 3718 of title 31, United

1 States Code, shall apply to any such contract to  
2 the extent not inconsistent with this subsection.

3 “(m) CANCELLATION, WAIVER OR RELEASE.—

4 “(1) CANCELLATION.—Any obligation of an in-  
5 dividual under the Loan Repayment Program for  
6 service or payment of damages shall be canceled  
7 upon the death of the individual.

8 “(2) WAIVER OF SERVICE OBLIGATION.—The  
9 Secretary shall by regulation provide for the partial  
10 or total waiver or suspension of any obligation of  
11 service or payment by an individual under the Loan  
12 Repayment Program whenever compliance by the in-  
13 dividual is impossible or would involve extreme hard-  
14 ship to the individual and if enforcement of such ob-  
15 ligation with respect to any individual would be un-  
16 conscionable.

17 “(3) WAIVER OF RIGHTS OF UNITED STATES.—  
18 The Secretary may waive, in whole or in part, the  
19 rights of the United States to recover amounts  
20 under this section in any case of extreme hardship  
21 or other good cause shown, as determined by the  
22 Secretary.

23 “(4) RELEASE.—Any obligation of an individual  
24 under the Loan Repayment Program for payment of  
25 damages may be released by a discharge in bank-

1       ruptcy under title 11 of the United States Code only  
2       if such discharge is granted after the expiration of  
3       the 5-year period beginning on the first date that  
4       payment of such damages is required, and only if  
5       the bankruptcy court finds that nondischarge of the  
6       obligation would be unconscionable.

7       “(n) REPORT.—The Secretary shall submit to the  
8       President, for inclusion in each report required to be sub-  
9       mitted to the Congress under section 801, a report con-  
10      cerning the previous fiscal year which sets forth—

11           “(1) the health professional positions main-  
12          tained by the Service or by tribal or Indian organi-  
13          zations for which recruitment or retention is dif-  
14          ficult;

15           “(2) the number of Loan Repayment Program  
16          applications filed with respect to each type of health  
17          profession;

18           “(3) the number of contracts described in sub-  
19          section (f) that are entered into with respect to each  
20          health profession;

21           “(4) the amount of loan payments made under  
22          this section, in total and by health profession;

23           “(5) the number of scholarship grants that are  
24          provided under section 105 with respect to each  
25          health profession;



1           “(3) such interest earned on amounts in the  
2       LRRF; and

3           “(4) such additional amounts as may be col-  
4       lected, appropriated, or earned relative to the  
5       LRRF.

6       Amounts appropriated to the LRRF shall remain available  
7       until expended.

8       “(b) USE OF LRRF.—

9           “(1) IN GENERAL.—Amounts in the LRRF  
10       may be expended by the Secretary, subject to section  
11       102, acting through the Service, to make payments  
12       to the Service or to an Indian tribe or tribal organi-  
13       zation administering a health care program pursuant  
14       to a funding agreement entered into under the In-  
15       dian Self-Determination and Education Assistance  
16       Act—

17           “(A) to which a scholarship recipient under  
18       section 105 or a loan repayment program par-  
19       ticipant under section 110 has been assigned to  
20       meet the obligated service requirements pursu-  
21       ant to sections; and

22           “(B) that has a need for a health profes-  
23       sional to provide health care services as a result  
24       of such recipient or participant having breached

1           the contract entered into under section 105 or  
2           section 110.

3           “(2) SCHOLARSHIPS AND RECRUITING.—An In-  
4           dian tribe or tribal organization receiving payments  
5           pursuant to paragraph (1) may expend the payments  
6           to provide scholarships or to recruit and employ, di-  
7           rectly or by contract, health professionals to provide  
8           health care services.

9           “(c) INVESTING OF FUND.—

10           “(1) IN GENERAL.—The Secretary of the  
11           Treasury shall invest such amounts of the LRRF as  
12           the Secretary determines are not required to meet  
13           current withdrawals from the LRRF. Such invest-  
14           ments may be made only in interest-bearing obliga-  
15           tions of the United States. For such purpose, such  
16           obligations may be acquired on original issue at the  
17           issue price, or by purchase of outstanding obliga-  
18           tions at the market price.

19           “(2) SALE PRICE.—Any obligation acquired by  
20           the LRRF may be sold by the Secretary of the  
21           Treasury at the market price.

22   **“SEC. 112. RECRUITMENT ACTIVITIES.**

23           “(a) REIMBURSEMENT OF EXPENSES.—The Sec-  
24           retary may reimburse health professionals seeking posi-  
25           tions in the Service, Indian tribes, tribal organizations, or

1 urban Indian organizations, including unpaid student vol-  
2 unteers and individuals considering entering into a con-  
3 tract under section 110, and their spouses, for actual and  
4 reasonable expenses incurred in traveling to and from  
5 their places of residence to an area in which they may  
6 be assigned for the purpose of evaluating such area with  
7 respect to such assignment.

8 “(b) ASSIGNMENT OF PERSONNEL.—The Secretary,  
9 acting through the Service, shall assign one individual in  
10 each area office to be responsible on a full-time basis for  
11 recruitment activities.

12 **“SEC. 113. TRIBAL RECRUITMENT AND RETENTION PRO-**  
13 **GRAM.**

14 “(a) FUNDING OF PROJECTS.—The Secretary, acting  
15 through the Service, shall fund innovative projects for a  
16 period not to exceed 3 years to enable Indian tribes, tribal  
17 organizations, and urban Indian organizations to recruit,  
18 place, and retain health professionals to meet the staffing  
19 needs of Indian health programs (as defined in section  
20 110(a)(2)(A)).

21 “(b) ELIGIBILITY.—Any Indian tribe, tribal organi-  
22 zation, or urban Indian organization may submit an appli-  
23 cation for funding of a project pursuant to this section.

1 **“SEC. 114. ADVANCED TRAINING AND RESEARCH.**

2       “(a) DEMONSTRATION PROJECT.—The Secretary,  
3 acting through the Service, shall establish a demonstration  
4 project to enable health professionals who have worked in  
5 an Indian health program (as defined in section 110) for  
6 a substantial period of time to pursue advanced training  
7 or research in areas of study for which the Secretary de-  
8 termines a need exists.

9       “(b) SERVICE OBLIGATION.—

10           “(1) IN GENERAL.—An individual who partici-  
11 pates in the project under subsection (a), where the  
12 educational costs are borne by the Service, shall  
13 incur an obligation to serve in an Indian health pro-  
14 gram for a period of obligated service equal to at  
15 least the period of time during which the individual  
16 participates in such project.

17           “(2) FAILURE TO COMPLETE SERVICE.—In the  
18 event that an individual fails to complete a period of  
19 obligated service under paragraph (1), the individual  
20 shall be liable to the United States for the period of  
21 service remaining. In such event, with respect to in-  
22 dividuals entering the project after the date of the  
23 enactment of this Act, the United States shall be en-  
24 titled to recover from such individual an amount to  
25 be determined in accordance with the formula speci-



1       fied in subsection (l) of section 110 in the manner  
2       provided for in such subsection.

3       “(c) OPPORTUNITY TO PARTICIPATE.—Health pro-  
4       fessionals from Indian tribes, tribal organizations, and  
5       urban Indian organizations under the authority of the In-  
6       dian Self-Determination and Education Assistance Act  
7       shall be given an equal opportunity to participate in the  
8       program under subsection (a).

9       **“SEC. 115. NURSING PROGRAMS; QUENTIN N. BURDICK**  
10                   **AMERICAN INDIANS INTO NURSING PRO-**  
11                   **GRAM.**

12       “(a) GRANTS.—Notwithstanding section 102, the  
13       Secretary, acting through the Service, shall provide funds  
14       to—

15               “(1) public or private schools of nursing;

16               “(2) tribally controlled community colleges and  
17       tribally controlled postsecondary vocational institu-  
18       tions (as defined in section 390(2) of the Tribally  
19       Controlled Vocational Institutions Support Act of  
20       1990 (20 U.S.C. 2397h(2)); and

21               “(3) nurse midwife programs, and advance  
22       practice nurse programs, that are provided by any  
23       tribal college accredited nursing program, or in the  
24       absence of such, any other public or private institu-  
25       tion,

1 for the purpose of increasing the number of nurses, nurse  
2 midwives, and nurse practitioners who deliver health care  
3 services to Indians.

4 “(b) USE OF GRANTS.—Funds provided under sub-  
5 section (a) may be used to—

6 “(1) recruit individuals for programs which  
7 train individuals to be nurses, nurse midwives, or  
8 advanced practice nurses;

9 “(2) provide scholarships to Indian individuals  
10 enrolled in such programs that may be used to pay  
11 the tuition charged for such program and for other  
12 expenses incurred in connection with such program,  
13 including books, fees, room and board, and stipends  
14 for living expenses;

15 “(3) provide a program that encourages nurses,  
16 nurse midwives, and advanced practice nurses to  
17 provide, or continue to provide, health care services  
18 to Indians;

19 “(4) provide a program that increases the skills  
20 of, and provides continuing education to, nurses,  
21 nurse midwives, and advanced practice nurses; or

22 “(5) provide any program that is designed to  
23 achieve the purpose described in subsection (a).

24 “(c) APPLICATIONS.—Each application for funds  
25 under subsection (a) shall include such information as the

1 Secretary may require to establish the connection between  
2 the program of the applicant and a health care facility  
3 that primarily serves Indians.

4 “(d) PREFERENCES.—In providing funds under sub-  
5 section (a), the Secretary shall extend a preference to—

6 “(1) programs that provide a preference to In-  
7 dians;

8 “(2) programs that train nurse midwives or ad-  
9 vanced practice nurses;

10 “(3) programs that are interdisciplinary; and

11 “(4) programs that are conducted in coopera-  
12 tion with a center for gifted and talented Indian stu-  
13 dents established under section 5324(a) of the In-  
14 dian Education Act of 1988.

15 “(e) QUENTIN N. BURDICK AMERICAN INDIANS INTO  
16 NURSING PROGRAM.—The Secretary shall ensure that a  
17 portion of the funds authorized under subsection (a) is  
18 made available to establish and maintain a program at the  
19 University of North Dakota to be known as the ‘Quentin  
20 N. Burdick American Indians Into Nursing Program’.  
21 Such program shall, to the maximum extent feasible, co-  
22 ordinate with the Quentin N. Burdick American Indians  
23 Into Psychology Program established under section 106(b)  
24 and the Quentin N. Burdick Indian Health Programs es-  
25 tablished under section 117(b).

1       “(f) SERVICE OBLIGATION.—The active duty service  
2 obligation prescribed under section 338C of the Public  
3 Health Service Act (42 U.S.C. 254m) shall be met by each  
4 individual who receives training or assistance described in  
5 paragraph (1) or (2) of subsection (b) that is funded  
6 under subsection (a). Such obligation shall be met by  
7 service—

8               “(1) in the Indian Health Service;

9               “(2) in a program conducted under a contract  
10 entered into under the Indian Self-Determination  
11 and Education Assistance Act;

12              “(3) in a program assisted under title V; or

13              “(4) in the private practice of nursing if, as de-  
14 termined by the Secretary, in accordance with guide-  
15 lines promulgated by the Secretary, such practice is  
16 situated in a physician or other health professional  
17 shortage area and addresses the health care needs of  
18 a substantial number of Indians.

19 **“SEC. 116. TRIBAL CULTURE AND HISTORY.**

20       “(a) IN GENERAL.—The Secretary, acting through  
21 the Service, shall require that appropriate employees of  
22 the Service who serve Indian tribes in each service area  
23 receive educational instruction in the history and culture  
24 of such tribes and their relationship to the Service.

1 “(b) REQUIREMENTS.—To the extent feasible, the  
2 educational instruction to be provided under subsection  
3 (a) shall—

4 “(1) be provided in consultation with the af-  
5 fected tribal governments, tribal organizations, and  
6 urban Indian organizations;

7 “(2) be provided through tribally-controlled  
8 community colleges (within the meaning of section  
9 2(4) of the Tribally Controlled Community College  
10 Assistance Act of 1978) and tribally controlled post-  
11 secondary vocational institutions (as defined in sec-  
12 tion 390(2) of the Tribally Controlled Vocational In-  
13 stitutions Support Act of 1990 (20 U.S.C.  
14 2397h(2)); and

15 “(3) include instruction in Native American  
16 studies.

17 **“SEC. 117. INMED PROGRAM.**

18 “(a) GRANTS.—The Secretary may provide grants to  
19 3 colleges and universities for the purpose of maintaining  
20 and expanding the Native American health careers recruit-  
21 ment program known as the ‘Indians into Medicine Pro-  
22 gram’ (referred to in this section as ‘INMED’) as a means  
23 of encouraging Indians to enter the health professions.

24 “(b) QUENTIN N. BURDICK INDIAN HEALTH PRO-  
25 GRAM.—The Secretary shall provide 1 of the grants under

1 subsection (a) to maintain the INMED program at the  
 2 University of North Dakota, to be known as the ‘Quentin  
 3 N. Burdick Indian Health Program’, unless the Secretary  
 4 makes a determination, based upon program reviews, that  
 5 the program is not meeting the purposes of this section.  
 6 Such program shall, to the maximum extent feasible, co-  
 7 ordinate with the Quentin N. Burdick American Indians  
 8 Into Psychology Program established under section 106(b)  
 9 and the Quentin N. Burdick American Indians Into Nurs-  
 10 ing Program established under section 115.

11 “(c) REQUIREMENTS.—

12 “(1) IN GENERAL.—The Secretary shall develop  
 13 regulations to govern grants under to this section.

14 “(2) PROGRAM REQUIREMENTS.—Applicants  
 15 for grants provided under this section shall agree to  
 16 provide a program that—

17 “(A) provides outreach and recruitment for  
 18 health professions to Indian communities in-  
 19 cluding elementary, secondary and community  
 20 colleges located on Indian reservations which  
 21 will be served by the program;

22 “(B) incorporates a program advisory  
 23 board comprised of representatives from the  
 24 tribes and communities which will be served by  
 25 the program;

1           “(C) provides summer preparatory pro-  
2           grams for Indian students who need enrichment  
3           in the subjects of math and science in order to  
4           pursue training in the health professions;

5           “(D) provides tutoring, counseling and  
6           support to students who are enrolled in a health  
7           career program of study at the respective col-  
8           lege or university; and

9           “(E) to the maximum extent feasible, em-  
10          ploys qualified Indians in the program.

11 **“SEC. 118. HEALTH TRAINING PROGRAMS OF COMMUNITY**  
12 **COLLEGES.**

13       “(a) ESTABLISHMENT GRANTS.—

14       “(1) IN GENERAL.—The Secretary, acting  
15       through the Service, shall award grants to accredited  
16       and accessible community colleges for the purpose of  
17       assisting such colleges in the establishment of pro-  
18       grams which provide education in a health profes-  
19       sion leading to a degree or diploma in a health pro-  
20       fession for individuals who desire to practice such  
21       profession on an Indian reservation, in the Service,  
22       or in a tribal health program.

23       “(2) AMOUNT.—The amount of any grant  
24       awarded to a community college under paragraph  
25       (1) for the first year in which such a grant is pro-

1 vided to the community college shall not exceed  
2 \$100,000.

3 “(b) CONTINUATION GRANTS.—

4 “(1) IN GENERAL.—The Secretary, acting  
5 through the Service, shall award grants to accredited  
6 and accessible community colleges that have estab-  
7 lished a program described in subsection (a)(1) for  
8 the purpose of maintaining the program and recruit-  
9 ing students for the program.

10 “(2) ELIGIBILITY.—Grants may only be made  
11 under this subsection to a community college that—

12 “(A) is accredited;

13 “(B) has a relationship with a hospital fa-  
14 cility, Service facility, or hospital that could  
15 provide training of nurses or health profes-  
16 sionals;

17 “(C) has entered into an agreement with  
18 an accredited college or university medical  
19 school, the terms of which—

20 “(i) provide a program that enhances  
21 the transition and recruitment of students  
22 into advanced baccalaureate or graduate  
23 programs which train health professionals;  
24 and



1                   “(ii) stipulate certifications necessary  
2                   to approve internship and field placement  
3                   opportunities at health programs of the  
4                   Service or at tribal health programs;

5                   “(D) has a qualified staff which has the  
6                   appropriate certifications;

7                   “(E) is capable of obtaining State or re-  
8                   gional accreditation of the program described in  
9                   subsection (a)(1); and

10                  “(F) agrees to provide for Indian pref-  
11                  erence for applicants for programs under this  
12                  section.

13                  “(c) SERVICE PERSONNEL AND TECHNICAL ASSIST-  
14 ANCE.—The Secretary shall encourage community colleges  
15 described in subsection (b)(2) to establish and maintain  
16 programs described in subsection (a)(1) by—

17                  “(1) entering into agreements with such col-  
18 leges for the provision of qualified personnel of the  
19 Service to teach courses of study in such programs,  
20 and

21                  “(2) providing technical assistance and support  
22 to such colleges.

23                  “(d) SPECIFIED COURSES OF STUDY.—Any program  
24 receiving assistance under this section that is conducted  
25 with respect to a health profession shall also offer courses

1 of study which provide advanced training for any health  
2 professional who—

3           “(1) has already received a degree or diploma  
4       in such health profession; and

5           “(2) provides clinical services on an Indian res-  
6       ervation, at a Service facility, or at a tribal clinic.

7 Such courses of study may be offered in conjunction with  
8 the college or university with which the community college  
9 has entered into the agreement required under subsection  
10 (b)(2)(C).

11       “(e) PRIORITY.—Priority shall be provided under this  
12 section to tribally controlled colleges in service areas that  
13 meet the requirements of subsection (b).

14       “(f) DEFINITIONS.—In this section:

15           “(1) COMMUNITY COLLEGE.—The term ‘com-  
16       munity college’ means—

17           “(A) a tribally controlled community col-  
18       lege; or

19           “(B) a junior or community college.

20           “(2) JUNIOR OR COMMUNITY COLLEGE.—The  
21 term ‘junior or community college’ has the meaning  
22 given such term by section 312(e) of the Higher  
23 Education Act of 1965 (20 U.S.C. 1058(e)).

24           “(3) TRIBALLY CONTROLLED COLLEGE.—The  
25 term ‘tribally controlled college’ has the meaning

1 given the term ‘tribally controlled community college’  
 2 by section 2(4) of the Tribally Controlled Commu-  
 3 nity College Assistance Act of 1978.

4 **“SEC. 119. RETENTION BONUS.**

5 “(a) IN GENERAL.—The Secretary may pay a reten-  
 6 tion bonus to any health professional employed by, or as-  
 7 signed to, and serving in, the Service, an Indian tribe, a  
 8 tribal organization, or an urban Indian organization either  
 9 as a civilian employee or as a commissioned officer in the  
 10 Regular or Reserve Corps of the Public Health Service  
 11 who—

12 “(1) is assigned to, and serving in, a position  
 13 for which recruitment or retention of personnel is  
 14 difficult;

15 “(2) the Secretary determines is needed by the  
 16 Service, tribe, tribal organization, or urban organiza-  
 17 tion;

18 “(3) has—

19 “(A) completed 3 years of employment  
 20 with the Service; tribe, tribal organization, or  
 21 urban organization; or

22 “(B) completed any service obligations in-  
 23 curred as a requirement of—

24 “(i) any Federal scholarship program;

25 or

1                   “(ii) any Federal education loan re-  
2                   payment program; and

3                   “(4) enters into an agreement with the Service,  
4                   Indian tribe, tribal organization, or urban Indian or-  
5                   ganization for continued employment for a period of  
6                   not less than 1 year.

7                   “(b) RATES.—The Secretary may establish rates for  
8                   the retention bonus which shall provide for a higher an-  
9                   nual rate for multiyear agreements than for single year  
10                  agreements referred to in subsection (a)(4), but in no  
11                  event shall the annual rate be more than \$25,000 per  
12                  annum.

13                  “(c) FAILURE TO COMPLETE TERM OF SERVICE.—  
14                  Any health professional failing to complete the agreed  
15                  upon term of service, except where such failure is through  
16                  no fault of the individual, shall be obligated to refund to  
17                  the Government the full amount of the retention bonus  
18                  for the period covered by the agreement, plus interest as  
19                  determined by the Secretary in accordance with section  
20                  110(l)(2)(B).

21                  “(d) FUNDING AGREEMENT.—The Secretary may  
22                  pay a retention bonus to any health professional employed  
23                  by an organization providing health care services to Indi-  
24                  ans pursuant to a funding agreement under the Indian  
25                  Self-Determination and Education Assistance Act if such

1 health professional is serving in a position which the Sec-  
2 retary determines is—

3           “(1) a position for which recruitment or reten-  
4           tion is difficult; and

5           “(2) necessary for providing health care services  
6           to Indians.

7 **“SEC. 120. NURSING RESIDENCY PROGRAM.**

8           “(a) ESTABLISHMENT.—The Secretary, acting  
9 through the Service, shall establish a program to enable  
10 Indians who are licensed practical nurses, licensed voca-  
11 tional nurses, and registered nurses who are working in  
12 an Indian health program (as defined in section  
13 110(a)(2)(A)), and have done so for a period of not less  
14 than 1 year, to pursue advanced training.

15           “(b) REQUIREMENT.—The program established  
16 under subsection (a) shall include a combination of edu-  
17 cation and work study in an Indian health program (as  
18 defined in section 110(a)(2)(A)) leading to an associate  
19 or bachelor’s degree (in the case of a licensed practical  
20 nurse or licensed vocational nurse) or a bachelor’s degree  
21 (in the case of a registered nurse) or an advanced degree  
22 in nursing and public health.

23           “(c) SERVICE OBLIGATION.—An individual who par-  
24 ticipates in a program under subsection (a), where the  
25 educational costs are paid by the Service, shall incur an

1 obligation to serve in an Indian health program for a pe-  
 2 riod of obligated service equal to the amount of time dur-  
 3 ing which the individual participates in such program. In  
 4 the event that the individual fails to complete such obli-  
 5 gated service, the United States shall be entitled to recover  
 6 from such individual an amount determined in accordance  
 7 with the formula specified in subsection (l) of section 110  
 8 in the manner provided for in such subsection.

9 **“SEC. 121. COMMUNITY HEALTH AIDE PROGRAM FOR ALAS-**

10 **KA.**

11 “(a) IN GENERAL.—Under the authority of the Act  
 12 of November 2, 1921 (25 U.S.C. 13; commonly known as  
 13 the Snyder Act), the Secretary shall maintain a Commu-  
 14 nity Health Aide Program in Alaska under which the  
 15 Service—

16 “(1) provides for the training of Alaska Natives  
 17 as health aides or community health practitioners;

18 “(2) uses such aides or practitioners in the pro-  
 19 vision of health care, health promotion, and disease  
 20 prevention services to Alaska Natives living in vil-  
 21 lages in rural Alaska; and

22 “(3) provides for the establishment of tele-  
 23 conferencing capacity in health clinics located in or  
 24 near such villages for use by community health aides  
 25 or community health practitioners.

1       “(b) ACTIVITIES.—The Secretary, acting through the  
2 Community Health Aide Program under subsection (a),  
3 shall—

4               “(1) using trainers accredited by the Program,  
5 provide a high standard of training to community  
6 health aides and community health practitioners to  
7 ensure that such aides and practitioners provide  
8 quality health care, health promotion, and disease  
9 prevention services to the villages served by the Pro-  
10 gram;

11               “(2) in order to provide such training, develop  
12 a curriculum that—

13                       “(A) combines education in the theory of  
14 health care with supervised practical experience  
15 in the provision of health care;

16                       “(B) provides instruction and practical ex-  
17 perience in the provision of acute care, emer-  
18 gency care, health promotion, disease preven-  
19 tion, and the efficient and effective manage-  
20 ment of clinic pharmacies, supplies, equipment,  
21 and facilities; and

22                       “(C) promotes the achievement of the  
23 health status objective specified in section 3(b);

24               “(3) establish and maintain a Community  
25 Health Aide Certification Board to certify as com-

1 community health aides or community health practition-  
2 ers individuals who have successfully completed the  
3 training described in paragraph (1) or who can dem-  
4 onstrate equivalent experience;

5 “(4) develop and maintain a system which iden-  
6 tifies the needs of community health aides and com-  
7 munity health practitioners for continuing education  
8 in the provision of health care, including the areas  
9 described in paragraph (2)(B), and develop pro-  
10 grams that meet the needs for such continuing edu-  
11 cation;

12 “(5) develop and maintain a system that pro-  
13 vides close supervision of community health aides  
14 and community health practitioners; and

15 “(6) develop a system under which the work of  
16 community health aides and community health prac-  
17 titioners is reviewed and evaluated to assure the pro-  
18 vision of quality health care, health promotion, and  
19 disease prevention services.

20 **“SEC. 122. TRIBAL HEALTH PROGRAM ADMINISTRATION.**

21 “Subject to Section 102, the Secretary, acting  
22 through the Service, shall, through a funding agreement  
23 or otherwise, provide training for Indians in the adminis-  
24 tration and planning of tribal health programs.



1 **“SEC. 123. HEALTH PROFESSIONAL CHRONIC SHORTAGE**  
2 **DEMONSTRATION PROJECT.**

3 “(a) PILOT PROGRAMS.—The Secretary may,  
4 through area offices, fund pilot programs for tribes and  
5 tribal organizations to address chronic shortages of health  
6 professionals.

7 “(b) PURPOSE.—It is the purpose of the health pro-  
8 fessions demonstration project under this section to—

9 “(1) provide direct clinical and practical experi-  
10 ence in a service area to health professions students  
11 and residents from medical schools;

12 “(2) improve the quality of health care for Indi-  
13 ans by assuring access to qualified health care pro-  
14 fessionals; and

15 “(3) provide academic and scholarly opportuni-  
16 ties for health professionals serving Indian people by  
17 identifying and utilizing all academic and scholarly  
18 resources of the region.

19 “(c) ADVISORY BOARD.—A pilot program established  
20 under subsection (a) shall incorporate a program advisory  
21 board that shall be composed of representatives from the  
22 tribes and communities in the service area that will be  
23 served by the program.

24 **“SEC. 124. SCHOLARSHIPS.**

25 “Scholarships and loan reimbursements provided to  
26 individuals pursuant to this title shall be treated as ‘quali-

1 fied scholarships' for purposes of section 117 of the Inter-  
2 nal Revenue Code of 1986.

3 **“SEC. 125. NATIONAL HEALTH SERVICE CORPS.**

4 “(a) LIMITATIONS.—The Secretary shall not—

5 “(1) remove a member of the National Health  
6 Services Corps from a health program operated by  
7 Indian Health Service or by a tribe or tribal organi-  
8 zation under a funding agreement with the Service  
9 under the Indian Self-Determination and Education  
10 Assistance Act, or by urban Indian organizations; or

11 “(2) withdraw the funding used to support such  
12 a member;

13 unless the Secretary, acting through the Service, tribes or  
14 tribal organization, has ensured that the Indians receiving  
15 services from such member will experience no reduction  
16 in services.

17 “(b) DESIGNATION OF SERVICE AREAS AS HEALTH  
18 PROFESSIONAL SHORTAGE AREAS.—All service areas  
19 served by programs operated by the Service or by a tribe  
20 or tribal organization under the Indian Self-Determination  
21 and Education Assistance Act, or by an urban Indian or-  
22 ganization, shall be designated under section 332 of the  
23 Public Health Service Act (42 U.S.C. 254e) as Health  
24 Professional Shortage Areas.

1       “(c) FULL TIME EQUIVALENT.—National Health  
 2 Service Corps scholars that qualify for the commissioned  
 3 corps in the Public Health Service shall be exempt from  
 4 the full time equivalent limitations of the National Health  
 5 Service Corps and the Service when such scholars serve  
 6 as commissioned corps officers in a health program oper-  
 7 ated by an Indian tribe or tribal organization under the  
 8 Indian Self-Determination and Education Assistance Act  
 9 or by an urban Indian organization.

10 **“SEC. 126. SUBSTANCE ABUSE COUNSELOR EDUCATION**  
 11 **DEMONSTRATION PROJECT.**

12       “(a) DEMONSTRATION PROJECTS.—The Secretary,  
 13 acting through the Service, may enter into contracts with,  
 14 or make grants to, accredited tribally controlled commu-  
 15 nity colleges, tribally controlled postsecondary vocational  
 16 institutions, and eligible accredited and accessible commu-  
 17 nity colleges to establish demonstration projects to develop  
 18 educational curricula for substance abuse counseling.

19       “(b) USE OF FUNDS.—Funds provided under this  
 20 section shall be used only for developing and providing  
 21 educational curricula for substance abuse counseling (in-  
 22 cluding paying salaries for instructors). Such curricula  
 23 may be provided through satellite campus programs.

24       “(c) TERM OF GRANT.—A contract entered into or  
 25 a grant provided under this section shall be for a period

1 of 1 year. Such contract or grant may be renewed for an  
2 additional 1 year period upon the approval of the Sec-  
3 retary.

4 “(d) REVIEW OF APPLICATIONS.—Not later than 180  
5 days after the date of the enactment of this Act, the Sec-  
6 retary, after consultation with Indian tribes and adminis-  
7 trators of accredited tribally controlled community col-  
8 leges, tribally controlled postsecondary vocational institu-  
9 tions, and eligible accredited and accessible community  
10 colleges, shall develop and issue criteria for the review and  
11 approval of applications for funding (including applica-  
12 tions for renewals of funding) under this section. Such cri-  
13 teria shall ensure that demonstration projects established  
14 under this section promote the development of the capacity  
15 of such entities to educate substance abuse counselors.

16 “(e) TECHNICAL ASSISTANCE.—The Secretary shall  
17 provide such technical and other assistance as may be nec-  
18 essary to enable grant recipients to comply with the provi-  
19 sions of this section.

20 “(f) REPORT.—The Secretary shall submit to the  
21 President, for inclusion in the report required to be sub-  
22 mitted under section 801 for fiscal year 1999, a report  
23 on the findings and conclusions derived from the dem-  
24 onstration projects conducted under this section.

25 “(g) DEFINITIONS.—In this section:

1           “(1) EDUCATIONAL CURRICULUM.—The term  
2 ‘educational curriculum’ means 1 or more of the fol-  
3 lowing:

4           “(A) Classroom education.

5           “(B) Clinical work experience.

6           “(C) Continuing education workshops.

7           “(2) TRIBALLY CONTROLLED COMMUNITY COL-  
8 LEGE.—The term ‘tribally controlled community col-  
9 lege’ has the meaning given such term in section  
10 2(a)(4) of the Tribally Controlled Community Col-  
11 lege Assistance Act of 1978 (25 U.S.C. 1801(a)(4)).

12           “(3) TRIBALLY CONTROLLED POSTSECONDARY  
13 VOCATIONAL INSTITUTION.—The term ‘tribally con-  
14 trolled postsecondary vocational institution’ has the  
15 meaning given such term in section 390(2) of the  
16 Tribally Controlled Vocational Institutions Support  
17 Act of 1990 (20 U.S.C. 2397h(2)).

18 **“SEC. 127. MENTAL HEALTH TRAINING AND COMMUNITY**  
19 **EDUCATION.**

20           “(a) STUDY AND LIST.—

21           “(1) IN GENERAL.—The Secretary and the Sec-  
22 retary of the Interior in consultation with Indian  
23 tribes and tribal organizations shall conduct a study  
24 and compile a list of the types of staff positions  
25 specified in subsection (b) whose qualifications in-

1       clude or should include, training in the identifica-  
2       tion, prevention, education, referral or treatment of  
3       mental illness, dysfunctional or self-destructive be-  
4       havior.

5               “(2) POSITIONS.—The positions referred to in  
6       paragraph (1) are—

7               “(A) staff positions within the Bureau of  
8       Indian Affairs, including existing positions, in  
9       the fields of—

10               “(i) elementary and secondary edu-  
11       cation;

12               “(ii) social services, family and child  
13       welfare;

14               “(iii) law enforcement and judicial  
15       services; and

16               “(iv) alcohol and substance abuse;

17               “(B) staff positions within the Service; and

18               “(C) staff positions similar to those speci-  
19       fied in subsection (b) and established and main-  
20       tained by Indian tribes, tribal organizations,  
21       and urban Indian organizations, including posi-  
22       tions established pursuant to funding agree-  
23       ments under the Indian Self-determination and  
24       Education Assistance Act, and this Act.

25               “(3) TRAINING CRITERIA.—

1           “(A) IN GENERAL.—The appropriate Sec-  
2           retary shall provide training criteria appropriate  
3           to each type of position specified in subsection  
4           (b)(1) and ensure that appropriate training has  
5           been or will be provided to any individual in any  
6           such position.

7           “(B) TRAINING.—With respect to any such  
8           individual in a position specified pursuant to  
9           subsection (b)(3), the respective Secretaries  
10          shall provide appropriate training or provide  
11          funds to an Indian tribe, tribal organization, or  
12          urban Indian organization for the training of  
13          appropriate individuals. In the case of a fund-  
14          ing agreement, the appropriate Secretary shall  
15          ensure that such training costs are included in  
16          the funding agreement, if necessary.

17          “(4) CULTURAL RELEVANCY.—Position specific  
18          training criteria shall be culturally relevant to Indi-  
19          ans and Indian tribes and shall ensure that appro-  
20          priate information regarding traditional health care  
21          practices is provided.

22          “(5) COMMUNITY EDUCATION.—

23                 “(A) DEVELOPMENT.—The Service shall  
24                 develop and implement, or on request of an In-  
25                 dian tribe or tribal organization, assist an In-

1           dian tribe or tribal organization, in developing  
2           and implementing a program of community  
3           education on mental illness.

4           “(B) TECHNICAL ASSISTANCE.—In carry-  
5           ing out this paragraph, the Service shall, upon  
6           the request of an Indian tribe or tribal organi-  
7           zation, provide technical assistance to the In-  
8           dian tribe or tribal organization to obtain and  
9           develop community educational materials on the  
10          identification, prevention, referral and treat-  
11          ment of mental illness, dysfunctional and self-  
12          destructive behavior.

13          “(b) STAFFING.—

14           “(1) IN GENERAL.—Not later than 90 days  
15          after the date of enactment of the Act, the Director  
16          of the Service shall develop a plan under which the  
17          Service will increase the number of health care staff  
18          that are providing mental health services by at least  
19          500 positions within 5 years after such date of en-  
20          actment, with at least 200 of such positions devoted  
21          to child, adolescent, and family services. The alloca-  
22          tion of such positions shall be subject to the provi-  
23          sions of section 102(a).

24           “(2) IMPLEMENTATION.—The plan developed  
25          under paragraph (1) shall be implemented under the



1 Act of November 2, 1921 (25 U.S.C. 13) (commonly  
2 know as the ‘Snyder Act’).

3 **“SEC. 128. AUTHORIZATION OF APPROPRIATIONS.**

4 “There are authorized to be appropriated such sums  
5 as may be necessary for each fiscal year through fiscal  
6 year 2015 to carry out this title.

7 **“TITLE II—HEALTH SERVICES**

8 **“SEC. 201. INDIAN HEALTH CARE IMPROVEMENT FUND.**

9 “(a) IN GENERAL.—The Secretary may expend  
10 funds, directly or under the authority of the Indian Self-  
11 Determination and Education Assistance Act, that are ap-  
12 propriated under the authority of this section, for the pur-  
13 poses of—

14 “(1) eliminating the deficiencies in the health  
15 status and resources of all Indian tribes;

16 “(2) eliminating backlogs in the provision of  
17 health care services to Indians;

18 “(3) meeting the health needs of Indians in an  
19 efficient and equitable manner;

20 “(4) eliminating inequities in funding for both  
21 direct care and contract health service programs;  
22 and

23 “(5) augmenting the ability of the Service to  
24 meet the following health service responsibilities with

1 respect to those Indian tribes with the highest levels  
2 of health status and resource deficiencies:

3 “(A) clinical care, including inpatient care,  
4 outpatient care (including audiology, clinical eye  
5 and vision care), primary care, secondary and  
6 tertiary care, and long term care;

7 “(B) preventive health, including mam-  
8 mography and other cancer screening in accord-  
9 ance with section 207;

10 “(C) dental care;

11 “(D) mental health, including community  
12 mental health services, inpatient mental health  
13 services, dormitory mental health services,  
14 therapeutic and residential treatment centers,  
15 and training of traditional health care practi-  
16 tioners;

17 “(E) emergency medical services;

18 “(F) treatment and control of, and reha-  
19 bilitative care related to, alcoholism and drug  
20 abuse (including fetal alcohol syndrome) among  
21 Indians;

22 “(G) accident prevention programs;

23 “(H) home health care;

24 “(I) community health representatives;

25 “(J) maintenance and repair; and

1 “(K) traditional health care practices.

2 “(b) USE OF FUNDS.—

3 “(1) LIMITATION.—Any funds appropriated  
4 under the authority of this section shall not be used  
5 to offset or limit any other appropriations made to  
6 the Service under this Act, the Act of November 2,  
7 1921 (25 U.S.C. 13) (commonly known as the ‘Sny-  
8 der Act’), or any other provision of law.

9 “(2) ALLOCATION.—

10 “(A) IN GENERAL.—Funds appropriated  
11 under the authority of this section shall be allo-  
12 cated to service units or Indian tribes or tribal  
13 organizations. The funds allocated to each tribe,  
14 tribal organization, or service unit under this  
15 subparagraph shall be used to improve the  
16 health status and reduce the resource deficiency  
17 of each tribe served by such service unit, tribe  
18 or tribal organization. Such allocation shall  
19 weigh the amounts appropriated in favor of  
20 those service areas where the health status of  
21 Indians within the area, as measured by life ex-  
22 pectancy based upon the most recent data avail-  
23 able, is significantly lower than the average  
24 health status for Indians for all service areas,  
25 except that amounts allocated to each such area

1 using such a weighted allocation formula shall  
 2 not be less than the amounts allocated to each  
 3 such area in the previous fiscal year.

4 “(B) APPORTIONMENT.—The apportion-  
 5 ment of funds allocated to a service unit, tribe  
 6 or tribal organization under subparagraph (A)  
 7 among the health service responsibilities de-  
 8 scribed in subsection (a)(4) shall be determined  
 9 by the Service in consultation with, and with  
 10 the active participation of, the affected Indian  
 11 tribes in accordance with this section and such  
 12 rules as may be established under title VIII.

13 “(c) HEALTH STATUS AND RESOURCE DEFICI-  
 14 CIENCY.—In this section:

15 “(1) DEFINITION.—The term ‘health status  
 16 and resource deficiency’ means the extent to  
 17 which—

18 “(A) the health status objective set forth  
 19 in section 3(2) is not being achieved; and

20 “(B) the Indian tribe or tribal organization  
 21 does not have available to it the health re-  
 22 sources it needs, taking into account the actual  
 23 cost of providing health care services given local  
 24 geographic, climatic, rural, or other cir-  
 25 cumstances.

1           “(2) RESOURCES.—The health resources avail-  
2           able to an Indian tribe or tribal organization shall  
3           include health resources provided by the Service as  
4           well as health resources used by the Indian tribe or  
5           tribal organization, including services and financing  
6           systems provided by any Federal programs, private  
7           insurance, and programs of State or local govern-  
8           ments.

9           “(3) REVIEW OF DETERMINATION.—The Sec-  
10          retary shall establish procedures which allow any In-  
11          dian tribe or tribal organization to petition the Sec-  
12          retary for a review of any determination of the ex-  
13          tent of the health status and resource deficiency of  
14          such tribe or tribal organization.

15          “(d) ELIGIBILITY.—Programs administered by any  
16          Indian tribe or tribal organization under the authority of  
17          the Indian Self-Determination and Education Assistance  
18          Act shall be eligible for funds appropriated under the au-  
19          thority of this section on an equal basis with programs  
20          that are administered directly by the Service.

21          “(e) REPORT.—Not later than the date that is 3  
22          years after the date of enactment of this Act, the Sec-  
23          retary shall submit to the Congress the current health sta-  
24          tus and resource deficiency report of the Service for each

1 Indian tribe or service unit, including newly recognized or  
2 acknowledged tribes. Such report shall set out—

3 “(1) the methodology then in use by the Service  
4 for determining tribal health status and resource de-  
5 ficiencies, as well as the most recent application of  
6 that methodology;

7 “(2) the extent of the health status and re-  
8 source deficiency of each Indian tribe served by the  
9 Service;

10 “(3) the amount of funds necessary to eliminate  
11 the health status and resource deficiencies of all In-  
12 dian tribes served by the Service; and

13 “(4) an estimate of—

14 “(A) the amount of health service funds  
15 appropriated under the authority of this Act, or  
16 any other Act, including the amount of any  
17 funds transferred to the Service, for the preced-  
18 ing fiscal year which is allocated to each service  
19 unit, Indian tribe, or comparable entity;

20 “(B) the number of Indians eligible for  
21 health services in each service unit or Indian  
22 tribe or tribal organization; and

23 “(C) the number of Indians using the  
24 Service resources made available to each service  
25 unit or Indian tribe or tribal organization, and,

1 to the extent available, information on the wait-  
 2 ing lists and number of Indians turned away for  
 3 services due to lack of resources.

4 “(f) BUDGETARY RULE.—Funds appropriated under  
 5 the authority of this section for any fiscal year shall be  
 6 included in the base budget of the Service for the purpose  
 7 of determining appropriations under this section in subse-  
 8 quent fiscal years.

9 “(g) RULE OF CONSTRUCTION.—Nothing in this sec-  
 10 tion shall be construed to diminish the primary respon-  
 11 sibility of the Service to eliminate existing backlogs in  
 12 unmet health care needs or to discourage the Service from  
 13 undertaking additional efforts to achieve equity among In-  
 14 dian tribes and tribal organizations.

15 “(h) DESIGNATION.—Any funds appropriated under  
 16 the authority of this section shall be designated as the ‘In-  
 17 dian Health Care Improvement Fund’.

18 **“SEC. 202. CATASTROPHIC HEALTH EMERGENCY FUND.**

19 “(a) ESTABLISHMENT.—

20 “(1) IN GENERAL.—There is hereby established  
 21 an Indian Catastrophic Health Emergency Fund (re-  
 22 ferred to in this section as the ‘CHEF’) consisting  
 23 of—

24 “(A) the amounts deposited under sub-  
 25 section (d); and

1           “(B) any amounts appropriated to the  
2           CHEF under this Act.

3           “(2) ADMINISTRATION.—The CHEF shall be  
4           administered by the Secretary solely for the purpose  
5           of meeting the extraordinary medical costs associ-  
6           ated with the treatment of victims of disasters or  
7           catastrophic illnesses who are within the responsibil-  
8           ity of the Service.

9           “(3) EQUITABLE ALLOCATION.—The CHEF  
10          shall be equitably allocated, apportioned or delegated  
11          on a service unit or area office basis, based upon a  
12          formula to be developed by the Secretary in con-  
13          sultation with the Indian tribes and tribal organiza-  
14          tions through negotiated rulemaking under title  
15          VIII. Such formula shall take into account the  
16          added needs of service areas which are contract  
17          health service dependent.

18          “(4) NOT SUBJECT TO CONTRACT OR GRANT.—  
19          No part of the CHEF or its administration shall be  
20          subject to contract or grant under any law, including  
21          the Indian Self-Determination and Education Assist-  
22          ance Act.

23          “(5) ADMINISTRATION.—Amounts provided  
24          from the CHEF shall be administered by the area  
25          offices based upon priorities determined by the In-



1       dian tribes and tribal organizations within each serv-  
2       ice area, including a consideration of the needs of  
3       Indian tribes and tribal organizations which are con-  
4       tract health service-dependent.

5       “(b) REQUIREMENTS.—The Secretary shall, through  
6       the negotiated rulemaking process under title VIII, pro-  
7       mulgate regulations consistent with the provisions of this  
8       section—

9               “(1) establish a definition of disasters and cata-  
10       strophic illnesses for which the cost of treatment  
11       provided under contract would qualify for payment  
12       from the CHEF;

13               “(2) provide that a service unit, Indian tribe, or  
14       tribal organization shall not be eligible for reim-  
15       bursement for the cost of treatment from the CHEF  
16       until its cost of treatment for any victim of such a  
17       catastrophic illness or disaster has reached a certain  
18       threshold cost which the Secretary shall establish  
19       at—

20                       “(A) for 1999, not less than \$19,000; and

21                       “(B) for any subsequent year, not less  
22       than the threshold cost of the previous year in-  
23       creased by the percentage increase in the medi-  
24       cal care expenditure category of the consumer  
25       price index for all urban consumers (United

1 States city average) for the 12-month period  
2 ending with December of the previous year;

3 “(3) establish a procedure for the reimburse-  
4 ment of the portion of the costs incurred by—

5 “(A) service units, Indian tribes, or tribal  
6 organizations, or facilities of the Service; or

7 “(B) non-Service facilities or providers  
8 whenever otherwise authorized by the Service;

9 in rendering treatment that exceeds threshold cost  
10 described in paragraph (2);

11 “(4) establish a procedure for payment from  
12 the CHEF in cases in which the exigencies of the  
13 medical circumstances warrant treatment prior to  
14 the authorization of such treatment by the Service;  
15 and

16 “(5) establish a procedure that will ensure that  
17 no payment shall be made from the CHEF to any  
18 provider of treatment to the extent that such pro-  
19 vider is eligible to receive payment for the treatment  
20 from any other Federal, State, local, or private  
21 source of reimbursement for which the patient is eli-  
22 gible.

23 “(c) LIMITATION.—Amounts appropriated to the  
24 CHEF under this section shall not be used to offset or  
25 limit appropriations made to the Service under the author-

1 ity of the Act of November 2, 1921 (25 U.S.C. 13) (com-  
2 monly known as the Snyder Act) or any other law.

3 “(d) DEPOSITS.—There shall be deposited into the  
4 CHEF all reimbursements to which the Service is entitled  
5 from any Federal, State, local, or private source (including  
6 third party insurance) by reason of treatment rendered to  
7 any victim of a disaster or catastrophic illness the cost  
8 of which was paid from the CHEF.

9 **“SEC. 203. HEALTH PROMOTION AND DISEASE PREVENTION**  
10 **SERVICES.**

11 “(a) FINDINGS.—Congress finds that health pro-  
12 motion and disease prevention activities will—

13 “(1) improve the health and well-being of Indi-  
14 ans; and

15 “(2) reduce the expenses for health care of In-  
16 dians.

17 “(b) PROVISION OF SERVICES.—The Secretary, act-  
18 ing through the Service and through Indian tribes and  
19 tribal organizations, shall provide health promotion and  
20 disease prevention services to Indians so as to achieve the  
21 health status objective set forth in section 3(b).

22 “(c) DISEASE PREVENTION AND HEALTH PRO-  
23 MOTION.—In this section:

24 “(1) DISEASE PREVENTION.—The term ‘disease  
25 prevention’ means the reduction, limitation, and pre-

1       vention of disease and its complications, and the re-  
 2       duction in the consequences of such diseases,  
 3       including—

4               “(A) controlling—  
 5                   “(i) diabetes;  
 6                   “(ii) high blood pressure;  
 7                   “(iii) infectious agents;  
 8                   “(iv) injuries;  
 9                   “(v) occupational hazards and disabil-

10               ities;

11               “(vi) sexually transmittable diseases;

12               and

13               “(vii) toxic agents; and

14               “(B) providing—

15                   “(i) for the fluoridation of water; and

16                   “(ii) immunizations.

17               “(2) HEALTH PROMOTION.—The term ‘health  
 18       promotion’ means fostering social, economic, envi-  
 19       ronmental, and personal factors conducive to health,  
 20       including—

21               “(A) raising people’s awareness about  
 22       health matters and enabling them to cope with  
 23       health problems by increasing their knowledge  
 24       and providing them with valid information;

1           “(B) encouraging adequate and appropriate diet, exercise, and sleep;

2           “(C) promoting education and work in conformity with physical and mental capacity;

3           “(D) making available suitable housing, safe water, and sanitary facilities;

4           “(E) improving the physical economic, cultural, psychological, and social environment;

5           “(F) promoting adequate opportunity for spiritual, religious, and traditional practices;

6           and

7           “(G) adequate and appropriate programs including—

8           “(i) abuse prevention (mental and physical);

9           “(ii) community health;

10          “(iii) community safety;

11          “(iv) consumer health education;

12          “(v) diet and nutrition;

13          “(vi) disease prevention (communicable, immunizations, HIV/AIDS);

14          “(vii) environmental health;

15          “(viii) exercise and physical fitness;

16          “(ix) fetal alcohol disorders;

17          “(x) first aid and CPR education;

- 1 “(xi) human growth and development;
- 2 “(xii) injury prevention and personal
- 3 safety;
- 4 “(xiii) mental health (emotional, self-
- 5 worth);
- 6 “(xiv) personal health and wellness
- 7 practices;
- 8 “(xv) personal capacity building;
- 9 “(xvi) prenatal, pregnancy, and infant
- 10 care;
- 11 “(xvii) psychological well being;
- 12 “(xiii) reproductive health (family
- 13 planning);
- 14 “(xix) safe and adequate water;
- 15 “(xx) safe housing;
- 16 “(xxi) safe work environments;
- 17 “(xxii) stress control;
- 18 “(xxiii) substance abuse;
- 19 “(xxiv) sanitary facilities;
- 20 “(xxv) tobacco use cessation and re-
- 21 duction;
- 22 “(xxvi) violence prevention; and
- 23 “(xxvii) such other activities identified
- 24 by the Service, an Indian tribe or tribal or-

1                   ganization, to promote the achievement of  
2                   the objective described in section 3(b).

3           “(d) EVALUATION.—The Secretary, after obtaining  
4 input from affected Indian tribes and tribal organizations,  
5 shall submit to the President for inclusion in each state-  
6 ment which is required to be submitted to Congress under  
7 section 801 an evaluation of—

8                   “(1) the health promotion and disease preven-  
9                   tion needs of Indians;

10                   “(2) the health promotion and disease preven-  
11                   tion activities which would best meet such needs;

12                   “(3) the internal capacity of the Service to meet  
13                   such needs; and

14                   “(4) the resources which would be required to  
15                   enable the Service to undertake the health promotion  
16                   and disease prevention activities necessary to meet  
17                   such needs.

18 **“SEC. 204. DIABETES PREVENTION, TREATMENT, AND CON-**  
19 **TROL.**

20           “(a) DETERMINATION.—The Secretary, in consulta-  
21 tion with Indian tribes and tribal organizations, shall  
22 determine—

23                   “(1) by tribe, tribal organization, and service  
24                   unit of the Service, the prevalence of, and the types

1 of complications resulting from, diabetes among In-  
2 dians; and

3 “(2) based on paragraph (1), the measures (in-  
4 cluding patient education) each service unit should  
5 take to reduce the prevalence of, and prevent, treat,  
6 and control the complications resulting from, diabe-  
7 tes among Indian tribes within that service unit.

8 “(b) SCREENING.—The Secretary shall screen each  
9 Indian who receives services from the Service for diabetes  
10 and for conditions which indicate a high risk that the indi-  
11 vidual will become diabetic. Such screening may be done  
12 by an Indian tribe or tribal organization operating health  
13 care programs or facilities with funds from the Service  
14 under the Indian Self-Determination and Education As-  
15 sistance Act.

16 “(c) CONTINUED FUNDING.—The Secretary shall  
17 continue to fund, through fiscal year 2015, each effective  
18 model diabetes project in existence on the date of the en-  
19 actment of this Act and such other diabetes programs op-  
20 erated by the Secretary or by Indian tribes and tribal or-  
21 ganizations and any additional programs added to meet  
22 existing diabetes needs. Indian tribes and tribal organiza-  
23 tions shall receive recurring funding for the diabetes pro-  
24 grams which they operate pursuant to this section. Model  
25 diabetes projects shall consult, on a regular basis, with



1 tribes and tribal organizations in their regions regarding  
2 diabetes needs and provide technical expertise as needed.

3 “(d) DIALYSIS PROGRAMS.—The Secretary shall pro-  
4 vide funding through the Service, Indian tribes and tribal  
5 organizations to establish dialysis programs, including  
6 funds to purchase dialysis equipment and provide nec-  
7 essary staffing.

8 “(e) OTHER ACTIVITIES.—The Secretary shall, to the  
9 extent funding is available—

10 “(1) in each area office of the Service, consult  
11 with Indian tribes and tribal organizations regarding  
12 programs for the prevention, treatment, and control  
13 of diabetes;

14 “(2) establish in each area office of the Service  
15 a registry of patients with diabetes to track the  
16 prevalence of diabetes and the complications from  
17 diabetes in that area; and

18 “(3) ensure that data collected in each area of-  
19 fice regarding diabetes and related complications  
20 among Indians is disseminated to tribes, tribal orga-  
21 nizations, and all other area offices.

22 **“SEC. 205. SHARED SERVICES.**

23 “(a) IN GENERAL.—The Secretary, acting through  
24 the Service and notwithstanding any other provision of  
25 law, is authorized to enter into funding agreements or

1 other arrangements with Indian tribes or tribal organiza-  
2 tions for the delivery of long-term care and similar services  
3 to Indians. Such projects shall provide for the sharing of  
4 staff or other services between a Service or tribal facility  
5 and a long-term care or other similar facility owned and  
6 operated (directly or through a funding agreement) by  
7 such Indian tribe or tribal organization.

8 “(b) REQUIREMENTS.—A funding agreement or  
9 other arrangement entered into pursuant to subsection  
10 (a)—

11 “(1) may, at the request of the Indian tribe or  
12 tribal organization, delegate to such tribe or tribal  
13 organization such powers of supervision and control  
14 over Service employees as the Secretary deems nec-  
15 essary to carry out the purposes of this section;

16 “(2) shall provide that expenses (including sala-  
17 ries) relating to services that are shared between the  
18 Service and the tribal facility be allocated propor-  
19 tionately between the Service and the tribe or tribal  
20 organization; and

21 “(3) may authorize such tribe or tribal organi-  
22 zation to construct, renovate, or expand a long-term  
23 care or other similar facility (including the construc-  
24 tion of a facility attached to a Service facility).

1       “(c) TECHNICAL ASSISTANCE.—The Secretary shall  
2 provide such technical and other assistance as may be ne-  
3 cessary to enable applicants to comply with the provisions  
4 of this section.

5       “(d) USE OF EXISTING FACILITIES.—The Secretary  
6 shall encourage the use for long-term or similar care of  
7 existing facilities that are under-utilized or allow the use  
8 of swing beds for such purposes.

9       **“SEC. 206. HEALTH SERVICES RESEARCH.**

10       “(a) FUNDING.—The Secretary shall make funding  
11 available for research to further the performance of the  
12 health service responsibilities of the Service, Indian tribes,  
13 and tribal organizations and shall coordinate the activities  
14 of other Agencies within the Department to address these  
15 research needs.

16       “(b) ALLOCATION.—Funding under subsection (a)  
17 shall be allocated equitably among the area offices. Each  
18 area office shall award such funds competitively within  
19 that area.

20       “(c) ELIGIBILITY FOR FUNDS.—Indian tribes and  
21 tribal organizations receiving funding from the Service  
22 under the authority of the Indian Self-Determination and  
23 Education Assistance Act shall be given an equal oppor-  
24 tunity to compete for, and receive, research funds under  
25 this section.

1       “(d) USE.—Funds received under this section may  
2 be used for both clinical and non-clinical research by In-  
3 dian tribes and tribal organizations and shall be distrib-  
4 uted to the area offices. Such area offices may make  
5 grants using such funds within each area.

6 **“SEC. 207. MAMMOGRAPHY AND OTHER CANCER SCREEN-**  
7 **ING.**

8       “The Secretary, through the Service or through In-  
9 dian tribes or tribal organizations, shall provide for the  
10 following screening:

11           “(1) Mammography (as defined in section  
12 1861(jj) of the Social Security Act) for Indian  
13 women at a frequency appropriate to such women  
14 under national standards, and under such terms and  
15 conditions as are consistent with standards estab-  
16 lished by the Secretary to assure the safety and ac-  
17 curacy of screening mammography under part B of  
18 title XVIII of the Social Security Act.

19           “(2) Other cancer screening meeting national  
20 standards.

21 **“SEC. 208. PATIENT TRAVEL COSTS.**

22       “The Secretary, acting through the Service, Indian  
23 tribes and tribal organizations shall provide funds for the  
24 following patient travel costs, including appropriate and  
25 necessary qualified escorts, associated with receiving

1 health care services provided (either through direct or con-  
 2 tract care or through funding agreements entered into  
 3 pursuant to the Indian Self-Determination and Education  
 4 Assistance Act) under this Act:

5           “(1) Emergency air transportation and non-  
 6 emergency air transportation where ground trans-  
 7 portation is infeasible.

8           “(2) Transportation by private vehicle, specially  
 9 equipped vehicle and ambulance.

10           “(3) Transportation by such other means as  
 11 may be available and required when air or motor ve-  
 12 hicle transportation is not available.

13 **“SEC. 209. EPIDEMIOLOGY CENTERS.**

14           “(a) ESTABLISHMENT.—

15           “(1) IN GENERAL.—In addition to those centers  
 16 operating 1 day prior to the date of enactment of  
 17 this Act, (including those centers for which funding  
 18 is currently being provided through funding agree-  
 19 ments under the Indian Self-Determination and  
 20 Education Assistance Act), the Secretary shall, not  
 21 later than 180 days after such date of enactment,  
 22 establish and fund an epidemiology center in each  
 23 service area which does not have such a center to  
 24 carry out the functions described in paragraph (2).  
 25 Any centers established under the preceding sen-

1       tence may be operated by Indian tribes or tribal or-  
 2       ganizations pursuant to funding agreements under  
 3       the Indian Self-Determination and Education Assist-  
 4       ance Act, but funding under such agreements may  
 5       not be divisible.

6           “(2) FUNCTIONS.—In consultation with and  
 7       upon the request of Indian tribes, tribal organiza-  
 8       tions and urban Indian organizations, each area epi-  
 9       demiology center established under this subsection  
 10       shall, with respect to such area shall—

11           “(A) collect data related to the health sta-  
 12       tus objective described in section 3(b), and  
 13       monitor the progress that the Service, Indian  
 14       tribes, tribal organizations, and urban Indian  
 15       organizations have made in meeting such health  
 16       status objective;

17           “(B) evaluate existing delivery systems,  
 18       data systems, and other systems that impact  
 19       the improvement of Indian health;

20           “(C) assist Indian tribes, tribal organiza-  
 21       tions, and urban Indian organizations in identi-  
 22       fying their highest priority health status objec-  
 23       tives and the services needed to achieve such  
 24       objectives, based on epidemiological data;

1           “(D) make recommendations for the tar-  
2           geting of services needed by tribal, urban, and  
3           other Indian communities;

4           “(E) make recommendations to improve  
5           health care delivery systems for Indians and  
6           urban Indians;

7           “(F) provide requested technical assistance  
8           to Indian tribes and urban Indian organizations  
9           in the development of local health service prior-  
10          ities and incidence and prevalence rates of dis-  
11          ease and other illness in the community; and

12          “(G) provide disease surveillance and assist  
13          Indian tribes, tribal organizations, and urban  
14          Indian organizations to promote public health.

15          “(3) TECHNICAL ASSISTANCE.—The director of  
16          the Centers for Disease Control and Prevention shall  
17          provide technical assistance to the centers in carry-  
18          ing out the requirements of this subsection.

19          “(b) FUNDING.—The Secretary may make funding  
20          available to Indian tribes, tribal organizations, and eligible  
21          intertribal consortia or urban Indian organizations to con-  
22          duct epidemiological studies of Indian communities.

1 **“SEC. 210. COMPREHENSIVE SCHOOL HEALTH EDUCATION**  
 2 **PROGRAMS.**

3 “(a) IN GENERAL.—The Secretary, acting through  
 4 the Service, shall provide funding to Indian tribes, tribal  
 5 organizations, and urban Indian organizations to develop  
 6 comprehensive school health education programs for chil-  
 7 dren from preschool through grade 12 in schools for the  
 8 benefit of Indian and urban Indian children.

9 “(b) USE OF FUNDS.—Funds awarded under this  
 10 section may be used to—

11 “(1) develop and implement health education  
 12 curricula both for regular school programs and after  
 13 school programs;

14 “(2) train teachers in comprehensive school  
 15 health education curricula;

16 “(3) integrate school-based, community-based,  
 17 and other public and private health promotion ef-  
 18 forts;

19 “(4) encourage healthy, tobacco-free school en-  
 20 vironments;

21 “(5) coordinate school-based health programs  
 22 with existing services and programs available in the  
 23 community;

24 “(6) develop school programs on nutrition edu-  
 25 cation, personal health, oral health, and fitness;

26 “(7) develop mental health wellness programs;



1           “(8) develop chronic disease prevention pro-  
2 grams;

3           “(9) develop substance abuse prevention pro-  
4 grams;

5           “(10) develop injury prevention and safety edu-  
6 cation programs;

7           “(11) develop activities for the prevention and  
8 control of communicable diseases;

9           “(12) develop community and environmental  
10 health education programs that include traditional  
11 health care practitioners;

12           “(13) carry out violence prevention activities;  
13 and

14           “(14) carry out activities relating to such other  
15 health issues as are appropriate.

16       “(c) TECHNICAL ASSISTANCE.—The Secretary shall,  
17 upon request, provide technical assistance to Indian tribes,  
18 tribal organizations and urban Indian organizations in the  
19 development of comprehensive health education plans, and  
20 the dissemination of comprehensive health education ma-  
21 terials and information on existing health programs and  
22 resources.

23       “(d) CRITERIA.—The Secretary, in consultation with  
24 Indian tribes, tribal organizations, and urban Indian orga-

1 nizations shall establish criteria for the review and ap-  
 2 proval of applications for funding under this section.

3 “(e) COMPREHENSIVE SCHOOL HEALTH EDUCATION  
 4 PROGRAM.—

5 “(1) DEVELOPMENT.—The Secretary of the In-  
 6 terior, acting through the Bureau of Indian Affairs  
 7 and in cooperation with the Secretary and affected  
 8 Indian tribes and tribal organizations, shall develop  
 9 a comprehensive school health education program for  
 10 children from preschool through grade 12 for use in  
 11 schools operated by the Bureau of Indian Affairs.

12 “(2) REQUIREMENTS.—The program developed  
 13 under paragraph (1) shall include—

14 “(A) school programs on nutrition edu-  
 15 cation, personal health, oral health, and fitness;

16 “(B) mental health wellness programs;

17 “(C) chronic disease prevention programs;

18 “(D) substance abuse prevention pro-  
 19 grams;

20 “(E) injury prevention and safety edu-  
 21 cation programs; and

22 “(F) activities for the prevention and con-  
 23 trol of communicable diseases.

24 “(3) TRAINING AND COORDINATION.—The Sec-  
 25 retary of the Interior shall—

1           “(A) provide training to teachers in com-  
2           prehensive school health education curricula;

3           “(B) ensure the integration and coordina-  
4           tion of school-based programs with existing  
5           services and health programs available in the  
6           community; and

7           “(C) encourage healthy, tobacco-free school  
8           environments.

9   **“SEC. 211. INDIAN YOUTH PROGRAM.**

10       “(a) IN GENERAL.—The Secretary, acting through  
11       the Service, is authorized to provide funding to Indian  
12       tribes, tribal organizations, and urban Indian organiza-  
13       tions for innovative mental and physical disease prevention  
14       and health promotion and treatment programs for Indian  
15       and urban Indian preadolescent and adolescent youths.

16       “(b) USE OF FUNDS.—

17           “(1) IN GENERAL.—Funds made available  
18       under this section may be used to—

19           “(A) develop prevention and treatment  
20           programs for Indian youth which promote men-  
21           tal and physical health and incorporate cultural  
22           values, community and family involvement, and  
23           traditional health care practitioners; and

24           “(B) develop and provide community train-  
25           ing and education.

1           “(2) LIMITATION.—Funds made available  
2 under this section may not be used to provide serv-  
3 ices described in section 707(c).

4           “(c) REQUIREMENTS.—The Secretary shall—

5           “(1) disseminate to Indian tribes, tribal organi-  
6 zations, and urban Indian organizations information  
7 regarding models for the delivery of comprehensive  
8 health care services to Indian and urban Indian ado-  
9 lescents;

10           “(2) encourage the implementation of such  
11 models; and

12           “(3) at the request of an Indian tribe, tribal or-  
13 ganization, or urban Indian organization, provide  
14 technical assistance in the implementation of such  
15 models.

16           “(d) CRITERIA.—The Secretary, in consultation with  
17 Indian tribes, tribal organization, and urban Indian orga-  
18 nizations, shall establish criteria for the review and ap-  
19 proval of applications under this section.

20 **“SEC. 212. PREVENTION, CONTROL, AND ELIMINATION OF**  
21 **COMMUNICABLE AND INFECTIOUS DISEASES.**

22           “(a) IN GENERAL.—The Secretary, acting through  
23 the Service after consultation with Indian tribes, tribal or-  
24 ganizations, urban Indian organizations, and the Centers

1 for Disease Control and Prevention, may make funding  
2 available to Indian tribes and tribal organizations for—

3           “(1) projects for the prevention, control, and  
4           elimination of communicable and infectious diseases,  
5           including tuberculosis, hepatitis, HIV, respiratory  
6           syncytial virus, hanta virus, sexually transmitted dis-  
7           eases, and H. Pylori, which projects may include  
8           screening, testing and treatment for HCV and other  
9           infectious and communicable diseases;

10           “(2) public information and education programs  
11           for the prevention, control, and elimination of com-  
12           municable and infectious diseases;

13           “(3) education, training, and clinical skills im-  
14           provement activities in the prevention, control, and  
15           elimination of communicable and infectious diseases  
16           for health professionals, including allied health pro-  
17           fessionals; and

18           “(4) a demonstration project that studies the  
19           seroprevalence of the Hepatitis C virus among a ran-  
20           dom sample of American Indian and Alaskan Native  
21           populations and identifies prevalence rates among a  
22           variety of tribes and geographic regions.

23           “(b) REQUIREMENT OF APPLICATION.—The Sec-  
24           retary may provide funds under subsection (a) only if an  
25           application or proposal for such funds is submitted.

1 “(c) TECHNICAL ASSISTANCE AND REPORT.—In car-  
 2 rying out this section, the Secretary—

3 “(1) may, at the request of an Indian tribe or  
 4 tribal organization, provide technical assistance; and

5 “(2) shall prepare and submit, biennially, a re-  
 6 port to Congress on the use of funds under this sec-  
 7 tion and on the progress made toward the preven-  
 8 tion, control, and elimination of communicable and  
 9 infectious diseases among Indians and urban Indi-  
 10 ans.

11 **“SEC. 213. AUTHORITY FOR PROVISION OF OTHER SERV-  
 12 ICES.**

13 “(a) IN GENERAL.—The Secretary, acting through  
 14 the Service, Indian tribes, and tribal organizations, may  
 15 provide funding under this Act to meet the objective set  
 16 forth in section 3 through health care related services and  
 17 programs not otherwise described in this Act. Such serv-  
 18 ices and programs shall include services and programs re-  
 19 lated to—

20 “(1) hospice care and assisted living;

21 “(2) long-term health care;

22 “(3) home- and community-based services;

23 “(4) public health functions; and

24 “(5) traditional health care practices.

1       “(b) AVAILABILITY OF SERVICES FOR CERTAIN INDI-  
 2 VIDUALS.—At the discretion of the Service, Indian tribe,  
 3 or tribal organization, services hospice care, home health  
 4 care (under section 201), home- and community-based  
 5 care, assisted living, and long term care may be provided  
 6 (on a cost basis) to individuals otherwise ineligible for the  
 7 health care benefits of the Service. Any funds received  
 8 under this subsection shall not be used to offset or limit  
 9 the funding allocated to a tribe or tribal organization.

10       “(c) DEFINITIONS.—In this section:

11               “(1) HOME- AND COMMUNITY-BASED SERV-  
 12 ICES.—The term ‘home- and community-based serv-  
 13 ices’ means 1 or more of the following:

14                       “(A) Homemaker/home health aide serv-  
 15 ices.

16                       “(B) Chore services.

17                       “(C) Personal care services.

18                       “(D) Nursing care services provided out-  
 19 side of a nursing facility by, or under the super-  
 20 vision of, a registered nurse.

21                       “(E) Training for family members.

22                       “(F) Adult day care.

23                       “(G) Such other home- and community-  
 24 based services as the Secretary or a tribe or  
 25 tribal organization may approve.

1           “(2) HOSPICE CARE.—The term ‘hospice care’  
2       means the items and services specified in subpara-  
3       graphs (A) through (H) of section 1861(dd)(1) of  
4       the Social Security Act (42 U.S.C. 1395x(dd)(1)),  
5       and such other services which an Indian tribe or  
6       tribal organization determines are necessary and ap-  
7       propriate to provide in furtherance of such care.

8           “(3) PUBLIC HEALTH FUNCTIONS.—The term  
9       ‘public health functions’ means public health related  
10      programs, functions, and services including assess-  
11      ments, assurances, and policy development that In-  
12      dian tribes and tribal organizations are authorized  
13      and encouraged, in those circumstances where it  
14      meets their needs, to carry out by forming collabo-  
15      rative relationships with all levels of local, State, and  
16      Federal governments.

17 **“SEC. 214. INDIAN WOMEN’S HEALTH CARE.**

18       “The Secretary acting through the Service, Indian  
19      tribes, tribal organizations, and urban Indian organiza-  
20      tions shall provide funding to monitor and improve the  
21      quality of health care for Indian women of all ages  
22      through the planning and delivery of programs adminis-  
23      tered by the Service, in order to improve and enhance the  
24      treatment models of care for Indian women.



1 **“SEC. 215. ENVIRONMENTAL AND NUCLEAR HEALTH HAZ-**  
2 **ARDS.**

3       “(a) STUDY AND MONITORING PROGRAMS.—The  
4 Secretary and the Service shall, in conjunction with other  
5 appropriate Federal agencies and in consultation with con-  
6 cerned Indian tribes and tribal organizations, conduct a  
7 study and carry out ongoing monitoring programs to de-  
8 termine the trends that exist in the health hazards posed  
9 to Indian miners and to Indians on or near Indian reserva-  
10 tions and in Indian communities as a result of environ-  
11 mental hazards that may result in chronic or life-threaten-  
12 ing health problems. Such hazards include nuclear re-  
13 source development, petroleum contamination, and con-  
14 tamination of the water source or of the food chain. Such  
15 study (and any reports with respect to such study) shall  
16 include—

17               “(1) an evaluation of the nature and extent of  
18 health problems caused by environmental hazards  
19 currently exhibited among Indians and the causes of  
20 such health problems;

21               “(2) an analysis of the potential effect of ongo-  
22 ing and future environmental resource development  
23 on or near Indian reservations and communities in-  
24 cluding the cumulative effect of such development  
25 over time on health;

1           “(3) an evaluation of the types and nature of  
2 activities, practices, and conditions causing or affect-  
3 ing such health problems including uranium mining  
4 and milling, uranium mine tailing deposits, nuclear  
5 power plant operation and construction, and nuclear  
6 waste disposal, oil and gas production or transpor-  
7 tation on or near Indian reservations or commu-  
8 nities, and other development that could affect the  
9 health of Indians and their water supply and food  
10 chain;

11           “(4) a summary of any findings or rec-  
12 ommendations provided in Federal and State stud-  
13 ies, reports, investigations, and inspections during  
14 the 5 years prior to the date of the enactment of  
15 this Act that directly or indirectly relate to the ac-  
16 tivities, practices, and conditions affecting the health  
17 or safety of such Indians; and

18           “(5) a description of the efforts that have been  
19 made by Federal and State agencies and resource  
20 and economic development companies to effectively  
21 carry out an education program for such Indians re-  
22 garding the health and safety hazards of such devel-  
23 opment.

24           “(b) DEVELOPMENT OF HEALTH CARE PLANS.—  
25 Upon the completion of the study under subsection (a),

1 the Secretary and the Service shall take into account the  
2 results of such study and, in consultation with Indian  
3 tribes and tribal organizations, develop a health care plan  
4 to address the health problems that were the subject of  
5 such study. The plans shall include—

6           “(1) methods for diagnosing and treating Indi-  
7           ans currently exhibiting such health problems;

8           “(2) preventive care and testing for Indians  
9           who may be exposed to such health hazards, includ-  
10          ing the monitoring of the health of individuals who  
11          have or may have been exposed to excessive amounts  
12          of radiation, or affected by other activities that have  
13          had or could have a serious impact upon the health  
14          of such individuals; and

15          “(3) a program of education for Indians who,  
16          by reason of their work or geographic proximity to  
17          such nuclear or other development activities, may ex-  
18          perience health problems.

19          “(c) SUBMISSION TO CONGRESS.—

20                 “(1) GENERAL REPORT.—Not later than 18  
21                 months after the date of enactment of this Act, the  
22                 Secretary and the Service shall submit to Congress  
23                 a report concerning the study conducted under sub-  
24                 section (a).

1           “(2) HEALTH CARE PLAN REPORT.—Not later  
2 than 1 year after the date on which the report under  
3 paragraph (1) is submitted to Congress, the Sec-  
4 retary and the Service shall submit to Congress the  
5 health care plan prepared under subsection (b).  
6 Such plan shall include recommended activities for  
7 the implementation of the plan, as well as an evalua-  
8 tion of any activities previously undertaken by the  
9 Service to address the health problems involved.

10          “(d) TASK FORCE.—

11           “(1) ESTABLISHED.—There is hereby estab-  
12 lished an Intergovernmental Task Force (referred to  
13 in this section as the ‘task force’) that shall be com-  
14 posed of the following individuals (or their des-  
15 ignees):

16                   “(A) The Secretary of Energy.

17                   “(B) The Administrator of the Environ-  
18 mental Protection Agency.

19                   “(C) The Director of the Bureau of Mines.

20                   “(D) The Assistant Secretary for Occupa-  
21 tional Safety and Health.

22                   “(E) The Secretary of the Interior.

23           “(2) DUTIES.—The Task Force shall identify  
24 existing and potential operations related to nuclear  
25 resource development or other environmental haz-

1 ards that affect or may affect the health of Indians  
 2 on or near an Indian reservation or in an Indian  
 3 community, and enter into activities to correct exist-  
 4 ing health hazards and ensure that current and fu-  
 5 ture health problems resulting from nuclear resource  
 6 or other development activities are minimized or re-  
 7 duced.

8 “(3) ADMINISTRATIVE PROVISIONS.—The Sec-  
 9 retary shall serve as the chairperson of the Task  
 10 Force. The Task Force shall meet at least twice  
 11 each year. Each member of the Task Force shall  
 12 furnish necessary assistance to the Task Force.

13 “(e) PROVISION OF APPROPRIATE MEDICAL CARE.—  
 14 In the case of any Indian who—

15 “(1) as a result of employment in or near a  
 16 uranium mine or mill or near any other environ-  
 17 mental hazard, suffers from a work related illness or  
 18 condition;

19 “(2) is eligible to receive diagnosis and treat-  
 20 ment services from a Service facility; and

21 “(3) by reason of such Indian’s employment, is  
 22 entitled to medical care at the expense of such mine  
 23 or mill operator or entity responsible for the environ-  
 24 mental hazard;

1 the Service shall, at the request of such Indian, render  
 2 appropriate medical care to such Indian for such illness  
 3 or condition and may recover the costs of any medical care  
 4 so rendered to which such Indian is entitled at the expense  
 5 of such operator or entity from such operator or entity.  
 6 Nothing in this subsection shall affect the rights of such  
 7 Indian to recover damages other than such costs paid to  
 8 the Service from the employer for such illness or condition.

9 **“SEC. 216. ARIZONA AS A CONTRACT HEALTH SERVICE DE-**  
 10 **LIVERY AREA.**

11 “(a) IN GENERAL.—For fiscal years beginning with  
 12 the fiscal year ending September 30, 1983, and ending  
 13 with the fiscal year ending September 30, 2015, the State  
 14 of Arizona shall be designated as a contract health service  
 15 delivery area by the Service for the purpose of providing  
 16 contract health care services to members of federally rec-  
 17 ognized Indian tribes of Arizona.

18 “(b) LIMITATION.—The Service shall not curtail any  
 19 health care services provided to Indians residing on Fed-  
 20 eral reservations in the State of Arizona if such curtail-  
 21 ment is due to the provision of contract services in such  
 22 State pursuant to the designation of such State as a con-  
 23 tract health service delivery area pursuant to subsection  
 24 (a).

1 **“SEC. 216A. NORTH DAKOTA AS A CONTRACT HEALTH**  
 2 **SERVICE DELIVERY AREA.**

3 “(a) IN GENERAL.—For fiscal years beginning with  
 4 the fiscal year ending September 30, 2003, and ending  
 5 with the fiscal year ending September 30, 2015, the State  
 6 of North Dakota shall be designated as a contract health  
 7 service delivery area by the Service for the purpose of pro-  
 8 viding contract health care services to members of feder-  
 9 ally recognized Indian tribes of North Dakota.

10 “(b) LIMITATION.—The Service shall not curtail any  
 11 health care services provided to Indians residing on Fed-  
 12 eral reservations in the State of North Dakota if such cur-  
 13 tailment is due to the provision of contract services in such  
 14 State pursuant to the designation of such State as a con-  
 15 tract health service delivery area pursuant to subsection  
 16 (a).

17 **“SEC. 216B. SOUTH DAKOTA AS A CONTRACT HEALTH SERV-**  
 18 **ICE DELIVERY AREA.**

19 “(a) IN GENERAL.—For fiscal years beginning with  
 20 the fiscal year ending September 30, 2003, and ending  
 21 with the fiscal year ending September 30, 2015, the State  
 22 of South Dakota shall be designated as a contract health  
 23 service delivery area by the Service for the purpose of pro-  
 24 viding contract health care services to members of feder-  
 25 ally recognized Indian tribes of South Dakota.





1 this section for any fiscal year may be used for reim-  
 2 bursement for administrative expenses incurred by  
 3 the Board during such fiscal year.

4 “(3) LIMITATION.—No payment may be made  
 5 for treatment provided under this section to the ex-  
 6 tent that payment may be made for such treatment  
 7 under the Catastrophic Health Emergency Fund de-  
 8 scribed in section 202 or from amounts appropriated  
 9 or otherwise made available to the California con-  
 10 tract health service delivery area for a fiscal year.

11 “(c) ADVISORY BOARD.—There is hereby established  
 12 an advisory board that shall advise the California Rural  
 13 Indian Health Board in carrying out this section. The ad-  
 14 visory board shall be composed of representatives, selected  
 15 by the California Rural Indian Health Board, from not  
 16 less than 8 tribal health programs serving California Indi-  
 17 ans covered under this section, at least 50 percent of  
 18 whom are not affiliated with the California Rural Indian  
 19 Health Board.

20 **“SEC. 218. CALIFORNIA AS A CONTRACT HEALTH SERVICE**  
 21 **DELIVERY AREA.**

22 “The State of California, excluding the counties of  
 23 Alameda, Contra Costa, Los Angeles, Marin, Orange, Sac-  
 24 ramento, San Francisco, San Mateo, Santa Clara, Kern,  
 25 Merced, Monterey, Napa, San Benito, San Joaquin, San

1 Luis Obispo, Santa Cruz, Solano, Stanislaus, and Ventura  
 2 shall be designated as a contract health service delivery  
 3 area by the Service for the purpose of providing contract  
 4 health services to Indians in such State, except that any  
 5 of the counties described in this section may be included  
 6 in the contract health services delivery area if funding is  
 7 specifically provided by the Service for such services in  
 8 those counties.

9 **“SEC. 219. CONTRACT HEALTH SERVICES FOR THE TREN-**  
 10 **TON SERVICE AREA.**

11 “(a) IN GENERAL.—The Secretary, acting through  
 12 the Service, shall provide contract health services to mem-  
 13 bers of the Turtle Mountain Band of Chippewa Indians  
 14 that reside in the Trenton Service Area of Divide,  
 15 McKenzie, and Williams counties in the State of North  
 16 Dakota and the adjoining counties of Richland, Roosevelt,  
 17 and Sheridan in the State of Montana.

18 “(b) RULE OF CONSTRUCTION.—Nothing in this sec-  
 19 tion shall be construed as expanding the eligibility of mem-  
 20 bers of the Turtle Mountain Band of Chippewa Indians  
 21 for health services provided by the Service beyond the  
 22 scope of eligibility for such health services that applied on  
 23 May 1, 1986.

1 **“SEC. 220. PROGRAMS OPERATED BY INDIAN TRIBES AND**  
2 **TRIBAL ORGANIZATIONS.**

3 “The Service shall provide funds for health care pro-  
4 grams and facilities operated by Indian tribes and tribal  
5 organizations under funding agreements with the Service  
6 entered into under the Indian Self-Determination and  
7 Education Assistance Act on the same basis as such funds  
8 are provided to programs and facilities operated directly  
9 by the Service.

10 **“SEC. 221. LICENSING.**

11 “Health care professionals employed by Indian tribes  
12 and tribal organizations to carry out agreements under the  
13 Indian Self-Determination and Education Assistance Act,  
14 shall, if licensed in any State, be exempt from the licensing  
15 requirements of the State in which the agreement is per-  
16 formed.

17 **“SEC. 222. AUTHORIZATION FOR EMERGENCY CONTRACT**  
18 **HEALTH SERVICES.**

19 “With respect to an elderly Indian or an Indian with  
20 a disability receiving emergency medical care or services  
21 from a non-Service provider or in a non-Service facility  
22 under the authority of this Act, the time limitation (as  
23 a condition of payment) for notifying the Service of such  
24 treatment or admission shall be 30 days.

1 **“SEC. 223. PROMPT ACTION ON PAYMENT OF CLAIMS.**

2       “(a) REQUIREMENT.—The Service shall respond to  
3 a notification of a claim by a provider of a contract care  
4 service with either an individual purchase order or a denial  
5 of the claim within 5 working days after the receipt of  
6 such notification.

7       “(b) FAILURE TO RESPOND.—If the Service fails to  
8 respond to a notification of a claim in accordance with  
9 subsection (a), the Service shall accept as valid the claim  
10 submitted by the provider of a contract care service.

11       “(c) PAYMENT.—The Service shall pay a valid con-  
12 tract care service claim within 30 days after the comple-  
13 tion of the claim.

14 **“SEC. 224. LIABILITY FOR PAYMENT.**

15       “(a) NO LIABILITY.—A patient who receives contract  
16 health care services that are authorized by the Service  
17 shall not be liable for the payment of any charges or costs  
18 associated with the provision of such services.

19       “(b) NOTIFICATION.—The Secretary shall notify a  
20 contract care provider and any patient who receives con-  
21 tract health care services authorized by the Service that  
22 such patient is not liable for the payment of any charges  
23 or costs associated with the provision of such services.

24       “(c) LIMITATION.—Following receipt of the notice  
25 provided under subsection (b), or, if a claim has been  
26 deemed accepted under section 223(b), the provider shall

1 have no further recourse against the patient who received  
2 the services involved.

3 **“SEC. 225. AUTHORIZATION OF APPROPRIATIONS.**

4 “There are authorized to be appropriated such sums  
5 as may be necessary for each fiscal year through fiscal  
6 year 2015 to carry out this title.

7 **“TITLE III—FACILITIES**

8 **“SEC. 301. CONSULTATION, CONSTRUCTION AND RENOVA-**  
9 **TION OF FACILITIES; REPORTS.**

10 “(a) CONSULTATION.—Prior to the expenditure of, or  
11 the making of any firm commitment to expend, any funds  
12 appropriated for the planning, design, construction, or  
13 renovation of facilities pursuant to the Act of November  
14 2, 1921 (25 U.S.C. 13) (commonly known as the Snyder  
15 Act), the Secretary, acting through the Service, shall—

16 “(1) consult with any Indian tribe that would  
17 be significantly affected by such expenditure for the  
18 purpose of determining and, whenever practicable,  
19 honoring tribal preferences concerning size, location,  
20 type, and other characteristics of any facility on  
21 which such expenditure is to be made; and

22 “(2) ensure, whenever practicable, that such fa-  
23 cility meets the construction standards of any na-  
24 tionally recognized accrediting body by not later

1 than 1 year after the date on which the construction  
2 or renovation of such facility is completed.

3 “(b) CLOSURE OF FACILITIES.—

4 “(1) IN GENERAL.—Notwithstanding any provi-  
5 sion of law other than this subsection, no Service  
6 hospital or outpatient health care facility or any in-  
7 patient service or special care facility operated by  
8 the Service, may be closed if the Secretary has not  
9 submitted to the Congress at least 1 year prior to  
10 the date such proposed closure an evaluation of the  
11 impact of such proposed closure which specifies, in  
12 addition to other considerations—

13 “(A) the accessibility of alternative health  
14 care resources for the population served by such  
15 hospital or facility;

16 “(B) the cost effectiveness of such closure;

17 “(C) the quality of health care to be pro-  
18 vided to the population served by such hospital  
19 or facility after such closure;

20 “(D) the availability of contract health  
21 care funds to maintain existing levels of service;

22 “(E) the views of the Indian tribes served  
23 by such hospital or facility concerning such clo-  
24 sure;

1           “(F) the level of utilization of such hos-  
2           pital or facility by all eligible Indians; and

3           “(G) the distance between such hospital or  
4           facility and the nearest operating Service hos-  
5           pital.

6           “(2) TEMPORARY CLOSURE.—Paragraph (1)  
7           shall not apply to any temporary closure of a facility  
8           or of any portion of a facility if such closure is nec-  
9           essary for medical, environmental, or safety reasons.

10          “(c) PRIORITY SYSTEM.—

11           “(1) ESTABLISHMENT.—The Secretary shall es-  
12           tablish a health care facility priority system, that  
13           shall—

14           “(A) be developed with Indian tribes and  
15           tribal organizations through negotiated rule-  
16           making under section 802;

17           “(B) give the needs of Indian tribes the  
18           highest priority, with additional priority being  
19           given to those service areas where the health  
20           status of Indians within the area, as measured  
21           by life expectancy based upon the most recent  
22           data available, is significantly lower than the  
23           average health status for Indians in all service  
24           areas; and

1           “(C) at a minimum, include the lists re-  
2           quired in paragraph (2)(B) and the methodol-  
3           ogy required in paragraph (2)(E);

4           except that the priority of any project established  
5           under the construction priority system in effect on  
6           the date of this Act shall not be affected by any  
7           change in the construction priority system taking  
8           place thereafter if the project was identified as one  
9           of the top 10 priority inpatient projects or one of  
10          the top 10 outpatient projects in the Indian Health  
11          Service budget justification for fiscal year 2003, or  
12          if the project had completed both Phase I and Phase  
13          II of the construction priority system in effect on  
14          the date of this Act.

15          “(2) REPORT.—The Secretary shall submit to  
16          the President, for inclusion in each report required  
17          to be transmitted to the Congress under section 801,  
18          a report that includes—

19                 “(A) a description of the health care facil-  
20                 ity priority system of the Service, as established  
21                 under paragraph (1);

22                 “(B) health care facility lists, including—

23                         “(i) the total health care facility plan-  
24                         ning, design, construction and renovation  
25                         needs for Indians;



1                   “(ii) the 10 top-priority inpatient care  
2 facilities;

3                   “(iii) the 10 top-priority outpatient  
4 care facilities;

5                   “(iv) the 10 top-priority specialized  
6 care facilities (such as long-term care and  
7 alcohol and drug abuse treatment); and

8                   “(v) any staff quarters associated  
9 with such prioritized facilities;

10                  “(C) the justification for the order of pri-  
11 ority among facilities;

12                  “(D) the projected cost of the projects in-  
13 volved; and

14                  “(E) the methodology adopted by the Serv-  
15 ice in establishing priorities under its health  
16 care facility priority system.

17                  “(3) CONSULTATION.—In preparing each report  
18 required under paragraph (2) (other than the initial  
19 report) the Secretary shall annually—

20                   “(A) consult with, and obtain information  
21 on all health care facilities needs from, Indian  
22 tribes and tribal organizations including those  
23 tribes or tribal organizations operating health  
24 programs or facilities under any funding agree-  
25 ment entered into with the Service under the

1 Indian Self-Determination and Education As-  
2 sistance Act; and

3 “(B) review the total unmet needs of all  
4 tribes and tribal organizations for health care  
5 facilities (including staff quarters), including  
6 needs for renovation and expansion of existing  
7 facilities.

8 “(4) CRITERIA.—For purposes of this sub-  
9 section, the Secretary shall, in evaluating the needs  
10 of facilities operated under any funding agreement  
11 entered into with the Service under the Indian Self-  
12 Determination and Education Assistance Act, use  
13 the same criteria that the Secretary uses in evaluat-  
14 ing the needs of facilities operated directly by the  
15 Service.

16 “(5) EQUITABLE INTEGRATION.—The Secretary  
17 shall ensure that the planning, design, construction,  
18 and renovation needs of Service and non-Service fa-  
19 cilities, operated under funding agreements in ac-  
20 cordance with the Indian Self-Determination and  
21 Education Assistance Act are fully and equitably in-  
22 tegrated into the health care facility priority system.

23 “(d) REVIEW OF NEED FOR FACILITIES.—

24 “(1) REPORT.—Beginning in 2004, the Sec-  
25 retary shall annually submit to the President, for in-

1 clusion in the report required to be transmitted to  
2 Congress under section 801 of this Act, a report  
3 which sets forth the needs of the Service and all In-  
4 dian tribes and tribal organizations, including urban  
5 Indian organizations, for inpatient, outpatient and  
6 specialized care facilities, including the needs for  
7 renovation and expansion of existing facilities.

8 “(2) CONSULTATION.—In preparing each report  
9 required under paragraph (1) (other than the initial  
10 report), the Secretary shall consult with Indian  
11 tribes and tribal organizations including those tribes  
12 or tribal organizations operating health programs or  
13 facilities under any funding agreement entered into  
14 with the Service under the Indian Self-Determina-  
15 tion and Education Assistance Act, and with urban  
16 Indian organizations.

17 “(3) CRITERIA.—For purposes of this sub-  
18 section, the Secretary shall, in evaluating the needs  
19 of facilities operated under any funding agreement  
20 entered into with the Service under the Indian Self-  
21 Determination and Education Assistance Act, use  
22 the same criteria that the Secretary uses in evaluat-  
23 ing the needs of facilities operated directly by the  
24 Service.

1           “(4) EQUITABLE INTEGRATION.—The Secretary  
2 shall ensure that the planning, design, construction,  
3 and renovation needs of facilities operated under  
4 funding agreements, in accordance with the Indian  
5 Self-Determination and Education Assistance Act,  
6 are fully and equitably integrated into the develop-  
7 ment of the health facility priority system.

8           “(5) ANNUAL NOMINATIONS.—Each year the  
9 Secretary shall provide an opportunity for the nomi-  
10 nation of planning, design, and construction projects  
11 by the Service and all Indian tribes and tribal orga-  
12 nizations for consideration under the health care fa-  
13 cility priority system.

14           “(e) INCLUSION OF CERTAIN PROGRAMS.—All funds  
15 appropriated under the Act of November 2, 1921 (25  
16 U.S.C. 13), for the planning, design, construction, or ren-  
17 ovation of health facilities for the benefit of an Indian  
18 tribe or tribes shall be subject to the provisions of section  
19 102 of the Indian Self-Determination and Education As-  
20 sistance Act.

21           “(f) INNOVATIVE APPROACHES.—The Secretary shall  
22 consult and cooperate with Indian tribes, tribal organiza-  
23 tions and urban Indian organizations in developing inno-  
24 vative approaches to address all or part of the total unmet  
25 need for construction of health facilities, including those

1 provided for in other sections of this title and other ap-  
2 proaches.

3 **“SEC. 302. SAFE WATER AND SANITARY WASTE DISPOSAL**  
4 **FACILITIES.**

5 “(a) FINDINGS.—Congress finds and declares that—

6 “(1) the provision of safe water supply facilities  
7 and sanitary sewage and solid waste disposal facili-  
8 ties is primarily a health consideration and function;

9 “(2) Indian people suffer an inordinately high  
10 incidence of disease, injury, and illness directly at-  
11 tributable to the absence or inadequacy of such fa-  
12 cilities;

13 “(3) the long-term cost to the United States of  
14 treating and curing such disease, injury, and illness  
15 is substantially greater than the short-term cost of  
16 providing such facilities and other preventive health  
17 measures;

18 “(4) many Indian homes and communities still  
19 lack safe water supply facilities and sanitary sewage  
20 and solid waste disposal facilities; and

21 “(5) it is in the interest of the United States,  
22 and it is the policy of the United States, that all In-  
23 dian communities and Indian homes, new and exist-  
24 ing, be provided with safe and adequate water sup-

1       ply facilities and sanitary sewage waste disposal fa-  
2       cilities as soon as possible.

3       “(b) PROVISION OF FACILITIES AND SERVICES.—

4               “(1) IN GENERAL.—In furtherance of the find-  
5       ings and declarations made in subsection (a), Con-  
6       gress reaffirms the primary responsibility and au-  
7       thority of the Service to provide the necessary sani-  
8       tation facilities and services as provided in section 7  
9       of the Act of August 5, 1954 (42 U.S.C. 2004a).

10              “(2) ASSISTANCE.—The Secretary, acting  
11       through the Service, is authorized to provide under  
12       section 7 of the Act of August 5, 1954 (42 U.S.C.  
13       2004a)—

14              “(A) financial and technical assistance to  
15       Indian tribes, tribal organizations and Indian  
16       communities in the establishment, training, and  
17       equipping of utility organizations to operate  
18       and maintain Indian sanitation facilities, in-  
19       cluding the provision of existing plans, standard  
20       details, and specifications available in the De-  
21       partment, to be used at the option of the tribe  
22       or tribal organization;

23              “(B) ongoing technical assistance and  
24       training in the management of utility organiza-

1           tions which operate and maintain sanitation fa-  
2           cilities; and

3           “(C) priority funding for the operation,  
4           and maintenance assistance for, and emergency  
5           repairs to, tribal sanitation facilities when nec-  
6           essary to avoid an imminent health threat or to  
7           protect the investment in sanitation facilities  
8           and the investment in the health benefits  
9           gained through the provision of sanitation fa-  
10          cilities.

11          “(3) PROVISIONS RELATING TO FUNDING.—  
12          Notwithstanding any other provision of law—

13                 “(A) the Secretary of Housing and Urban  
14                 Development is authorized to transfer funds ap-  
15                 propriated under the Native American Housing  
16                 Assistance and Self-Determination Act of 1996  
17                 to the Secretary of Health and Human Serv-  
18                 ices;

19                 “(B) the Secretary of Health and Human  
20                 Services is authorized to accept and use such  
21                 funds for the purpose of providing sanitation  
22                 facilities and services for Indians under section  
23                 7 of the Act of August 5, 1954 (42 U.S.C.  
24                 2004a);

1           “(C) unless specifically authorized when  
2 funds are appropriated, the Secretary of Health  
3 and Human Services shall not use funds appro-  
4 priated under section 7 of the Act of August 5,  
5 1954 (42 U.S.C. 2004a) to provide sanitation  
6 facilities to new homes constructed using funds  
7 provided by the Department of Housing and  
8 Urban Development;

9           “(D) the Secretary of Health and Human  
10 Services is authorized to accept all Federal  
11 funds that are available for the purpose of pro-  
12 viding sanitation facilities and related services  
13 and place those funds into funding agreements,  
14 authorized under the Indian Self-Determination  
15 and Education Assistance Act, between the Sec-  
16 retary and Indian tribes and tribal organiza-  
17 tions;

18           “(E) the Secretary may permit funds ap-  
19 propriated under the authority of section 4 of  
20 the Act of August 5, 1954 (42 U.S.C. 2004) to  
21 be used to fund up to 100 percent of the  
22 amount of a tribe’s loan obtained under any  
23 Federal program for new projects to construct  
24 eligible sanitation facilities to serve Indian  
25 homes;



1           “(F) the Secretary may permit funds ap-  
2           propriated under the authority of section 4 of  
3           the Act of August 5, 1954 (42 U.S.C. 2004) to  
4           be used to meet matching or cost participation  
5           requirements under other Federal and non-Fed-  
6           eral programs for new projects to construct eli-  
7           gible sanitation facilities;

8           “(G) all Federal agencies are authorized to  
9           transfer to the Secretary funds identified,  
10          granted, loaned or appropriated and thereafter  
11          the Department’s applicable policies, rules, reg-  
12          ulations shall apply in the implementation of  
13          such projects;

14          “(H) the Secretary of Health and Human  
15          Services shall enter into inter-agency agree-  
16          ments with the Bureau of Indian Affairs, the  
17          Department of Housing and Urban Develop-  
18          ment, the Department of Agriculture, the Envi-  
19          ronmental Protection Agency and other appro-  
20          priate Federal agencies, for the purpose of pro-  
21          viding financial assistance for safe water supply  
22          and sanitary sewage disposal facilities under  
23          this Act; and

24          “(I) the Secretary of Health and Human  
25          Services shall, by regulation developed through

1 rulemaking under section 802, establish stand-  
2 ards applicable to the planning, design and con-  
3 struction of water supply and sanitary sewage  
4 and solid waste disposal facilities funded under  
5 this Act.

6 “(c) 10-YEAR FUNDING PLAN.—The Secretary, act-  
7 ing through the Service and in consultation with Indian  
8 tribes and tribal organizations, shall develop and imple-  
9 ment a 10-year funding plan to provide safe water supply  
10 and sanitary sewage and solid waste disposal facilities  
11 serving existing Indian homes and communities, and to  
12 new and renovated Indian homes.

13 “(d) CAPABILITY OF TRIBE OR COMMUNITY.—The  
14 financial and technical capability of an Indian tribe or  
15 community to safely operate and maintain a sanitation fa-  
16 cility shall not be a prerequisite to the provision or con-  
17 struction of sanitation facilities by the Secretary.

18 “(e) FINANCIAL ASSISTANCE.—The Secretary may  
19 provide financial assistance to Indian tribes, tribal organi-  
20 zations and communities for the operation, management,  
21 and maintenance of their sanitation facilities.

22 “(f) RESPONSIBILITY FOR FEES FOR OPERATION  
23 AND MAINTENANCE.—The Indian family, community or  
24 tribe involved shall have the primary responsibility to es-  
25 tablish, collect, and use reasonable user fees, or otherwise

1 set aside funding, for the purpose of operating and main-  
2 taining sanitation facilities. If a community facility is  
3 threatened with imminent failure and there is a lack of  
4 tribal capacity to maintain the integrity or the health ben-  
5 efit of the facility, the Secretary may assist the tribe in  
6 the resolution of the problem on a short term basis  
7 through cooperation with the emergency coordinator or by  
8 providing operation and maintenance service.

9 “(g) ELIGIBILITY OF CERTAIN TRIBES OR ORGANI-  
10 ZATIONS.—Programs administered by Indian tribes or  
11 tribal organizations under the authority of the Indian Self-  
12 Determination and Education Assistance Act shall be eli-  
13 gible for—

14 “(1) any funds appropriated pursuant to this  
15 section; and

16 “(2) any funds appropriated for the purpose of  
17 providing water supply, sewage disposal, or solid  
18 waste facilities;

19 on an equal basis with programs that are administered  
20 directly by the Service.

21 “(h) REPORT.—

22 “(1) IN GENERAL.—The Secretary shall submit  
23 to the President, for inclusion in each report re-  
24 quired to be transmitted to the Congress under sec-  
25 tion 801, a report which sets forth—

1           “(A) the current Indian sanitation facility  
2           priority system of the Service;

3           “(B) the methodology for determining  
4           sanitation deficiencies;

5           “(C) the level of initial and final sanitation  
6           deficiency for each type sanitation facility for  
7           each project of each Indian tribe or community;  
8           and

9           “(D) the amount of funds necessary to re-  
10          duce the identified sanitation deficiency levels of  
11          all Indian tribes and communities to a level I  
12          sanitation deficiency as described in paragraph  
13          (4)(A).

14          “(2) CONSULTATION.—In preparing each report  
15          required under paragraph (1), the Secretary shall  
16          consult with Indian tribes and tribal organizations  
17          (including those tribes or tribal organizations operat-  
18          ing health care programs or facilities under any  
19          funding agreements entered into with the Service  
20          under the Indian Self-Determination and Education  
21          Assistance Act) to determine the sanitation needs of  
22          each tribe and in developing the criteria on which  
23          the needs will be evaluated through a process of ne-  
24          gotiated rulemaking.

1           “(3) METHODOLOGY.—The methodology used  
2 by the Secretary in determining, preparing cost esti-  
3 mates for and reporting sanitation deficiencies for  
4 purposes of paragraph (1) shall be applied uniformly  
5 to all Indian tribes and communities.

6           “(4) SANITATION DEFICIENCY LEVELS.—For  
7 purposes of this subsection, the sanitation deficiency  
8 levels for an individual or community sanitation fa-  
9 cility serving Indian homes are as follows:

10           “(A) A level I deficiency is a sanitation fa-  
11 cility serving an individual or community—

12           “(i) which complies with all applicable  
13 water supply, pollution control and solid  
14 waste disposal laws; and

15           “(ii) in which the deficiencies relate to  
16 routine replacement, repair, or mainte-  
17 nance needs.

18           “(B) A level II deficiency is a sanitation  
19 facility serving an individual or community—

20           “(i) which substantially or recently  
21 complied with all applicable water supply,  
22 pollution control and solid waste laws, in  
23 which the deficiencies relate to small or  
24 minor capital improvements needed to  
25 bring the facility back into compliance;

1           “(ii) in which the deficiencies relate to  
2           capital improvements that are necessary to  
3           enlarge or improve the facilities in order to  
4           meet the current needs for domestic sani-  
5           tation facilities; or

6           “(iii) in which the deficiencies relate  
7           to the lack of equipment or training by an  
8           Indian tribe or community to properly op-  
9           erate and maintain the sanitation facilities.

10          “(C) A level III deficiency is an individual  
11          or community facility with water or sewer serv-  
12          ice in the home, piped services or a haul system  
13          with holding tanks and interior plumbing, or  
14          where major significant interruptions to water  
15          supply or sewage disposal occur frequently, re-  
16          quiring major capital improvements to correct  
17          the deficiencies. There is no access to or no ap-  
18          proved or permitted solid waste facility avail-  
19          able.

20          “(D) A level IV deficiency is an individual  
21          or community facility where there are no piped  
22          water or sewer facilities in the home or the fa-  
23          cility has become inoperable due to major com-  
24          ponent failure or where only a washeteria or  
25          central facility exists.

1           “(E) A level V deficiency is the absence of  
2           a sanitation facility, where individual homes do  
3           not have access to safe drinking water or ade-  
4           quate wastewater disposal.

5           “(i) DEFINITIONS.—In this section:

6           “(1) FACILITY.—The terms ‘facility’ or ‘facili-  
7           ties’ shall have the same meaning as the terms ‘sys-  
8           tem’ or ‘systems’ unless the context requires other-  
9           wise.

10           “(2) INDIAN COMMUNITY.—The term ‘Indian  
11           community’ means a geographic area, a significant  
12           proportion of whose inhabitants are Indians and  
13           which is served by or capable of being served by a  
14           facility described in this section.

15           **“SEC. 303. PREFERENCE TO INDIANS AND INDIAN FIRMS.**

16           “(a) IN GENERAL.—The Secretary, acting through  
17           the Service, may utilize the negotiating authority of the  
18           Act of June 25, 1910 (25 U.S.C. 47), to give preference  
19           to any Indian or any enterprise, partnership, corporation,  
20           or other type of business organization owned and con-  
21           trolled by an Indian or Indians including former or cur-  
22           rently federally recognized Indian tribes in the State of  
23           New York (hereinafter referred to as an ‘Indian firm’) in  
24           the construction and renovation of Service facilities pursu-  
25           ant to section 301 and in the construction of safe water

1 and sanitary waste disposal facilities pursuant to section  
 2 302. Such preference may be accorded by the Secretary  
 3 unless the Secretary finds, pursuant to rules and regula-  
 4 tions promulgated by the Secretary, that the project or  
 5 function to be contracted for will not be satisfactory or  
 6 such project or function cannot be properly completed or  
 7 maintained under the proposed contract. The Secretary,  
 8 in arriving at such finding, shall consider whether the In-  
 9 dian or Indian firm will be deficient with respect to—

- 10           “(1) ownership and control by Indians;  
 11           “(2) equipment;  
 12           “(3) bookkeeping and accounting procedures;  
 13           “(4) substantive knowledge of the project or  
 14           function to be contracted for;  
 15           “(5) adequately trained personnel; or  
 16           “(6) other necessary components of contract  
 17           performance.

18       “(b) EXEMPTION FROM DAVIS-BACON.—For the  
 19       purpose of implementing the provisions of this title, con-  
 20       struction or renovation of facilities constructed or ren-  
 21       ovated in whole or in part by funds made available pursu-  
 22       ant to this title are exempt from the Act of March 3, 1931  
 23       (40 U.S.C. 276a—276a-5, known as the Davis-Bacon  
 24       Act). For all health facilities, staff quarters and sanitation  
 25       facilities, construction and renovation subcontractors shall



1 be paid wages at rates that are not less than the prevailing  
 2 wage rates for similar construction in the locality involved,  
 3 as determined by the Indian tribe, tribes, or tribal organi-  
 4 zations served by such facilities.

5 **“SEC. 304. SOBOBA SANITATION FACILITIES.**

6 “Nothing in the Act of December 17, 1970 (84 Stat.  
 7 1465) shall be construed to preclude the Soboba Band of  
 8 Mission Indians and the Soboba Indian Reservation from  
 9 being provided with sanitation facilities and services under  
 10 the authority of section 7 of the Act of August 5, 1954  
 11 (68 Stat. 674), as amended by the Act of July 31, 1959  
 12 (73 Stat. 267).

13 **“SEC. 305. EXPENDITURE OF NONSERVICE FUNDS FOR REN-**  
 14 **OVATION.**

15 “(a) PERMISSIBILITY.—

16 “(1) IN GENERAL.—Notwithstanding any other  
 17 provision of law, the Secretary is authorized to ac-  
 18 cept any major expansion, renovation or moderniza-  
 19 tion by any Indian tribe of any Service facility, or  
 20 of any other Indian health facility operated pursuant  
 21 to a funding agreement entered into under the In-  
 22 dian Self-Determination and Education Assistance  
 23 Act, including—

24 “(A) any plans or designs for such expan-  
 25 sion, renovation or modernization; and

1           “(B) any expansion, renovation or mod-  
2           ernization for which funds appropriated under  
3           any Federal law were lawfully expended;  
4           but only if the requirements of subsection (b) are  
5           met.

6           “(2) PRIORITY LIST.—The Secretary shall  
7           maintain a separate priority list to address the need  
8           for increased operating expenses, personnel or equip-  
9           ment for such facilities described in paragraph (1).  
10          The methodology for establishing priorities shall be  
11          developed by negotiated rulemaking under section  
12          802. The list of priority facilities will be revised an-  
13          nually in consultation with Indian tribes and tribal  
14          organizations.

15          “(3) REPORT.—The Secretary shall submit to  
16          the President, for inclusion in each report required  
17          to be transmitted to the Congress under section 801,  
18          the priority list maintained pursuant to paragraph  
19          (2).

20          “(b) REQUIREMENTS.—The requirements of this sub-  
21          section are met with respect to any expansion, renovation  
22          or modernization if—

23                  “(1) the tribe or tribal organization—

24                          “(A) provides notice to the Secretary of its  
25                          intent to expand, renovate or modernize; and

1           “(B) applies to the Secretary to be placed  
2           on a separate priority list to address the needs  
3           of such new facilities for increased operating ex-  
4           penses, personnel or equipment; and

5           “(2) the expansion renovation or  
6           modernization—

7           “(A) is approved by the appropriate area  
8           director of the Service for Federal facilities; and

9           “(B) is administered by the Indian tribe or  
10          tribal organization in accordance with any ap-  
11          plicable regulations prescribed by the Secretary  
12          with respect to construction or renovation of  
13          Service facilities.

14          “(c) RIGHT OF TRIBE IN CASE OF FAILURE OF FA-  
15          CILITY TO BE USED AS A SERVICE FACILITY.—If any  
16          Service facility which has been expanded, renovated or  
17          modernized by an Indian tribe under this section ceases  
18          to be used as a Service facility during the 20-year period  
19          beginning on the date such expansion, renovation or mod-  
20          ernization is completed, such Indian tribe shall be entitled  
21          to recover from the United States an amount which bears  
22          the same ratio to the value of such facility at the time  
23          of such cessation as the value of such expansion, renova-  
24          tion or modernization (less the total amount of any funds  
25          provided specifically for such facility under any Federal

1 program that were expended for such expansion, renova-  
 2 tion or modernization) bore to the value of such facility  
 3 at the time of the completion of such expansion, renova-  
 4 tion or modernization.

5 **“SEC. 306. FUNDING FOR THE CONSTRUCTION, EXPANSION,  
 6 AND MODERNIZATION OF SMALL AMBULA-  
 7 TORY CARE FACILITIES.**

8 “(a) AVAILABILITY OF FUNDING.—

9 “(1) IN GENERAL.—The Secretary, acting  
 10 through the Service and in consultation with Indian  
 11 tribes and tribal organization, shall make funding  
 12 available to tribes and tribal organizations for the  
 13 construction, expansion, or modernization of facili-  
 14 ties for the provision of ambulatory care services to  
 15 eligible Indians (and noneligible persons as provided  
 16 for in subsections (b)(2) and (c)(1)(C)). Funding  
 17 under this section may cover up to 100 percent of  
 18 the costs of such construction, expansion, or mod-  
 19 ernization. For the purposes of this section, the term  
 20 ‘construction’ includes the replacement of an exist-  
 21 ing facility.

22 “(2) REQUIREMENT.—Funding under para-  
 23 graph (1) may only be made available to an Indian  
 24 tribe or tribal organization operating an Indian  
 25 health facility (other than a facility owned or con-

1        structed by the Service, including a facility originally  
2        owned or constructed by the Service and transferred  
3        to an Indian tribe or tribal organization) pursuant  
4        to a funding agreement entered into under the In-  
5        dian Self-Determination and Education Assistance  
6        Act.

7        “(b) USE OF FUNDS.—

8                “(1) IN GENERAL.—Funds provided under this  
9        section may be used only for the construction, ex-  
10        pansion, or modernization (including the planning  
11        and design of such construction, expansion, or mod-  
12        ernization) of an ambulatory care facility—

13                    “(A) located apart from a hospital;

14                    “(B) not funded under section 301 or sec-  
15        tion 307; and

16                    “(C) which, upon completion of such con-  
17        struction, expansion, or modernization will—

18                            “(i) have a total capacity appropriate  
19        to its projected service population;

20                            “(ii) provide annually not less than  
21        500 patient visits by eligible Indians and  
22        other users who are eligible for services in  
23        such facility in accordance with section  
24        807(b)(1)(B); and

1           “(iii) provide ambulatory care in a  
2           service area (specified in the funding  
3           agreement entered into under the Indian  
4           Self-Determination and Education Assist-  
5           ance Act) with a population of not less  
6           than 1,500 eligible Indians and other users  
7           who are eligible for services in such facility  
8           in accordance with section 807(b)(1)(B).

9           “(2) LIMITATION.—Funding provided under  
10          this section may be used only for the cost of that  
11          portion of a construction, expansion or moderniza-  
12          tion project that benefits the service population de-  
13          scribed in clauses (ii) and (iii) of paragraph (1)(C).  
14          The requirements of such clauses (ii) and (iii) shall  
15          not apply to a tribe or tribal organization applying  
16          for funding under this section whose principal office  
17          for health care administration is located on an island  
18          or where such office is not located on a road system  
19          providing direct access to an inpatient hospital  
20          where care is available to the service population.

21          “(c) APPLICATION AND PRIORITY.—

22                 “(1) APPLICATION.—No funding may be made  
23                 available under this section unless an application for  
24                 such funding has been submitted to and approved by  
25                 the Secretary. An application or proposal for fund-

1 ing under this section shall be submitted in accord-  
 2 ance with applicable regulations and shall set forth  
 3 reasonable assurance by the applicant that, at all  
 4 times after the construction, expansion, or mod-  
 5 ernization of a facility carried out pursuant to fund-  
 6 ing received under this section—

7 “(A) adequate financial support will be  
 8 available for the provision of services at such  
 9 facility;

10 “(B) such facility will be available to eligi-  
 11 ble Indians without regard to ability to pay or  
 12 source of payment; and

13 “(C) such facility will, as feasible without  
 14 diminishing the quality or quantity of services  
 15 provided to eligible Indians, serve noneligible  
 16 persons on a cost basis.

17 “(2) PRIORITY.—In awarding funds under this  
 18 section, the Secretary shall give priority to tribes  
 19 and tribal organizations that demonstrate—

20 “(A) a need for increased ambulatory care  
 21 services; and

22 “(B) insufficient capacity to deliver such  
 23 services.

24 “(d) FAILURE TO USE FACILITY AS HEALTH FACIL-  
 25 ITY.—If any facility (or portion thereof) with respect to





1 ties, including hospice, traditional Indian health and child  
2 care facilities, to Indians.

3 “(b) USE OF FUNDS.—The Secretary, in approving  
4 projects pursuant to this section, may authorize funding  
5 for the construction and renovation of hospitals, health  
6 centers, health stations, and other facilities to deliver  
7 health care services and is authorized to—

8 “(1) waive any leasing prohibition;

9 “(2) permit carryover of funds appropriated for  
10 the provision of health care services;

11 “(3) permit the use of other available funds;

12 “(4) permit the use of funds or property do-  
13 nated from any source for project purposes;

14 “(5) provide for the reversion of donated real or  
15 personal property to the donor; and

16 “(6) permit the use of Service funds to match  
17 other funds, including Federal funds.

18 “(c) CRITERIA.—

19 “(1) IN GENERAL.—The Secretary shall develop  
20 and publish regulations through rulemaking under  
21 section 802 for the review and approval of applica-  
22 tions submitted under this section. The Secretary  
23 may enter into a contract, funding agreement or  
24 award a grant under this section for projects which  
25 meet the following criteria:

1           “(A) There is a need for a new facility or  
2           program or the reorientation of an existing fa-  
3           cility or program.

4           “(B) A significant number of Indians, in-  
5           cluding those with low health status, will be  
6           served by the project.

7           “(C) The project has the potential to ad-  
8           dress the health needs of Indians in an innova-  
9           tive manner.

10           “(D) The project has the potential to de-  
11           liver services in an efficient and effective man-  
12           ner.

13           “(E) The project is economically viable.

14           “(F) The Indian tribe or tribal organiza-  
15           tion has the administrative and financial capa-  
16           bility to administer the project.

17           “(G) The project is integrated with provid-  
18           ers of related health and social services and is  
19           coordinated with, and avoids duplication of, ex-  
20           isting services.

21           “(2) PEER REVIEW PANELS.—The Secretary  
22           may provide for the establishment of peer review  
23           panels, as necessary, to review and evaluate applica-  
24           tions and to advise the Secretary regarding such ap-

1 applications using the criteria developed pursuant to  
2 paragraph (1).

3 “(3) PRIORITY.—The Secretary shall give prior-  
4 ity to applications for demonstration projects under  
5 this section in each of the following service units to  
6 the extent that such applications are filed in a time-  
7 ly manner and otherwise meet the criteria specified  
8 in paragraph (1):

9 “(A) Cass Lake, Minnesota.

10 “(B) Clinton, Oklahoma.

11 “(C) Harlem, Montana.

12 “(D) Mescalero, New Mexico.

13 “(E) Owyhee, Nevada.

14 “(F) Parker, Arizona.

15 “(G) Schurz, Nevada.

16 “(H) Winnebago, Nebraska.

17 “(I) Ft. Yuma, California.

18 “(d) TECHNICAL ASSISTANCE.—The Secretary shall  
19 provide such technical and other assistance as may be nec-  
20 essary to enable applicants to comply with the provisions  
21 of this section.

22 “(e) SERVICE TO INELIGIBLE PERSONS.—The au-  
23 thority to provide services to persons otherwise ineligible  
24 for the health care benefits of the Service and the author-  
25 ity to extend hospital privileges in Service facilities to non-

1 Service health care practitioners as provided in section  
2 807 may be included, subject to the terms of such section,  
3 in any demonstration project approved pursuant to this  
4 section.

5 “(f) **EQUITABLE TREATMENT.**—For purposes of sub-  
6 section (c)(1)(A), the Secretary shall, in evaluating facili-  
7 ties operated under any funding agreement entered into  
8 with the Service under the Indian Self-Determination and  
9 Education Assistance Act, use the same criteria that the  
10 Secretary uses in evaluating facilities operated directly by  
11 the Service.

12 “(g) **EQUITABLE INTEGRATION OF FACILITIES.**—  
13 The Secretary shall ensure that the planning, design, con-  
14 struction, renovation and expansion needs of Service and  
15 non-Service facilities which are the subject of a funding  
16 agreement for health services entered into with the Service  
17 under the Indian Self-Determination and Education As-  
18 sistance Act, are fully and equitably integrated into the  
19 implementation of the health care delivery demonstration  
20 projects under this section.

21 **“SEC. 308. LAND TRANSFER.**

22 “(a) **GENERAL AUTHORITY FOR TRANSFERS.**—Not-  
23 withstanding any other provision of law, the Bureau of  
24 Indian Affairs and all other agencies and departments of  
25 the United States are authorized to transfer, at no cost,

1 land and improvements to the Service for the provision  
 2 of health care services. The Secretary is authorized to ac-  
 3 cept such land and improvements for such purposes.

4       “(b) CHEMAWA INDIAN SCHOOL.—The Bureau of In-  
 5 dian Affairs is authorized to transfer, at no cost, up to  
 6 5 acres of land at the Chemawa Indian School, Salem,  
 7 Oregon, to the Service for the provision of health care  
 8 services. The land authorized to be transferred by this sec-  
 9 tion is that land adjacent to land under the jurisdiction  
 10 of the Service and occupied by the Chemawa Indian  
 11 Health Center.

12 **“SEC. 309. LEASES.**

13       “(a) IN GENERAL.—Notwithstanding any other pro-  
 14 vision of law, the Secretary is authorized, in carrying out  
 15 the purposes of this Act, to enter into leases with Indian  
 16 tribes and tribal organizations for periods not in excess  
 17 of 20 years. Property leased by the Secretary from an In-  
 18 dian tribe or tribal organization may be reconstructed or  
 19 renovated by the Secretary pursuant to an agreement with  
 20 such Indian tribe or tribal organization.

21       “(b) FACILITIES FOR THE ADMINISTRATION AND DE-  
 22 LIVERY OF HEALTH SERVICES.—The Secretary may enter  
 23 into leases, contracts, and other legal agreements with In-  
 24 dian tribes or tribal organizations which hold—

25               “(1) title to;

1           “(2) a leasehold interest in; or

2           “(3) a beneficial interest in (where title is held  
3       by the United States in trust for the benefit of a  
4       tribe);

5 facilities used for the administration and delivery of health  
6 services by the Service or by programs operated by Indian  
7 tribes or tribal organizations to compensate such Indian  
8 tribes or tribal organizations for costs associated with the  
9 use of such facilities for such purposes, and such leases  
10 shall be considered as operating leases for the purposes  
11 of scoring under the Budget Enforcement Act, notwith-  
12 standing any other provision of law. Such costs include  
13 rent, depreciation based on the useful life of the building,  
14 principal and interest paid or accrued, operation and  
15 maintenance expenses, and other expenses determined by  
16 regulation to be allowable pursuant to regulations under  
17 section 105(l) of the Indian Self-Determination and Edu-  
18 cation Assistance Act.

19 **“SEC. 310. LOANS, LOAN GUARANTEES AND LOAN REPAY-**  
20 **MENT.**

21       “(a) HEALTH CARE FACILITIES LOAN FUND.—  
22 There is established in the Treasury of the United States  
23 a fund to be known as the ‘Health Care Facilities Loan  
24 Fund’ (referred to in this Act as the ‘HCFLF’) to provide  
25 to Indian tribes and tribal organizations direct loans, or

1 guarantees for loans, for the construction of health care  
2 facilities (including inpatient facilities, outpatient facili-  
3 ties, associated staff quarters and specialized care facili-  
4 ties such as behavioral health and elder care facilities).

5 “(b) STANDARDS AND PROCEDURES.—The Secretary  
6 may promulgate regulations, developed through rule-  
7 making as provided for in section 802, to establish stand-  
8 ards and procedures for governing loans and loan guaran-  
9 tees under this section, subject to the following conditions:

10 “(1) The principal amount of a loan or loan  
11 guarantee may cover up to 100 percent of eligible  
12 costs, including costs for the planning, design, fi-  
13 nancing, site land development, construction, reha-  
14 bilitation, renovation, conversion, improvements,  
15 medical equipment and furnishings, other facility re-  
16 lated costs and capital purchase (but excluding staff-  
17 ing).

18 “(2) The cumulative total of the principal of di-  
19 rect loans and loan guarantees, respectively, out-  
20 standing at any one time shall not exceed such limi-  
21 tations as may be specified in appropriation Acts.

22 “(3) In the discretion of the Secretary, the pro-  
23 gram under this section may be administered by the  
24 Service or the Health Resources and Services Ad-  
25 ministration (which shall be specified by regulation).

1           “(4) The Secretary may make or guarantee a  
2 loan with a term of the useful estimated life of the  
3 facility, or 25 years, whichever is less.

4           “(5) The Secretary may allocate up to 100 per-  
5 cent of the funds available for loans or loan guaran-  
6 tees in any year for the purpose of planning and ap-  
7 plying for a loan or loan guarantee.

8           “(6) The Secretary may accept an assignment  
9 of the revenue of an Indian tribe or tribal organiza-  
10 tion as security for any direct loan or loan guarantee  
11 under this section.

12           “(7) In the planning and design of health facili-  
13 ties under this section, users eligible under section  
14 807(b) may be included in any projection of patient  
15 population.

16           “(8) The Secretary shall not collect loan appli-  
17 cation, processing or other similar fees from Indian  
18 tribes or tribal organizations applying for direct  
19 loans or loan guarantees under this section.

20           “(9) Service funds authorized under loans or  
21 loan guarantees under this section may be used in  
22 matching other Federal funds.

23           “(c) FUNDING.—

24           “(1) IN GENERAL.—The HCFLF shall consist  
25 of—



1           “(A) such sums as may be initially appro-  
 2           priated to the HCFLF and as may be subse-  
 3           quently appropriated under paragraph (2);

4           “(B) such amounts as may be collected  
 5           from borrowers; and

6           “(C) all interest earned on amounts in the  
 7           HCFLF.

8           “(2) AUTHORIZATION OF APPROPRIATIONS.—

9           There is authorized to be appropriated such sums as  
 10          may be necessary to initiate the HCFLF. For each  
 11          fiscal year after the initial year in which funds are  
 12          appropriated to the HCFLF, there is authorized to  
 13          be appropriated an amount equal to the sum of the  
 14          amount collected by the HCFLF during the preced-  
 15          ing fiscal year, and all accrued interest on such  
 16          amounts.

17          “(3) AVAILABILITY OF FUNDS.—Amounts ap-  
 18          propriated, collected or earned relative to the  
 19          HCFLF shall remain available until expended.

20          “(d) FUNDING AGREEMENTS.—Amounts in the  
 21          HCFLF and available pursuant to appropriation Acts may  
 22          be expended by the Secretary, acting through the Service,  
 23          to make loans under this section to an Indian tribe or trib-  
 24          al organization pursuant to a funding agreement entered

1 into under the Indian Self-Determination and Education  
2 Assistance Act.

3 “(e) INVESTMENTS.—The Secretary of the Treasury  
4 shall invest such amounts of the HCFLF as such Sec-  
5 retary determines are not required to meet current with-  
6 draws from the HCFLF. Such investments may be made  
7 only in interest-bearing obligations of the United States.  
8 For such purpose, such obligations may be acquired on  
9 original issue at the issue price, or by purchase of out-  
10 standing obligations at the market price. Any obligation  
11 acquired by the fund may be sold by the Secretary of the  
12 Treasury at the market price.

13 “(f) GRANTS.—The Secretary is authorized to estab-  
14 lish a program to provide grants to Indian tribes and trib-  
15 al organizations for the purpose of repaying all or part  
16 of any loan obtained by an Indian tribe or tribal organiza-  
17 tion for construction and renovation of health care facili-  
18 ties (including inpatient facilities, outpatient facilities, as-  
19 sociated staff quarters and specialized care facilities).  
20 Loans eligible for such repayment grants shall include  
21 loans that have been obtained under this section or other-  
22 wise.

23 **“SEC. 311. TRIBAL LEASING.**

24 “Indian tribes and tribal organizations providing  
25 health care services pursuant to a funding agreement con-

1 tract entered into under the Indian Self-Determination  
 2 and Education Assistance Act may lease permanent struc-  
 3 tures for the purpose of providing such health care serv-  
 4 ices without obtaining advance approval in appropriation  
 5 Acts.

6 **“SEC. 312. INDIAN HEALTH SERVICE/TRIBAL FACILITIES**  
 7 **JOINT VENTURE PROGRAM.**

8 “(a) AUTHORITY.—

9 “(1) IN GENERAL.—The Secretary, acting  
 10 through the Service, shall make arrangements with  
 11 Indian tribes and tribal organizations to establish  
 12 joint venture demonstration projects under which an  
 13 Indian tribe or tribal organization shall expend trib-  
 14 al, private, or other available funds, for the acquisi-  
 15 tion or construction of a health facility for a mini-  
 16 mum of 10 years, under a no-cost lease, in exchange  
 17 for agreement by the Service to provide the equip-  
 18 ment, supplies, and staffing for the operation and  
 19 maintenance of such a health facility.

20 “(2) USE OF RESOURCES.—A tribe or tribal or-  
 21 ganization may utilize tribal funds, private sector, or  
 22 other available resources, including loan guarantees,  
 23 to fulfill its commitment under this subsection.

24 “(3) ELIGIBILITY OF CERTAIN ENTITIES.—A  
 25 tribe that has begun and substantially completed the

1 process of acquisition or construction of a health fa-  
 2 cility shall be eligible to establish a joint venture  
 3 project with the Service using such health facility.

4 “(b) REQUIREMENTS.—

5 “(1) IN GENERAL.—The Secretary shall enter  
 6 into an arrangement under subsection (a)(1) with an  
 7 Indian tribe or tribal organization only if—

8 “(A) the Secretary first determines that  
 9 the Indian tribe or tribal organization has the  
 10 administrative and financial capabilities nec-  
 11 essary to complete the timely acquisition or con-  
 12 struction of the health facility described in sub-  
 13 section (a)(1); and

14 “(B) the Indian tribe or tribal organization  
 15 meets the needs criteria that shall be developed  
 16 through the negotiated rulemaking process pro-  
 17 vided for under section 802.

18 “(2) CONTINUED OPERATION OF FACILITY.—

19 The Secretary shall negotiate an agreement with the  
 20 Indian tribe or tribal organization regarding the con-  
 21 tinued operation of a facility under this section at  
 22 the end of the initial 10 year no-cost lease period.

23 “(3) BREACH OR TERMINATION OF AGREE-

24 MENT.—An Indian tribe or tribal organization that  
 25 has entered into a written agreement with the Sec-

1       retary under this section, and that breaches or ter-  
2       minates without cause such agreement, shall be lia-  
3       ble to the United States for the amount that has  
4       been paid to the tribe or tribal organization, or paid  
5       to a third party on the tribe's or tribal organiza-  
6       tion's behalf, under the agreement. The Secretary  
7       has the right to recover tangible property (including  
8       supplies), and equipment, less depreciation, and any  
9       funds expended for operations and maintenance  
10      under this section. The preceding sentence shall not  
11      apply to any funds expended for the delivery of  
12      health care services, or for personnel or staffing.

13      “(d) RECOVERY FOR NON-USE.—An Indian tribe or  
14      tribal organization that has entered into a written agree-  
15      ment with the Secretary under this section shall be enti-  
16      tled to recover from the United States an amount that  
17      is proportional to the value of such facility should at any  
18      time within 10 years the Service ceases to use the facility  
19      or otherwise breaches the agreement.

20      “(e) DEFINITION.—In this section, the terms ‘health  
21      facility’ or ‘health facilities’ include staff quarters needed  
22      to provide housing for the staff of the tribal health pro-  
23      gram.

1 **“SEC. 313. LOCATION OF FACILITIES.**

2       “(a) PRIORITY.—The Bureau of Indian Affairs and  
3 the Service shall, in all matters involving the reorganiza-  
4 tion or development of Service facilities, or in the estab-  
5 lishment of related employment projects to address unem-  
6 ployment conditions in economically depressed areas, give  
7 priority to locating such facilities and projects on Indian  
8 lands if requested by the Indian owner and the Indian  
9 tribe with jurisdiction over such lands or other lands  
10 owned or leased by the Indian tribe or tribal organization  
11 so long as priority is given to Indian land owned by an  
12 Indian tribe or tribes.

13       “(b) DEFINITION.—In this section, the term ‘Indian  
14 lands’ means—

15               “(1) all lands within the exterior boundaries of  
16 any Indian reservation;

17               “(2) any lands title to which is held in trust by  
18 the United States for the benefit of any Indian tribe  
19 or individual Indian, or held by any Indian tribe or  
20 individual Indian subject to restriction by the United  
21 States against alienation and over which an Indian  
22 tribe exercises governmental power; and

23               “(3) all lands in Alaska owned by any Alaska  
24 Native village, or any village or regional corporation  
25 under the Alaska Native Claims Settlement Act, or  
26 any land allotted to any Alaska Native.

1 **“SEC. 314. MAINTENANCE AND IMPROVEMENT OF HEALTH**  
 2 **CARE FACILITIES.**

3 “(a) REPORT.—The Secretary shall submit to the  
 4 President, for inclusion in the report required to be trans-  
 5 mitted to Congress under section 801, a report that identi-  
 6 fies the backlog of maintenance and repair work required  
 7 at both Service and tribal facilities, including new facilities  
 8 expected to be in operation in the fiscal year after the year  
 9 for which the report is being prepared. The report shall  
 10 identify the need for renovation and expansion of existing  
 11 facilities to support the growth of health care programs.

12 “(b) MAINTENANCE OF NEWLY CONSTRUCTED  
 13 SPACE.—

14 “(1) IN GENERAL.—The Secretary may expend  
 15 maintenance and improvement funds to support the  
 16 maintenance of newly constructed space only if such  
 17 space falls within the approved supportable space al-  
 18 location for the Indian tribe or tribal organization.

19 “(2) DEFINITION.—For purposes of paragraph  
 20 (1), the term ‘supportable space allocation’ shall be  
 21 defined through the negotiated rulemaking process  
 22 provided for under section 802.

23 “(c) CONSTRUCTION OF REPLACEMENT FACILI-  
 24 TIES.—

25 “(1) IN GENERAL.—In addition to using main-  
 26 tenance and improvement funds for the maintenance

1 of facilities under subsection (b)(1), an Indian tribe  
 2 or tribal organization may use such funds for the  
 3 construction of a replacement facility if the costs of  
 4 the renovation of such facility would exceed a maxi-  
 5 mum renovation cost threshold.

6 “(2) DEFINITION.—For purposes of paragraph  
 7 (1), the term ‘maximum renovation cost threshold’  
 8 shall be defined through the negotiated rulemaking  
 9 process provided for under section 802.

10 **“SEC. 315. TRIBAL MANAGEMENT OF FEDERALLY-OWNED**  
 11 **QUARTERS.**

12 “(a) ESTABLISHMENT OF RENTAL RATES.—

13 “(1) IN GENERAL.—Notwithstanding any other  
 14 provision of law, an Indian tribe or tribal organiza-  
 15 tion which operates a hospital or other health facility  
 16 and the federally-owned quarters associated there-  
 17 with, pursuant to a funding agreement under the In-  
 18 dian Self-Determination and Education Assistance  
 19 Act, may establish the rental rates charged to the  
 20 occupants of such quarters by providing notice to  
 21 the Secretary of its election to exercise such author-  
 22 ity.

23 “(2) OBJECTIVES.—In establishing rental rates  
 24 under paragraph (1), an Indian tribe or tribal orga-



1 nization shall attempt to achieve the following objec-  
2 tives:

3 “(A) The rental rates should be based on  
4 the reasonable value of the quarters to the oc-  
5 cupants thereof.

6 “(B) The rental rates should generate suf-  
7 ficient funds to prudently provide for the oper-  
8 ation and maintenance of the quarters, and,  
9 subject to the discretion of the Indian tribe or  
10 tribal organization, to supply reserve funds for  
11 capital repairs and replacement of the quarters.

12 “(3) ELIGIBILITY FOR QUARTERS IMPROVE-  
13 MENT AND REPAIR.—Any quarters whose rental  
14 rates are established by an Indian tribe or tribal or-  
15 ganization under this subsection shall continue to be  
16 eligible for quarters improvement and repair funds  
17 to the same extent as other federally-owned quarters  
18 that are used to house personnel in Service-sup-  
19 ported programs.

20 “(4) NOTICE OF CHANGE IN RATES.—An In-  
21 dian tribe or tribal organization that exercises the  
22 authority provided under this subsection shall pro-  
23 vide occupants with not less than 60 days notice of  
24 any change in rental rates.

25 “(b) COLLECTION OF RENTS.—

1           “(1) IN GENERAL.—Notwithstanding any other  
2 provision of law, and subject to paragraph (2), an  
3 Indian tribe or a tribal organization that operates  
4 federally-owned quarters pursuant to a funding  
5 agreement under the Indian Self-Determination and  
6 Education Assistance Act shall have the authority to  
7 collect rents directly from Federal employees who oc-  
8 cupy such quarters in accordance with the following:

9           “(A) The Indian tribe or tribal organiza-  
10 tion shall notify the Secretary and the Federal  
11 employees involved of its election to exercise its  
12 authority to collect rents directly from such  
13 Federal employees.

14           “(B) Upon the receipt of a notice described  
15 in subparagraph (A), the Federal employees in-  
16 volved shall pay rents for the occupancy of such  
17 quarters directly to the Indian tribe or tribal  
18 organization and the Secretary shall have no  
19 further authority to collect rents from such em-  
20 ployees through payroll deduction or otherwise.

21           “(C) Such rent payments shall be retained  
22 by the Indian tribe or tribal organization and  
23 shall not be made payable to or otherwise be  
24 deposited with the United States.

1           “(D) Such rent payments shall be depos-  
2           ited into a separate account which shall be used  
3           by the Indian tribe or tribal organization for  
4           the maintenance (including capital repairs and  
5           replacement expenses) and operation of the  
6           quarters and facilities as the Indian tribe or  
7           tribal organization shall determine appropriate.

8           “(2) RETROCESSION.—If an Indian tribe or  
9           tribal organization which has made an election under  
10          paragraph (1) requests retrocession of its authority  
11          to directly collect rents from Federal employees oc-  
12          cupying federally-owned quarters, such retrocession  
13          shall become effective on the earlier of—

14                 “(A) the first day of the month that begins  
15                 not less than 180 days after the Indian tribe or  
16                 tribal organization notifies the Secretary of its  
17                 desire to retrocede; or

18                 “(B) such other date as may be mutually  
19                 agreed upon by the Secretary and the Indian  
20                 tribe or tribal organization.

21          “(c) RATES.—To the extent that an Indian tribe or  
22          tribal organization, pursuant to authority granted in sub-  
23          section (a), establishes rental rates for federally-owned  
24          quarters provided to a Federal employee in Alaska, such  
25          rents may be based on the cost of comparable private rent-

1 al housing in the nearest established community with a  
2 year-round population of 1,500 or more individuals.

3 **“SEC. 316. APPLICABILITY OF BUY AMERICAN REQUIRE-**  
4 **MENT.**

5 “(a) IN GENERAL.—The Secretary shall ensure that  
6 the requirements of the Buy American Act apply to all  
7 procurements made with funds provided pursuant to the  
8 authorization contained in section 318, except that Indian  
9 tribes and tribal organizations shall be exempt from such  
10 requirements.

11 “(b) FALSE OR MISLEADING LABELING.—If it has  
12 been finally determined by a court or Federal agency that  
13 any person intentionally affixed a label bearing a ‘Made  
14 in America’ inscription, or any inscription with the same  
15 meaning, to any product sold in or shipped to the United  
16 States that is not made in the United States, such person  
17 shall be ineligible to receive any contract or subcontract  
18 made with funds provided pursuant to the authorization  
19 contained in section 318, pursuant to the debarment, sus-  
20 pension, and ineligibility procedures described in sections  
21 9.400 through 9.409 of title 48, Code of Federal Regula-  
22 tions.

23 “(c) DEFINITION.—In this section, the term ‘Buy  
24 American Act’ means title III of the Act entitled ‘An Act  
25 making appropriations for the Treasury and Post Office

1 Departments for the fiscal year ending June 30, 1934,  
2 and for other purposes', approved March 3, 1933 (41  
3 U.S.C. 10a et seq.).

4 **“SEC. 317. OTHER FUNDING FOR FACILITIES.**

5 “Notwithstanding any other provision of law—

6 “(1) the Secretary may accept from any source,  
7 including Federal and State agencies, funds that are  
8 available for the construction of health care facilities  
9 and use such funds to plan, design and construct  
10 health care facilities for Indians and to place such  
11 funds into funding agreements authorized under the  
12 Indian Self-Determination and Education Assistance  
13 Act (25 U.S.C. 450f et seq.) between the Secretary  
14 and an Indian tribe or tribal organization, except  
15 that the receipt of such funds shall not have an ef-  
16 fect on the priorities established pursuant to section  
17 301;

18 “(2) the Secretary may enter into interagency  
19 agreements with other Federal or State agencies and  
20 other entities and to accept funds from such Federal  
21 or State agencies or other entities to provide for the  
22 planning, design and construction of health care fa-  
23 cilities to be administered by the Service or by In-  
24 dian tribes or tribal organizations under the Indian  
25 Self-Determination and Education Assistance Act in

1 order to carry out the purposes of this Act, together  
2 with the purposes for which such funds are appro-  
3 priated to such other Federal or State agency or for  
4 which the funds were otherwise provided;

5 “(3) any Federal agency to which funds for the  
6 construction of health care facilities are appropriated  
7 is authorized to transfer such funds to the Secretary  
8 for the construction of health care facilities to carry  
9 out the purposes of this Act as well as the purposes  
10 for which such funds are appropriated to such other  
11 Federal agency; and

12 “(4) the Secretary, acting through the Service,  
13 shall establish standards under regulations developed  
14 through rulemaking under section 802, for the plan-  
15 ning, design and construction of health care facilities  
16 serving Indians under this Act.

17 **“SEC. 318. AUTHORIZATION OF APPROPRIATIONS.**

18 “There is authorized to be appropriated such sums  
19 as may be necessary for each fiscal year through fiscal  
20 year 2015 to carry out this title.

1 **“TITLE IV—ACCESS TO HEALTH**  
2 **SERVICES**

3 **“SEC. 401. TREATMENT OF PAYMENTS UNDER MEDICARE**  
4 **PROGRAM.**

5 “(a) IN GENERAL.—Any payments received by the  
6 Service, by an Indian tribe or tribal organization pursuant  
7 to a funding agreement under the Indian Self-Determina-  
8 tion and Education Assistance Act, or by an urban Indian  
9 organization pursuant to title V of this Act for services  
10 provided to Indians eligible for benefits under title XVIII  
11 of the Social Security Act shall not be considered in deter-  
12 mining appropriations for health care and services to Indi-  
13 ans.

14 “(b) EQUAL TREATMENT.—Nothing in this Act au-  
15 thORIZES the Secretary to provide services to an Indian ben-  
16 efiCIARY with coverage under title XVIII of the Social Secu-  
17 rity Act in preference to an Indian beneficiary without  
18 such coverage.

19 “(c) SPECIAL FUND.—

20 “(1) USE OF FUNDS.—Notwithstanding any  
21 other provision of this title or of title XVIII of the  
22 Social Security Act, payments to which any facility  
23 of the Service is entitled by reason of this section  
24 shall be placed in a special fund to be held by the  
25 Secretary and first used (to such extent or in such

1 amounts as are provided in appropriation Acts) for  
 2 the purpose of making any improvements in the pro-  
 3 grams of the Service which may be necessary to  
 4 achieve or maintain compliance with the applicable  
 5 conditions and requirements of this title and of title  
 6 XVIII of the Social Security Act. Any funds to be  
 7 reimbursed which are in excess of the amount nec-  
 8 essary to achieve or maintain such conditions and  
 9 requirements shall, subject to the consultation with  
 10 tribes being served by the service unit, be used for  
 11 reducing the health resource deficiencies of the In-  
 12 dian tribes.

13 “(2) NONAPPLICATION IN CASE OF ELECTION  
 14 FOR DIRECT BILLING.—Paragraph (1) shall not  
 15 apply upon the election of an Indian tribe or tribal  
 16 organization under section 405 to receive direct pay-  
 17 ments for services provided to Indians eligible for  
 18 benefits under title XVIII of the Social Security Act.

19 **“SEC. 402. TREATMENT OF PAYMENTS UNDER MEDICAID**  
 20 **PROGRAM.**

21 “(a) SPECIAL FUND.—

22 “(1) USE OF FUNDS.—Notwithstanding any  
 23 other provision of law, payments to which any facil-  
 24 ity of the Service (including a hospital, nursing facil-  
 25 ity, intermediate care facility for the mentally re-



1       tarded, or any other type of facility which provides  
2       services for which payment is available under title  
3       XIX of the Social Security Act) is entitled under a  
4       State plan by reason of section 1911 of such Act  
5       shall be placed in a special fund to be held by the  
6       Secretary and first used (to such extent or in such  
7       amounts as are provided in appropriation Acts) for  
8       the purpose of making any improvements in the fa-  
9       cilities of such Service which may be necessary to  
10      achieve or maintain compliance with the applicable  
11      conditions and requirements of such title. Any pay-  
12      ments which are in excess of the amount necessary  
13      to achieve or maintain such conditions and require-  
14      ments shall, subject to the consultation with tribes  
15      being served by the service unit, be used for reduc-  
16      ing the health resource deficiencies of the Indian  
17      tribes. In making payments from such fund, the Sec-  
18      retary shall ensure that each service unit of the  
19      Service receives 100 percent of the amounts to which  
20      the facilities of the Service, for which such service  
21      unit makes collections, are entitled by reason of sec-  
22      tion 1911 of the Social Security Act.

23               “(2) NONAPPLICATION IN CASE OF ELECTION  
24      FOR DIRECT BILLING.—Paragraph (1) shall not  
25      apply upon the election of an Indian tribe or tribal

1 organization under section 405 to receive direct pay-  
2 ments for services provided to Indians eligible for  
3 medical assistance under title XIX of the Social Se-  
4 curity Act.

5 “(b) PAYMENTS DISREGARDED FOR APPROPRIA-  
6 TIONS.—Any payments received under section 1911 of the  
7 Social Security Act for services provided to Indians eligible  
8 for benefits under title XIX of the Social Security Act  
9 shall not be considered in determining appropriations for  
10 the provision of health care and services to Indians.

11 “(c) DIRECT BILLING.—For provisions relating to  
12 the authority of certain Indian tribes and tribal organiza-  
13 tions to elect to directly bill for, and receive payment for,  
14 health care services provided by a hospital or clinic of such  
15 tribes or tribal organizations and for which payment may  
16 be made under this title, see section 405.

17 **“SEC. 403. REPORT.**

18 “(a) INCLUSION IN ANNUAL REPORT.—The Sec-  
19 retary shall submit to the President, for inclusion in the  
20 report required to be transmitted to the Congress under  
21 section 801, an accounting on the amount and use of  
22 funds made available to the Service pursuant to this title  
23 as a result of reimbursements under titles XVIII and XIX  
24 of the Social Security Act.

1       “(b) IDENTIFICATION OF SOURCE OF PAYMENTS.—  
 2 If an Indian tribe or tribal organization receives funding  
 3 from the Service under the Indian Self-Determination and  
 4 Education Assistance Act or an urban Indian organization  
 5 receives funding from the Service under title V of this Act  
 6 and receives reimbursements or payments under title  
 7 XVIII, XIX, or XXI of the Social Security Act, such In-  
 8 dian tribe or tribal organization, or urban Indian organi-  
 9 zation, shall provide to the Service a list of each provider  
 10 enrollment number (or other identifier) under which it re-  
 11 ceives such reimbursements or payments.

12 **“SEC. 404. GRANTS TO AND FUNDING AGREEMENTS WITH**  
 13                               **THE SERVICE, INDIAN TRIBES OR TRIBAL OR-**  
 14                               **GANIZATIONS, AND URBAN INDIAN ORGANI-**  
 15                               **ZATIONS.**

16       “(a) IN GENERAL.—The Secretary shall make grants  
 17 to or enter into funding agreements with Indian tribes and  
 18 tribal organizations to assist such organizations in estab-  
 19 lishing and administering programs on or near Federal In-  
 20 dian reservations and trust areas and in or near Alaska  
 21 Native villages to assist individual Indians to—

22               “(1) enroll under sections 1818, 1836, and  
 23               1837 of the Social Security Act;

24               “(2) pay premiums for health insurance cov-  
 25               erage; and

1           “(3) apply for medical assistance provided pur-  
2           suant to titles XIX and XXI of the Social Security  
3           Act.

4           “(b) CONDITIONS.—The Secretary shall place condi-  
5           tions as deemed necessary to effect the purpose of this  
6           section in any funding agreement or grant which the Sec-  
7           retary makes with any Indian tribe or tribal organization  
8           pursuant to this section. Such conditions shall include, but  
9           are not limited to, requirements that the organization suc-  
10          cessfully undertake to—

11           “(1) determine the population of Indians to be  
12           served that are or could be recipients of benefits or  
13           assistance under titles XVIII, XIX, and XXI of the  
14           Social Security Act;

15           “(2) assist individual Indians in becoming fa-  
16           miliar with and utilizing such benefits and assist-  
17           ance;

18           “(3) provide transportation to such individual  
19           Indians to the appropriate offices for enrollment or  
20           applications for such benefits and assistance;

21           “(4) develop and implement—

22           “(A) a schedule of income levels to deter-  
23           mine the extent of payments of premiums by  
24           such organizations for health insurance cov-  
25           erage of needy individuals; and

1           “(B) methods of improving the participa-  
2           tion of Indians in receiving the benefits and as-  
3           sistance provided under titles XVIII, XIX, and  
4           XXI of the Social Security Act.

5           “(c) AGREEMENTS FOR RECEIPT AND PROCESSING  
6 OF APPLICATIONS.—The Secretary may enter into an  
7 agreement with an Indian tribe or tribal organization, or  
8 an urban Indian organization, which provides for the re-  
9 ceipt and processing of applications for medical assistance  
10 under title XIX of the Social Security Act, child health  
11 assistance under title XXI of such Act and benefits under  
12 title XVIII of such Act by a Service facility or a health  
13 care program administered by such Indian tribe or tribal  
14 organization, or urban Indian organization, pursuant to  
15 a funding agreement under the Indian Self-Determination  
16 and Education Assistance Act or a grant or contract en-  
17 tered into with an urban Indian organization under title  
18 V of this Act. Notwithstanding any other provision of law,  
19 such agreements shall provide for reimbursement of the  
20 cost of outreach, education regarding eligibility and bene-  
21 fits, and translation when such services are provided. The  
22 reimbursement may be included in an encounter rate or  
23 be made on a fee-for-service basis as appropriate for the  
24 provider. When necessary to carry out the terms of this  
25 section, the Secretary, acting through the Health Care Fi-

1 nancing Administration or the Service, may enter into  
 2 agreements with a State (or political subdivision thereof)  
 3 to facilitate cooperation between the State and the Service,  
 4 an Indian tribe or tribal organization, and an urban In-  
 5 dian organization.

6 “(d) GRANTS.—

7 “(1) IN GENERAL.—The Secretary shall make  
 8 grants or enter into contracts with urban Indian or-  
 9 ganizations to assist such organizations in establish-  
 10 ing and administering programs to assist individual  
 11 urban Indians to—

12 “(A) enroll under sections 1818, 1836, and  
 13 1837 of the Social Security Act;

14 “(B) pay premiums on behalf of such indi-  
 15 viduals for coverage under title XVIII of such  
 16 Act; and

17 “(C) apply for medical assistance provided  
 18 under title XIX of such Act and for child health  
 19 assistance under title XXI of such Act.

20 “(2) REQUIREMENTS.—The Secretary shall in-  
 21 clude in the grants or contracts made or entered  
 22 into under paragraph (1) requirements that are—

23 “(A) consistent with the conditions im-  
 24 posed by the Secretary under subsection (b);

1           “(B) appropriate to urban Indian organi-  
2           zations and urban Indians; and

3           “(C) necessary to carry out the purposes of  
4           this section.

5 **“SEC. 405. DIRECT BILLING AND REIMBURSEMENT OF**  
6           **MEDICARE, MEDICAID, AND OTHER THIRD**  
7           **PARTY PAYORS.**

8           “(a) ESTABLISHMENT OF DIRECT BILLING PRO-  
9           GRAM.—

10           “(1) IN GENERAL.—The Secretary shall estab-  
11           lish a program under which Indian tribes, tribal or-  
12           ganizations, and Alaska Native health organizations  
13           that contract or compact for the operation of a hos-  
14           pital or clinic of the Service under the Indian Self-  
15           Determination and Education Assistance Act may  
16           elect to directly bill for, and receive payment for,  
17           health care services provided by such hospital or  
18           clinic for which payment is made under the medicare  
19           program established under title XVIII of the Social  
20           Security Act (42 U.S.C. 1395 et seq.), under the  
21           medicaid program established under title XIX of the  
22           Social Security Act (42 U.S.C. 1396 et seq.), or  
23           from any other third party payor.

24           “(2) APPLICATION OF 100 PERCENT FMAP.—  
25           The third sentence of section 1905(b) of the Social

1 Security Act (42 U.S.C. 1396d(b)) shall apply for  
2 purposes of reimbursement under title XIX of the  
3 Social Security Act for health care services directly  
4 billed under the program established under this sec-  
5 tion.

6 “(b) DIRECT REIMBURSEMENT.—

7 “(1) USE OF FUNDS.—Each hospital or clinic  
8 participating in the program described in subsection  
9 (a) of this section shall be reimbursed directly under  
10 titles XVIII and XIX of the Social Security Act for  
11 services furnished, without regard to the provisions  
12 of section 1880(e) of the Social Security Act (42  
13 U.S.C. 1395qq(e)) and sections 402(a) and  
14 807(b)(2)(A), but all funds so reimbursed shall first  
15 be used by the hospital or clinic for the purpose of  
16 making any improvements in the hospital or clinic  
17 that may be necessary to achieve or maintain com-  
18 pliance with the conditions and requirements appli-  
19 cable generally to facilities of such type under title  
20 XVIII or XIX of the Social Security Act. Any funds  
21 so reimbursed which are in excess of the amount  
22 necessary to achieve or maintain such conditions  
23 shall be used—

24 “(A) solely for improving the health re-  
25 sources deficiency level of the Indian tribe; and



1           “(B) in accordance with the regulations of  
2           the Service applicable to funds provided by the  
3           Service under any contract entered into under  
4           the Indian Self-Determination Act (25 U.S.C.  
5           450f et seq.).

6           “(2) AUDITS.—The amounts paid to the hos-  
7           pitals and clinics participating in the program estab-  
8           lished under this section shall be subject to all audit-  
9           ing requirements applicable to programs adminis-  
10          tered directly by the Service and to facilities partici-  
11          pating in the medicare and medicaid programs  
12          under titles XVIII and XIX of the Social Security  
13          Act.

14          “(3) SECRETARIAL OVERSIGHT.—The Secretary  
15          shall monitor the performance of hospitals and clin-  
16          ics participating in the program established under  
17          this section, and shall require such hospitals and  
18          clinics to submit reports on the program to the Sec-  
19          retary on an annual basis.

20          “(4) NO PAYMENTS FROM SPECIAL FUNDS.—  
21          Notwithstanding section 1880(c) of the Social Secu-  
22          rity Act (42 U.S.C. 1395qq(e)) or section 402(a), no  
23          payment may be made out of the special funds de-  
24          scribed in such sections for the benefit of any hos-  
25          pital or clinic during the period that the hospital or

1 clinic participates in the program established under  
2 this section.

3 “(c) REQUIREMENTS FOR PARTICIPATION.—

4 “(1) APPLICATION.—Except as provided in  
5 paragraph (2)(B), in order to be eligible for partici-  
6 pation in the program established under this section,  
7 an Indian tribe, tribal organization, or Alaska Na-  
8 tive health organization shall submit an application  
9 to the Secretary that establishes to the satisfaction  
10 of the Secretary that—

11 “(A) the Indian tribe, tribal organization,  
12 or Alaska Native health organization contracts  
13 or compacts for the operation of a facility of the  
14 Service;

15 “(B) the facility is eligible to participate in  
16 the medicare or medicaid programs under sec-  
17 tion 1880 or 1911 of the Social Security Act  
18 (42 U.S.C. 1395qq; 1396j);

19 “(C) the facility meets the requirements  
20 that apply to programs operated directly by the  
21 Service; and

22 “(D) the facility—

23 “(i) is accredited by an accrediting  
24 body as eligible for reimbursement under  
25 the medicare or medicaid programs; or

1                   “(ii) has submitted a plan, which has  
2                   been approved by the Secretary, for achiev-  
3                   ing such accreditation.

4                   “(2) APPROVAL.—

5                   “(A) IN GENERAL.—The Secretary shall  
6                   review and approve a qualified application not  
7                   later than 90 days after the date the applica-  
8                   tion is submitted to the Secretary unless the  
9                   Secretary determines that any of the criteria set  
10                  forth in paragraph (1) are not met.

11                  “(B) GRANDFATHER OF DEMONSTRATION  
12                  PROGRAM PARTICIPANTS.—Any participant in  
13                  the demonstration program authorized under  
14                  this section as in effect on the day before the  
15                  date of enactment of the Alaska Native and  
16                  American Indian Direct Reimbursement Act of  
17                  2000 shall be deemed approved for participa-  
18                  tion in the program established under this sec-  
19                  tion and shall not be required to submit an ap-  
20                  plication in order to participate in the program.

21                  “(C) DURATION.—An approval by the Sec-  
22                  retary of a qualified application under subpara-  
23                  graph (A), or a deemed approval of a dem-  
24                  onstration program under subparagraph (B),  
25                  shall continue in effect as long as the approved

1 applicant or the deemed approved demonstra-  
2 tion program meets the requirements of this  
3 section.

4 “(d) EXAMINATION AND IMPLEMENTATION OF  
5 CHANGES.—

6 “(1) IN GENERAL.—The Secretary, acting  
7 through the Service, and with the assistance of the  
8 Administrator of the Health Care Financing Admin-  
9 istration, shall examine on an ongoing basis and  
10 implement—

11 “(A) any administrative changes that may  
12 be necessary to facilitate direct billing and re-  
13 imbursement under the program established  
14 under this section, including any agreements  
15 with States that may be necessary to provide  
16 for direct billing under title XIX of the Social  
17 Security Act; and

18 “(B) any changes that may be necessary to  
19 enable participants in the program established  
20 under this section to provide to the Service  
21 medical records information on patients served  
22 under the program that is consistent with the  
23 medical records information system of the Ser-  
24 vice.

1           “(2) ACCOUNTING INFORMATION.—The ac-  
2           counting information that a participant in the pro-  
3           gram established under this section shall be required  
4           to report shall be the same as the information re-  
5           quired to be reported by participants in the dem-  
6           onstration program authorized under this section as  
7           in effect on the day before the date of enactment of  
8           the Alaska Native and American Indian Direct Re-  
9           imbursement Act of 2000. The Secretary may from  
10          time to time, after consultation with the program  
11          participants, change the accounting information sub-  
12          mission requirements.

13          “(e) WITHDRAWAL FROM PROGRAM.—A participant  
14          in the program established under this section may with-  
15          draw from participation in the same manner and under  
16          the same conditions that a tribe or tribal organization may  
17          retrocede a contracted program to the Secretary under au-  
18          thority of the Indian Self-Determination Act (25 U.S.C.  
19          450 et seq.). All cost accounting and billing authority  
20          under the program established under this section shall be  
21          returned to the Secretary upon the Secretary’s acceptance  
22          of the withdrawal of participation in this program.

1 **“SEC. 406. REIMBURSEMENT FROM CERTAIN THIRD PAR-**  
2 **TIES OF COSTS OF HEALTH SERVICES.**

3 “(a) **RIGHT OF RECOVERY.**—Except as provided in  
4 subsection (g), the United States, an Indian tribe or tribal  
5 organization shall have the right to recover the reasonable  
6 charges billed or expenses incurred by the Secretary or  
7 an Indian tribe or tribal organization in providing health  
8 services, through the Service or an Indian tribe or tribal  
9 organization to any individual to the same extent that  
10 such individual, or any nongovernmental provider of such  
11 services, would be eligible to receive reimbursement or in-  
12 demnification for such charges or expenses if—

13 “(1) such services had been provided by a non-  
14 governmental provider; and

15 “(2) such individual had been required to pay  
16 such charges or expenses and did pay such expenses.

17 “(b) **URBAN INDIAN ORGANIZATIONS.**—Except as  
18 provided in subsection (g), an urban Indian organization  
19 shall have the right to recover the reasonable charges  
20 billed or expenses incurred by the organization in provid-  
21 ing health services to any individual to the same extent  
22 that such individual, or any other nongovernmental pro-  
23 vider of such services, would be eligible to receive reim-  
24 bursement or indemnification for such charges or expenses  
25 if such individual had been required to pay such charges  
26 or expenses and did pay such charges or expenses.

1       “(c) LIMITATIONS ON RECOVERIES FROM STATES.—

2 Subsections (a) and (b) shall provide a right of recovery  
3 against any State, only if the injury, illness, or disability  
4 for which health services were provided is covered under—

5               “(1) workers’ compensation laws; or

6               “(2) a no-fault automobile accident insurance  
7 plan or program.

8       “(d) NONAPPLICATION OF OTHER LAWS.—No law of  
9 any State, or of any political subdivision of a State and  
10 no provision of any contract entered into or renewed after  
11 the date of enactment of the Indian Health Care Amend-  
12 ments of 1988, shall prevent or hinder the right of recov-  
13 ery of the United States or an Indian tribe or tribal orga-  
14 nization under subsection (a), or an urban Indian organi-  
15 zation under subsection (b).

16       “(e) NO EFFECT ON PRIVATE RIGHTS OF ACTION.—

17 No action taken by the United States or an Indian tribe  
18 or tribal organization to enforce the right of recovery pro-  
19 vided under subsection (a), or by an urban Indian organi-  
20 zation to enforce the right of recovery provided under sub-  
21 section (b), shall affect the right of any person to any  
22 damages (other than damages for the cost of health serv-  
23 ices provided by the Secretary through the Service).

24       “(f) METHODS OF ENFORCEMENT.—

1           “(1) IN GENERAL.—The United States or an  
2 Indian tribe or tribal organization may enforce the  
3 right of recovery provided under subsection (a), and  
4 an urban Indian organization may enforce the right  
5 of recovery provided under subsection (b), by—

6           “(A) intervening or joining in any civil ac-  
7 tion or proceeding brought—

8           “(i) by the individual for whom health  
9 services were provided by the Secretary, an  
10 Indian tribe or tribal organization, or  
11 urban Indian organization; or

12           “(ii) by any representative or heirs of  
13 such individual; or

14           “(B) instituting a civil action.

15           “(2) NOTICE.—All reasonable efforts shall be  
16 made to provide notice of an action instituted in ac-  
17 cordance with paragraph (1)(B) to the individual to  
18 whom health services were provided, either before or  
19 during the pendency of such action.

20           “(g) LIMITATION.—Notwithstanding this section, ab-  
21 sent specific written authorization by the governing body  
22 of an Indian tribe for the period of such authorization  
23 (which may not be for a period of more than 1 year and  
24 which may be revoked at any time upon written notice by  
25 the governing body to the Service), neither the United



1 States through the Service, nor an Indian tribe or tribal  
2 organization under a funding agreement pursuant to the  
3 Indian Self-Determination and Education Assistance Act,  
4 nor an urban Indian organization funded under title V,  
5 shall have a right of recovery under this section if the in-  
6 jury, illness, or disability for which health services were  
7 provided is covered under a self-insurance plan funded by  
8 an Indian tribe or tribal organization, or urban Indian or-  
9 ganization. Where such tribal authorization is provided,  
10 the Service may receive and expend such funds for the  
11 provision of additional health services.

12 “(h) COSTS AND ATTORNEYS’ FEES.—In any action  
13 brought to enforce the provisions of this section, a prevail-  
14 ing plaintiff shall be awarded reasonable attorneys’ fees  
15 and costs of litigation.

16 “(i) RIGHT OF ACTION AGAINST INSURERS AND EM-  
17 PLOYEE BENEFIT PLANS.—

18 “(1) IN GENERAL.—Where an insurance com-  
19 pany or employee benefit plan fails or refuses to pay  
20 the amount due under subsection (a) for services  
21 provided to an individual who is a beneficiary, par-  
22 ticipant, or insured of such company or plan, the  
23 United States or an Indian tribe or tribal organiza-  
24 tion shall have a right to assert and pursue all the  
25 claims and remedies against such company or plan,

1 and against the fiduciaries of such company or plan,  
2 that the individual could assert or pursue under ap-  
3 plicable Federal, State or tribal law.

4 “(2) URBAN INDIAN ORGANIZATIONS.—Where  
5 an insurance company or employee benefit plan fails  
6 or refuses to pay the amounts due under subsection  
7 (b) for health services provided to an individual who  
8 is a beneficiary, participant, or insured of such com-  
9 pany or plan, the urban Indian organization shall  
10 have a right to assert and pursue all the claims and  
11 remedies against such company or plan, and against  
12 the fiduciaries of such company or plan, that the in-  
13 dividual could assert or pursue under applicable  
14 Federal or State law.

15 “(j) NONAPPLICATION OF CLAIMS FILING REQUIRE-  
16 MENTS.—Notwithstanding any other provision in law, the  
17 Service, an Indian tribe or tribal organization, or an urban  
18 Indian organization shall have a right of recovery for any  
19 otherwise reimbursable claim filed on a current HCFA-  
20 1500 or UB-92 form, or the current NSF electronic for-  
21 mat, or their successors. No health plan shall deny pay-  
22 ment because a claim has not been submitted in a unique  
23 format that differs from such forms.

1 **“SEC. 407. CREDITING OF REIMBURSEMENTS.**

2 “(a) RETENTION OF FUNDS.—Except as provided in  
 3 section 202(d), this title, and section 807, all reimburse-  
 4 ments received or recovered under the authority of this  
 5 Act, Public Law 87–693, or any other provision of law,  
 6 by reason of the provision of health services by the Service  
 7 or by an Indian tribe or tribal organization under a fund-  
 8 ing agreement pursuant to the Indian Self-Determination  
 9 and Education Assistance Act, or by an urban Indian or-  
 10 ganization funded under title V, shall be retained by the  
 11 Service or that tribe or tribal organization and shall be  
 12 available for the facilities, and to carry out the programs,  
 13 of the Service or that tribe or tribal organization to pro-  
 14 vide health care services to Indians.

15 “(b) NO OFFSET OF FUNDS.—The Service may not  
 16 offset or limit the amount of funds obligated to any service  
 17 unit or entity receiving funding from the Service because  
 18 of the receipt of reimbursements under subsection (a).

19 **“SEC. 408. PURCHASING HEALTH CARE COVERAGE.**

20 “An Indian tribe or tribal organization, and an urban  
 21 Indian organization may utilize funding from the Sec-  
 22 retary under this Act to purchase managed care coverage  
 23 for Service beneficiaries (including insurance to limit the  
 24 financial risks of managed care entities) from—

25 “(1) a tribally owned and operated managed  
 26 care plan;

1           “(2) a State or locally-authorized or licensed  
2 managed care plan; or

3           “(3) a health insurance provider.

4 **“SEC. 409. INDIAN HEALTH SERVICE, DEPARTMENT OF VET-**  
5 **ERAN’S AFFAIRS, AND OTHER FEDERAL**  
6 **AGENCY HEALTH FACILITIES AND SERVICES**  
7 **SHARING.**

8           “(a) EXAMINATION OF FEASIBILITY OF ARRANGE-  
9 MENTS.—

10           “(1) IN GENERAL.—The Secretary shall exam-  
11 ine the feasibility of entering into arrangements or  
12 expanding existing arrangements for the sharing of  
13 medical facilities and services between the Service  
14 and the Veterans’ Administration, and other appro-  
15 priate Federal agencies, including those within the  
16 Department, and shall, in accordance with sub-  
17 section (b), prepare a report on the feasibility of  
18 such arrangements.

19           “(2) SUBMISSION OF REPORT.—Not later than  
20 September 30, 2003, the Secretary shall submit the  
21 report required under paragraph (1) to Congress.

22           “(3) CONSULTATION REQUIRED.—The Sec-  
23 retary may not finalize any arrangement described  
24 in paragraph (1) without first consulting with the  
25 affected Indian tribes.

1       “(b) LIMITATIONS.—The Secretary shall not take  
2 any action under this section or under subchapter IV of  
3 chapter 81 of title 38, United States Code, which would  
4 impair—

5           “(1) the priority access of any Indian to health  
6 care services provided through the Service;

7           “(2) the quality of health care services provided  
8 to any Indian through the Service;

9           “(3) the priority access of any veteran to health  
10 care services provided by the Veterans’ Administra-  
11 tion;

12           “(4) the quality of health care services provided  
13 to any veteran by the Veteran’s Administration;

14           “(5) the eligibility of any Indian to receive  
15 health services through the Service; or

16           “(6) the eligibility of any Indian who is a vet-  
17 eran to receive health services through the Veterans’  
18 Administration provided, however, the Service or the  
19 Indian tribe or tribal organization shall be reim-  
20 bursed by the Veterans’ Administration where serv-  
21 ices are provided through the Service or Indian  
22 tribes or tribal organizations to beneficiaries eligible  
23 for services from the Veterans’ Administration, not-  
24 withstanding any other provision of law.

1       “(c) AGREEMENTS FOR PARITY IN SERVICES.—The  
2 Service may enter into agreements with other Federal  
3 agencies to assist in achieving parity in services for Indi-  
4 ans. Nothing in this section may be construed as creating  
5 any right of a veteran to obtain health services from the  
6 Service.

7       **“SEC. 410. PAYOR OF LAST RESORT.**

8       “The Service, and programs operated by Indian  
9 tribes or tribal organizations, or urban Indian organiza-  
10 tions shall be the payor of last resort for services provided  
11 to individuals eligible for services from the Service and  
12 such programs, notwithstanding any Federal, State or  
13 local law to the contrary, unless such law explicitly pro-  
14 vides otherwise.

15       **“SEC. 411. RIGHT TO RECOVER FROM FEDERAL HEALTH  
16 CARE PROGRAMS.**

17       “Notwithstanding any other provision of law, the  
18 Service, Indian tribes or tribal organizations, and urban  
19 Indian organizations (notwithstanding limitations on who  
20 is eligible to receive services from such entities) shall be  
21 entitled to receive payment or reimbursement for services  
22 provided by such entities from any federally funded health  
23 care program, unless there is an explicit prohibition on  
24 such payments in the applicable authorizing statute.

1 **“SEC. 412. TUBA CITY DEMONSTRATION PROJECT.**

2 “(a) IN GENERAL.—Notwithstanding any other pro-  
3 vision of law, including the Anti-Deficiency Act, provided  
4 the Indian tribes to be served approve, the Service in the  
5 Tuba City Service Unit may—

6 “(1) enter into a demonstration project with the  
7 State of Arizona under which the Service would pro-  
8 vide certain specified medicaid services to individuals  
9 dually eligible for services from the Service and for  
10 medical assistance under title XIX of the Social Se-  
11 curity Act in return for payment on a capitated  
12 basis from the State of Arizona; and

13 “(2) purchase insurance to limit the financial  
14 risks under the project.

15 “(b) EXTENSION OF PROJECT.—The demonstration  
16 project authorized under subsection (a) may be extended  
17 to other service units in Arizona, subject to the approval  
18 of the Indian tribes to be served in such service units, the  
19 Service, and the State of Arizona.

20 **“SEC. 413. ACCESS TO FEDERAL INSURANCE.**

21 “Notwithstanding the provisions of title 5, United  
22 States Code, Executive Order, or administrative regula-  
23 tion, an Indian tribe or tribal organization carrying out  
24 programs under the Indian Self-Determination and Edu-  
25 cation Assistance Act or an urban Indian organization car-  
26 rying out programs under title V of this Act shall be enti-

1 tled to purchase coverage, rights and benefits for the em-  
2 ployees of such Indian tribe or tribal organization, or  
3 urban Indian organization, under chapter 89 of title 5,  
4 United States Code, and chapter 87 of such title if nec-  
5 essary employee deductions and agency contributions in  
6 payment for the coverage, rights, and benefits for the pe-  
7 riod of employment with such Indian tribe or tribal organi-  
8 zation, or urban Indian organization, are currently depos-  
9 ited in the applicable Employee's Fund under such title.

10 **“SEC. 414. CONSULTATION AND RULEMAKING.**

11 “(a) CONSULTATION.—Prior to the adoption of any  
12 policy or regulation by the Health Care Financing Admin-  
13 istration, the Secretary shall require the Administrator of  
14 that Administration to—

15 “(1) identify the impact such policy or regula-  
16 tion may have on the Service, Indian tribes or tribal  
17 organizations, and urban Indian organizations;

18 “(2) provide to the Service, Indian tribes or  
19 tribal organizations, and urban Indian organizations  
20 the information described in paragraph (1);

21 “(3) engage in consultation, consistent with the  
22 requirements of Executive Order 13084 of May 14,  
23 1998, with the Service, Indian tribes or tribal orga-  
24 nizations, and urban Indian organizations prior to  
25 enacting any such policy or regulation.



1       “(b) RULEMAKING.—The Administrator of the  
2 Health Care Financing Administration shall participate in  
3 the negotiated rulemaking provided for under title VIII  
4 with regard to any regulations necessary to implement the  
5 provisions of this title that relate to the Social Security  
6 Act.

7 **“SEC. 415. LIMITATIONS ON CHARGES.**

8       “No provider of health services that is eligible to re-  
9 ceive payments or reimbursements under titles XVIII,  
10 XIX, or XXI of the Social Security Act or from any feder-  
11 ally funded (whether in whole or part) health care pro-  
12 gram may seek to recover payment for services—

13               “(1) that are covered under and furnished to an  
14 individual eligible for the contract health services  
15 program operated by the Service, by an Indian tribe  
16 or tribal organization, or furnished to an urban In-  
17 dian eligible for health services purchased by an  
18 urban Indian organization, in an amount in excess  
19 of the lowest amount paid by any other payor for  
20 comparable services; or

21               “(2) for examinations or other diagnostic proce-  
22 dures that are not medically necessary if such proce-  
23 dures have already been performed by the referring  
24 Indian health program and reported to the provider.

1 **“SEC. 416. LIMITATION ON SECRETARY’S WAIVER AUTHOR-**  
 2 **ITY.**

3 “Notwithstanding any other provision of law, the Sec-  
 4 retary may not waive the application of section  
 5 1902(a)(13)(D) of the Social Security Act to any State  
 6 plan under title XIX of the Social Security Act.

7 **“SEC. 417. WAIVER OF MEDICARE AND MEDICAID SANC-**  
 8 **TIONS.**

9 “Notwithstanding any other provision of law, the  
 10 Service or an Indian tribe or tribal organization or an  
 11 urban Indian organization operating a health program  
 12 under the Indian Self-Determination and Education As-  
 13 sistance Act shall be entitled to seek a waiver of sanctions  
 14 imposed under title XVIII, XIX, or XXI of the Social Se-  
 15 curity Act as if such entity were directly responsible for  
 16 administering the State health care program.

17 **“SEC. 418. MEANING OF ‘REMUNERATION’ FOR PURPOSES**  
 18 **OF SAFE HARBOR PROVISIONS; ANTITRUST**  
 19 **IMMUNITY.**

20 “(a) MEANING OF REMUNERATION.—Notwithstand-  
 21 ing any other provision of law, the term ‘remuneration’  
 22 as used in sections 1128A and 1128B of the Social Secu-  
 23 rity Act shall not include any exchange of anything of  
 24 value between or among—

25 “(1) any Indian tribe or tribal organization or  
 26 an urban Indian organization that administers

1 health programs under the authority of the Indian  
2 Self-Determination and Education Assistance Act;

3 “(2) any such Indian tribe or tribal organiza-  
4 tion or urban Indian organization and the Service;

5 “(3) any such Indian tribe or tribal organiza-  
6 tion or urban Indian organization and any patient  
7 served or eligible for service under such programs,  
8 including patients served or eligible for service pur-  
9 suant to section 813 of this Act (as in effect on the  
10 day before the date of enactment of the Indian  
11 Health Care Improvement Act Reauthorization of  
12 2003); or

13 “(4) any such Indian tribe or tribal organiza-  
14 tion or urban Indian organization and any third  
15 party required by contract, section 206 or 207 of  
16 this Act (as so in effect), or other applicable law, to  
17 pay or reimburse the reasonable health care costs in-  
18 curred by the United States or any such Indian tribe  
19 or tribal organization or urban Indian organization;  
20 provided the exchange arises from or relates to such health  
21 programs.

22 “(b) ANTITRUST IMMUNITY.—An Indian tribe or  
23 tribal organization or an urban Indian organization that  
24 administers health programs under the authority of the  
25 Indian Self-Determination and Education Assistance Act

1 or title V shall be deemed to be an agency of the United  
2 States and immune from liability under the Acts com-  
3 monly known as the Sherman Act, the Clayton Act, the  
4 Robinson-Patman Anti-Discrimination Act, the Federal  
5 Trade Commission Act, and any other Federal, State, or  
6 local antitrust laws, with regard to any transaction, agree-  
7 ment, or conduct that relates to such programs.

8 **“SEC. 419. CO-INSURANCE, CO-PAYMENTS, DEDUCTIBLES**  
9 **AND PREMIUMS.**

10 “(a) EXEMPTION FROM COST-SHARING REQUIRE-  
11 MENTS.—Notwithstanding any other provision of Federal  
12 or State law, no Indian who is eligible for services under  
13 title XVIII, XIX, or XXI of the Social Security Act, or  
14 under any other Federally funded health care programs,  
15 may be charged a deductible, co-payment, or co-insurance  
16 for any service provided by or through the Service, an In-  
17 dian tribe or tribal organization or urban Indian organiza-  
18 tion, nor may the payment or reimbursement due to the  
19 Service or an Indian tribe or tribal organization or urban  
20 Indian organization be reduced by the amount of the de-  
21 ductible, co-payment, or co-insurance that would be due  
22 from the Indian but for the operation of this section. For  
23 the purposes of this section, the term ‘through’ shall in-  
24 clude services provided directly, by referral, or under con-  
25 tracts or other arrangements between the Service, an In-

1 dian tribe or tribal organization or an urban Indian orga-  
 2 nization and another health provider.

3 “(b) EXEMPTION FROM PREMIUMS.—

4 “(1) MEDICAID AND STATE CHILDREN’S  
 5 HEALTH INSURANCE PROGRAM.—Notwithstanding  
 6 any other provision of Federal or State law, no In-  
 7 dian who is otherwise eligible for medical assistance  
 8 under title XIX of the Social Security Act or child  
 9 health assistance under title XXI of such Act may  
 10 be charged a premium as a condition of receiving  
 11 such assistance under title XIX or XXI of such Act.

12 “(2) MEDICARE ENROLLMENT PREMIUM PEN-  
 13 ALTIES.—Notwithstanding section 1839(b) of the  
 14 Social Security Act or any other provision of Federal  
 15 or State law, no Indian who is eligible for benefits  
 16 under part B of title XVIII of the Social Security  
 17 Act, but for the payment of premiums, shall be  
 18 charged a penalty for enrolling in such part at a  
 19 time later than the Indian might otherwise have  
 20 been first eligible to do so. The preceding sentence  
 21 applies whether an Indian pays for premiums under  
 22 such part directly or such premiums are paid by an-  
 23 other person or entity, including a State, the Serv-  
 24 ice, an Indian tribe or tribal organization, or an  
 25 urban Indian organization.

1 **“SEC. 420. INCLUSION OF INCOME AND RESOURCES FOR**  
2 **PURPOSES OF MEDICALLY NEEDY MEDICAID**  
3 **ELIGIBILITY.**

4 “For the purpose of determining the eligibility under  
5 section 1902(a)(10)(A)(ii)(IV) of the Social Security Act  
6 of an Indian for medical assistance under a State plan  
7 under title XIX of such Act, the cost of providing services  
8 to an Indian in a health program of the Service, an Indian  
9 tribe or tribal organization, or an urban Indian organiza-  
10 tion shall be deemed to have been an expenditure for  
11 health care by the Indian.

12 **“SEC. 421. ESTATE RECOVERY PROVISIONS.**

13 “Notwithstanding any other provision of Federal or  
14 State law, the following property may not be included  
15 when determining eligibility for services or implementing  
16 estate recovery rights under title XVIII, XIX, or XXI of  
17 the Social Security Act, or any other health care programs  
18 funded in whole or part with Federal funds:

19 “(1) Income derived from rents, leases, or roy-  
20 alties of property held in trust for individuals by the  
21 Federal Government.

22 “(2) Income derived from rents, leases, roy-  
23 ties, or natural resources (including timber and fish-  
24 ing activities) resulting from the exercise of federally  
25 protected rights, whether collected by an individual  
26 or a tribal group and distributed to individuals.

1           “(3) Property, including interests in real prop-  
 2           erty currently or formerly held in trust by the Fed-  
 3           eral Government which is protected under applicable  
 4           Federal, State or tribal law or custom from re-  
 5           course, including public domain allotments.

6           “(4) Property that has unique religious or cul-  
 7           tural significance or that supports subsistence or  
 8           traditional life style according to applicable tribal  
 9           law or custom.

10 **“SEC. 422. MEDICAL CHILD SUPPORT.**

11           “Notwithstanding any other provision of law, a par-  
 12           ent shall not be responsible for reimbursing the Federal  
 13           Government or a State for the cost of medical services pro-  
 14           vided to a child by or through the Service, an Indian tribe  
 15           or tribal organization or an urban Indian organization.  
 16           For the purposes of this subsection, the term ‘through’  
 17           includes services provided directly, by referral, or under  
 18           contracts or other arrangements between the Service, an  
 19           Indian tribe or tribal organization or an urban Indian or-  
 20           ganization and another health provider.

21 **“SEC. 423. PROVISIONS RELATING TO MANAGED CARE.**

22           “(a) RECOVERY FROM MANAGED CARE PLANS.—  
 23           Notwithstanding any other provision in law, the Service,  
 24           an Indian tribe or tribal organization or an urban Indian  
 25           organization shall have a right of recovery under section

1 408 from all private and public health plans or programs,  
2 including the medicare, medicaid, and State children's  
3 health insurance programs under titles XVIII, XIX, and  
4 XXI of the Social Security Act, for the reasonable costs  
5 of delivering health services to Indians entitled to receive  
6 services from the Service, an Indian tribe or tribal organi-  
7 zation or an urban Indian organization.

8       “(b) LIMITATION.—No provision of law or regulation,  
9 or of any contract, may be relied upon or interpreted to  
10 deny or reduce payments otherwise due under subsection  
11 (a), except to the extent the Service, an Indian tribe or  
12 tribal organization, or an urban Indian organization has  
13 entered into an agreement with a managed care entity re-  
14 garding services to be provided to Indians or rates to be  
15 paid for such services, provided that such an agreement  
16 may not be made a prerequisite for such payments to be  
17 made.

18       “(c) PARITY.—Payments due under subsection (a)  
19 from a managed care entity may not be paid at a rate  
20 that is less than the rate paid to a ‘preferred provider’  
21 by the entity or, in the event there is no such rate, the  
22 usual and customary fee for equivalent services.

23       “(d) NO CLAIM REQUIREMENT.—A managed care  
24 entity may not deny payment under subsection (a) because  
25 an enrollee with the entity has not submitted a claim.



1       “(e) DIRECT BILLING.—Notwithstanding the preced-  
2 ing subsections of this section, the Service, an Indian tribe  
3 or tribal organization, or an urban Indian organization  
4 that provides a health service to an Indian entitled to med-  
5 ical assistance under the State plan under title XIX of  
6 the Social Security Act or enrolled in a child health plan  
7 under title XXI of such Act shall have the right to be  
8 paid directly by the State agency administering such plans  
9 notwithstanding any agreements the State may have en-  
10 tered into with managed care organizations or providers.

11       “(f) REQUIREMENT FOR MEDICAID MANAGED CARE  
12 ENTITIES.—A managed care entity (as defined in section  
13 1932(a)(1)(B) of the Social Security Act shall, as a condi-  
14 tion of participation in the State plan under title XIX of  
15 such Act, offer a contract to health programs administered  
16 by the Service, an Indian tribe or tribal organization or  
17 an urban Indian organization that provides health services  
18 in the geographic area served by the managed care entity  
19 and such contract (or other provider participation agree-  
20 ment) shall contain terms and conditions of participation  
21 and payment no more restrictive or onerous than those  
22 provided for in this section.

23       “(g) PROHIBITION.—Notwithstanding any other pro-  
24 vision of law or any waiver granted by the Secretary no  
25 Indian may be assigned automatically or by default under

1 any managed care entity participating in a State plan  
2 under title XIX or XXI of the Social Security Act unless  
3 the Indian had the option of enrolling in a managed care  
4 plan or health program administered by the Service, an  
5 Indian tribe or tribal organization, or an urban Indian or-  
6 ganization.

7 “(h) INDIAN MANAGED CARE PLANS.—Notwith-  
8 standing any other provision of law, any State entering  
9 into agreements with one or more managed care organiza-  
10 tions to provide services under title XIX or XXI of the  
11 Social Security Act shall enter into such an agreement  
12 with the Service, an Indian tribe or tribal organization or  
13 an urban Indian organization under which such an entity  
14 may provide services to Indians who may be eligible or  
15 required to enroll with a managed care organization  
16 through enrollment in an Indian managed care organiza-  
17 tion that provides services similar to those offered by other  
18 managed care organizations in the State. The Secretary  
19 and the State are hereby authorized to waive requirements  
20 regarding discrimination, capitalization, and other matters  
21 that might otherwise prevent an Indian managed care or-  
22 ganization or health program from meeting Federal or  
23 State standards applicable to such organizations, provided  
24 such Indian managed care organization or health program

1 offers Indian enrollees services of an equivalent quality to  
2 that required of other managed care organizations.

3 “(i) ADVERTISING.—A managed care organization  
4 entering into a contract to provide services to Indians on  
5 or near an Indian reservation shall provide a certificate  
6 of coverage or similar type of document that is written  
7 in the Indian language of the majority of the Indian popu-  
8 lation residing on such reservation.

9 **“SEC. 424. NAVAJO NATION MEDICAID AGENCY.**

10 “(a) IN GENERAL.—Notwithstanding any other pro-  
11 vision of law, the Secretary may treat the Navajo Nation  
12 as a State under title XIX of the Social Security Act for  
13 purposes of providing medical assistance to Indians living  
14 within the boundaries of the Navajo Nation.

15 “(b) ASSIGNMENT AND PAYMENT.—Notwithstanding  
16 any other provision of law, the Secretary may assign and  
17 pay all expenditures related to the provision of services  
18 to Indians living within the boundaries of the Navajo Na-  
19 tion under title XIX of the Social Security Act (including  
20 administrative expenditures) that are currently paid to or  
21 would otherwise be paid to the States of Arizona, New  
22 Mexico, and Utah, to an entity established by the Navajo  
23 Nation and approved by the Secretary, which shall be de-  
24 nominated the Navajo Nation Medicaid Agency.

1       “(c) AUTHORITY.—The Navajo Nation Medicaid  
2 Agency shall serve Indians living within the boundaries of  
3 the Navajo Nation and shall have the same authority and  
4 perform the same functions as other State agency respon-  
5 sible for the administration of the State plan under title  
6 XIX of the Social Security Act.

7       “(d) TECHNICAL ASSISTANCE.—The Secretary may  
8 directly assist the Navajo Nation in the development and  
9 implementation of a Navajo Nation Medicaid Agency for  
10 the administration, eligibility, payment, and delivery of  
11 medical assistance under title XIX of the Social Security  
12 Act (which shall, for purposes of reimbursement to such  
13 Nation, include Western and traditional Navajo healing  
14 services) within the Navajo Nation. Such assistance may  
15 include providing funds for demonstration projects con-  
16 ducted with such Nation.

17       “(e) FMAP.—Notwithstanding section 1905(b) of  
18 the Social Security Act, the Federal medical assistance  
19 percentage shall be 100 per cent with respect to amounts  
20 the Navajo Nation Medicaid agency expends for medical  
21 assistance and related administrative costs.

22       “(f) WAIVER AUTHORITY.—The Secretary shall have  
23 the authority to waive applicable provisions of title XIX  
24 of the Social Security Act to establish, develop and imple-  
25 ment the Navajo Nation Medicaid Agency.

1       “(g) SCHIP.—At the option of the Navajo Nation,  
2 the Secretary may treat the Navajo Nation as a State for  
3 purposes of title XXI of the Social Security Act under  
4 terms equivalent to those described in the preceding sub-  
5 sections of this section.

6 **“SEC. 425. INDIAN ADVISORY COMMITTEES.**

7       “(a) NATIONAL INDIAN TECHNICAL ADVISORY  
8 GROUP.—The Administrator of the Health Care Financ-  
9 ing Administration shall establish and fund the expenses  
10 of a National Indian Technical Advisory Group which shall  
11 have no fewer than 14 members, including at least 1 mem-  
12 ber designated by the Indian tribes and tribal organiza-  
13 tions in each service area, 1 urban Indian organization  
14 representative, and 1 member representing the Service.  
15 The scope of the activities of such group shall be estab-  
16 lished under section 802 provided that such scope shall  
17 include providing comment on and advice regarding the  
18 programs funded under titles XVIII, XIX, and XXI of the  
19 Social Security Act or regarding any other health care pro-  
20 gram funded (in whole or part) by the Health Care Fi-  
21 nancing Administration.

22       “(b) INDIAN MEDICAID ADVISORY COMMITTEES.—  
23 The Administrator of the Health Care Financing Adminis-  
24 tration shall establish and provide funding for a Indian  
25 Medicaid Advisory Committee made up of designees of the

1 Service, Indian tribes and tribal organizations and urban  
 2 Indian organizations in each State in which the Service  
 3 directly operates a health program or in which there is  
 4 one or more Indian tribe or tribal organization or urban  
 5 Indian organization.

6 **“SEC. 426. AUTHORIZATION OF APPROPRIATIONS.**

7 There is authorized to be appropriated such sums as  
 8 may be necessary for each of fiscal years 2004 through  
 9 2015 to carry out this title.”.

10 **“TITLE V—HEALTH SERVICES**  
 11 **FOR URBAN INDIANS**

12 **“SEC. 501. PURPOSE.**

13 “The purpose of this title is to establish programs  
 14 in urban centers to make health services more accessible  
 15 and available to urban Indians.

16 **“SEC. 502. CONTRACTS WITH, AND GRANTS TO, URBAN IN-**  
 17 **DIAN ORGANIZATIONS.**

18 “Under the authority of the Act of November 2, 1921  
 19 (25 U.S.C. 13) (commonly known as the Snyder Act), the  
 20 Secretary, through the Service, shall enter into contracts  
 21 with, or make grants to, urban Indian organizations to  
 22 assist such organizations in the establishment and admin-  
 23 istration, within urban centers, of programs which meet  
 24 the requirements set forth in this title. The Secretary,  
 25 through the Service, subject to section 506, shall include

1 such conditions as the Secretary considers necessary to ef-  
2 feet the purpose of this title in any contract which the  
3 Secretary enters into with, or in any grant the Secretary  
4 makes to, any urban Indian organization pursuant to this  
5 title.

6 **“SEC. 503. CONTRACTS AND GRANTS FOR THE PROVISION**  
7 **OF HEALTH CARE AND REFERRAL SERVICES.**

8 “(a) AUTHORITY.—Under the authority of the Act of  
9 November 2, 1921 (25 U.S.C. 13) (commonly known as  
10 the Snyder Act), the Secretary, acting through the Serv-  
11 ice, shall enter into contracts with, and make grants to,  
12 urban Indian organizations for the provision of health care  
13 and referral services for urban Indians. Any such contract  
14 or grant shall include requirements that the urban Indian  
15 organization successfully undertake to—

16 “(1) estimate the population of urban Indians  
17 residing in the urban center or centers that the or-  
18 ganization proposes to serve who are or could be re-  
19 cipients of health care or referral services;

20 “(2) estimate the current health status of  
21 urban Indians residing in such urban center or cen-  
22 ters;

23 “(3) estimate the current health care needs of  
24 urban Indians residing in such urban center or cen-  
25 ters;

1           “(4) provide basic health education, including  
2 health promotion and disease prevention education,  
3 to urban Indians;

4           “(5) make recommendations to the Secretary  
5 and Federal, State, local, and other resource agen-  
6 cies on methods of improving health service pro-  
7 grams to meet the needs of urban Indians; and

8           “(6) where necessary, provide, or enter into  
9 contracts for the provision of, health care services  
10 for urban Indians.

11       “(b) CRITERIA.—The Secretary, acting through the  
12 Service, shall by regulation adopted pursuant to section  
13 520 prescribe the criteria for selecting urban Indian orga-  
14 nizations to enter into contracts or receive grants under  
15 this section. Such criteria shall, among other factors,  
16 include—

17           “(1) the extent of unmet health care needs of  
18 urban Indians in the urban center or centers in-  
19 volved;

20           “(2) the size of the urban Indian population in  
21 the urban center or centers involved;

22           “(3) the extent, if any, to which the activities  
23 set forth in subsection (a) would duplicate any  
24 project funded under this title;



1           “(4) the capability of an urban Indian organiza-  
 2           tion to perform the activities set forth in subsection  
 3           (a) and to enter into a contract with the Secretary  
 4           or to meet the requirements for receiving a grant  
 5           under this section;

6           “(5) the satisfactory performance and success-  
 7           ful completion by an urban Indian organization of  
 8           other contracts with the Secretary under this title;

9           “(6) the appropriateness and likely effectiveness  
 10          of conducting the activities set forth in subsection  
 11          (a) in an urban center or centers; and

12          “(7) the extent of existing or likely future par-  
 13          ticipation in the activities set forth in subsection (a)  
 14          by appropriate health and health-related Federal,  
 15          State, local, and other agencies.

16          “(c) HEALTH PROMOTION AND DISEASE PREVEN-  
 17          TION.—The Secretary, acting through the Service, shall  
 18          facilitate access to, or provide, health promotion and dis-  
 19          ease prevention services for urban Indians through grants  
 20          made to urban Indian organizations administering con-  
 21          tracts entered into pursuant to this section or receiving  
 22          grants under subsection (a).

23          “(d) IMMUNIZATION SERVICES.—

24                 “(1) IN GENERAL.—The Secretary, acting  
 25                 through the Service, shall facilitate access to, or pro-

1       vide, immunization services for urban Indians  
2       through grants made to urban Indian organizations  
3       administering contracts entered into, or receiving  
4       grants, under this section.

5               “(2) DEFINITION.—In this section, the term  
6       ‘immunization services’ means services to provide  
7       without charge immunizations against vaccine-pre-  
8       ventable diseases.

9       “(e) MENTAL HEALTH SERVICES.—

10              “(1) IN GENERAL.—The Secretary, acting  
11       through the Service, shall facilitate access to, or pro-  
12       vide, mental health services for urban Indians  
13       through grants made to urban Indian organizations  
14       administering contracts entered into, or receiving  
15       grants, under this section.

16              “(2) ASSESSMENT.—A grant may not be made  
17       under this subsection to an urban Indian organiza-  
18       tion until that organization has prepared, and the  
19       Service has approved, an assessment of the mental  
20       health needs of the urban Indian population con-  
21       cerned, the mental health services and other related  
22       resources available to that population, the barriers  
23       to obtaining those services and resources, and the  
24       needs that are unmet by such services and resources.

1           “(3) USE OF FUNDS.—Grants may be made  
2 under this subsection—

3           “(A) to prepare assessments required  
4 under paragraph (2);

5           “(B) to provide outreach, educational, and  
6 referral services to urban Indians regarding the  
7 availability of direct behavioral health services,  
8 to educate urban Indians about behavioral  
9 health issues and services, and effect coordina-  
10 tion with existing behavioral health providers in  
11 order to improve services to urban Indians;

12           “(C) to provide outpatient behavioral  
13 health services to urban Indians, including the  
14 identification and assessment of illness, thera-  
15 peutic treatments, case management, support  
16 groups, family treatment, and other treatment;  
17 and

18           “(D) to develop innovative behavioral  
19 health service delivery models which incorporate  
20 Indian cultural support systems and resources.

21           “(f) CHILD ABUSE.—

22           “(1) IN GENERAL.—The Secretary, acting  
23 through the Service, shall facilitate access to, or pro-  
24 vide, services for urban Indians through grants to  
25 urban Indian organizations administering contracts

1 entered into pursuant to this section or receiving  
2 grants under subsection (a) to prevent and treat  
3 child abuse (including sexual abuse) among urban  
4 Indians.

5 “(2) ASSESSMENT.—A grant may not be made  
6 under this subsection to an urban Indian organiza-  
7 tion until that organization has prepared, and the  
8 Service has approved, an assessment that documents  
9 the prevalence of child abuse in the urban Indian  
10 population concerned and specifies the services and  
11 programs (which may not duplicate existing services  
12 and programs) for which the grant is requested.

13 “(3) USE OF FUNDS.—Grants may be made  
14 under this subsection—

15 “(A) to prepare assessments required  
16 under paragraph (2);

17 “(B) for the development of prevention,  
18 training, and education programs for urban In-  
19 dian populations, including child education, par-  
20 ent education, provider training on identifica-  
21 tion and intervention, education on reporting  
22 requirements, prevention campaigns, and estab-  
23 lishing service networks of all those involved in  
24 Indian child protection; and

1           “(C) to provide direct outpatient treatment  
2           services (including individual treatment, family  
3           treatment, group therapy, and support groups)  
4           to urban Indians who are child victims of abuse  
5           (including sexual abuse) or adult survivors of  
6           child sexual abuse, to the families of such child  
7           victims, and to urban Indian perpetrators of  
8           child abuse (including sexual abuse).

9           “(4) CONSIDERATIONS.—In making grants to  
10          carry out this subsection, the Secretary shall take  
11          into consideration—

12           “(A) the support for the urban Indian or-  
13           ganization demonstrated by the child protection  
14           authorities in the area, including committees or  
15           other services funded under the Indian Child  
16           Welfare Act of 1978 (25 U.S.C. 1901 et seq.),  
17           if any;

18           “(B) the capability and expertise dem-  
19           onstrated by the urban Indian organization to  
20           address the complex problem of child sexual  
21           abuse in the community; and

22           “(C) the assessment required under para-  
23           graph (2).

24          “(g) MULTIPLE URBAN CENTERS.—The Secretary,  
25          acting through the Service, may enter into a contract with,

1 or make grants to, an urban Indian organization that pro-  
 2 vides or arranges for the provision of health care services  
 3 (through satellite facilities, provider networks, or other-  
 4 wise) to urban Indians in more than one urban center.

5 **“SEC. 504. CONTRACTS AND GRANTS FOR THE DETERMINA-  
 6 TION OF UNMET HEALTH CARE NEEDS.**

7 “(a) **AUTHORITY.**—

8 “(1) **IN GENERAL.**—Under authority of the Act  
 9 of November 2, 1921 (25 U.S.C. 13) (commonly  
 10 known as the Snyder Act), the Secretary, acting  
 11 through the Service, may enter into contracts with,  
 12 or make grants to, urban Indian organizations situ-  
 13 ated in urban centers for which contracts have not  
 14 been entered into, or grants have not been made,  
 15 under section 503.

16 “(2) **PURPOSE.**—The purpose of a contract or  
 17 grant made under this section shall be the deter-  
 18 mination of the matters described in subsection  
 19 (b)(1) in order to assist the Secretary in assessing  
 20 the health status and health care needs of urban In-  
 21 dians in the urban center involved and determining  
 22 whether the Secretary should enter into a contract  
 23 or make a grant under section 503 with respect to  
 24 the urban Indian organization which the Secretary

1 has entered into a contract with, or made a grant  
2 to, under this section.

3 “(b) REQUIREMENTS.—Any contract entered into, or  
4 grant made, by the Secretary under this section shall in-  
5 clude requirements that—

6 “(1) the urban Indian organization successfully  
7 undertake to—

8 “(A) document the health care status and  
9 unmet health care needs of urban Indians in  
10 the urban center involved; and

11 “(B) with respect to urban Indians in the  
12 urban center involved, determine the matters  
13 described in paragraphs (2), (3), (4), and (7) of  
14 section 503(b); and

15 “(2) the urban Indian organization complete  
16 performance of the contract, or carry out the re-  
17 quirements of the grant, within 1 year after the date  
18 on which the Secretary and such organization enter  
19 into such contract, or within 1 year after such orga-  
20 nization receives such grant, whichever is applicable.

21 “(c) LIMITATION ON RENEWAL.—The Secretary may  
22 not renew any contract entered into, or grant made, under  
23 this section.

1 **“SEC. 505. EVALUATIONS; RENEWALS.**

2       “(a) PROCEDURES.—The Secretary, acting through  
3 the Service, shall develop procedures to evaluate compli-  
4 ance with grant requirements under this title and compli-  
5 ance with, and performance of contracts entered into by  
6 urban Indian organizations under this title. Such proce-  
7 dures shall include provisions for carrying out the require-  
8 ments of this section.

9       “(b) COMPLIANCE WITH TERMS.—The Secretary,  
10 acting through the Service, shall evaluate the compliance  
11 of each urban Indian organization which has entered into  
12 a contract or received a grant under section 503 with the  
13 terms of such contract or grant. For purposes of an eval-  
14 uation under this subsection, the Secretary, in determin-  
15 ing the capacity of an urban Indian organization to deliver  
16 quality patient care shall, at the option of the  
17 organization—

18               “(1) conduct, through the Service, an annual  
19 onsite evaluation of the organization; or

20               “(2) accept, in lieu of an onsite evaluation, evi-  
21 dence of the organization’s provisional or full accred-  
22 itation by a private independent entity recognized by  
23 the Secretary for purposes of conducting quality re-  
24 views of providers participating in the medicare pro-  
25 gram under Title XVIII of the Social Security Act.

26       “(c) NONCOMPLIANCE.—



1           “(1) IN GENERAL.—If, as a result of the eval-  
2           uations conducted under this section, the Secretary  
3           determines that an urban Indian organization has  
4           not complied with the requirements of a grant or  
5           complied with or satisfactorily performed a contract  
6           under section 503, the Secretary shall, prior to re-  
7           newing such contract or grant, attempt to resolve  
8           with such organization the areas of noncompliance  
9           or unsatisfactory performance and modify such con-  
10          tract or grant to prevent future occurrences of such  
11          noncompliance or unsatisfactory performance.

12          “(2) NONRENEWAL.—If the Secretary deter-  
13          mines, under an evaluation under this section, that  
14          noncompliance or unsatisfactory performance cannot  
15          be resolved and prevented in the future, the Sec-  
16          retary shall not renew such contract or grant with  
17          such organization and is authorized to enter into a  
18          contract or make a grant under section 503 with an-  
19          other urban Indian organization which is situated in  
20          the same urban center as the urban Indian organiza-  
21          tion whose contract or grant is not renewed under  
22          this section.

23          “(d) DETERMINATION OF RENEWAL.—In determin-  
24          ing whether to renew a contract or grant with an urban  
25          Indian organization under section 503 which has com-

1 pleted performance of a contract or grant under section  
2 504, the Secretary shall review the records of the urban  
3 Indian organization, the reports submitted under section  
4 507, and, in the case of a renewal of a contract or grant  
5 under section 503, shall consider the results of the onsite  
6 evaluations or accreditation under subsection (b).

7 **“SEC. 506. OTHER CONTRACT AND GRANT REQUIREMENTS.**

8       “(a) APPLICATION OF FEDERAL LAW.—Contracts  
9 with urban Indian organizations entered into pursuant to  
10 this title shall be in accordance with all Federal contract-  
11 ing laws and regulations relating to procurement except  
12 that, in the discretion of the Secretary, such contracts may  
13 be negotiated without advertising and need not conform  
14 to the provisions of the Act of August 24, 1935 (40 U.S.C.  
15 270a, et seq.).

16       “(b) PAYMENTS.—Payments under any contracts or  
17 grants pursuant to this title shall, notwithstanding any  
18 term or condition of such contract or grant—

19               “(1) be made in their entirety by the Secretary  
20 to the urban Indian organization by not later than  
21 the end of the first 30 days of the funding period  
22 with respect to which the payments apply, unless the  
23 Secretary determines through an evaluation under  
24 section 505 that the organization is not capable of  
25 administering such payments in their entirety; and

1           “(2) if unexpended by the urban Indian organi-  
2           zation during the funding period with respect to  
3           which the payments initially apply, be carried for-  
4           ward for expenditure with respect to allowable or re-  
5           imbursable costs incurred by the organization during  
6           1 or more subsequent funding periods without addi-  
7           tional justification or documentation by the organi-  
8           zation as a condition of carrying forward the ex-  
9           penditure of such funds.

10          “(c) REVISING OR AMENDING CONTRACT.—Notwith-  
11         standing any provision of law to the contrary, the Sec-  
12         retary may, at the request or consent of an urban Indian  
13         organization, revise or amend any contract entered into  
14         by the Secretary with such organization under this title  
15         as necessary to carry out the purposes of this title.

16          “(d) FAIR AND UNIFORM PROVISION OF SERV-  
17         ICES.—Contracts with, or grants to, urban Indian organi-  
18         zations and regulations adopted pursuant to this title shall  
19         include provisions to assure the fair and uniform provision  
20         to urban Indians of services and assistance under such  
21         contracts or grants by such organizations.

22          “(e) ELIGIBILITY OF URBAN INDIANS.—Urban Indi-  
23         ans, as defined in section 4(f), shall be eligible for health  
24         care or referral services provided pursuant to this title.

1 **“SEC. 507. REPORTS AND RECORDS.**

2 “(a) REPORT.—For each fiscal year during which an  
3 urban Indian organization receives or expends funds pur-  
4 suant to a contract entered into, or a grant received, pur-  
5 suant to this title, such organization shall submit to the  
6 Secretary, on a basis no more frequent than every 6  
7 months, a report including—

8 “(1) in the case of a contract or grant under  
9 section 503, information gathered pursuant to para-  
10 graph (5) of subsection (a) of such section;

11 “(2) information on activities conducted by the  
12 organization pursuant to the contract or grant;

13 “(3) an accounting of the amounts and pur-  
14 poses for which Federal funds were expended; and

15 “(4) a minimum set of data, using uniformly  
16 defined elements, that is specified by the Secretary,  
17 after consultations consistent with section 514, with  
18 urban Indian organizations.

19 “(b) AUDITS.—The reports and records of the urban  
20 Indian organization with respect to a contract or grant  
21 under this title shall be subject to audit by the Secretary  
22 and the Comptroller General of the United States.

23 “(c) COST OF AUDIT.—The Secretary shall allow as  
24 a cost of any contract or grant entered into or awarded  
25 under section 502 or 503 the cost of an annual independ-  
26 ent financial audit conducted by—

1           “(1) a certified public accountant; or

2           “(2) a certified public accounting firm qualified  
3           to conduct Federal compliance audits.

4 **“SEC. 508. LIMITATION ON CONTRACT AUTHORITY.**

5           “The authority of the Secretary to enter into con-  
6 tracts or to award grants under this title shall be to the  
7 extent, and in an amount, provided for in appropriation  
8 Acts.

9 **“SEC. 509. FACILITIES.**

10          “(a) GRANTS.—The Secretary may make grants to  
11 contractors or grant recipients under this title for the  
12 lease, purchase, renovation, construction, or expansion of  
13 facilities, including leased facilities, in order to assist such  
14 contractors or grant recipients in complying with applica-  
15 ble licensure or certification requirements.

16          “(b) LOANS OR LOAN GUARANTEES.—The Secretary,  
17 acting through the Service or through the Health Re-  
18 sources and Services Administration, may provide loans  
19 to contractors or grant recipients under this title from the  
20 Urban Indian Health Care Facilities Revolving Loan  
21 Fund (referred to in this section as the ‘URLF’) described  
22 in subsection (c), or guarantees for loans, for the construc-  
23 tion, renovation, expansion, or purchase of health care fa-  
24 cilities, subject to the following requirements:

1           “(1) The principal amount of a loan or loan  
2     guarantee may cover 100 percent of the costs (other  
3     than staffing) relating to the facility, including plan-  
4     ning, design, financing, site land development, con-  
5     struction, rehabilitation, renovation, conversion,  
6     medical equipment, furnishings, and capital pur-  
7     chase.

8           “(2) The total amount of the principal of loans  
9     and loan guarantees, respectively, outstanding at  
10    any one time shall not exceed such limitations as  
11    may be specified in appropriations Acts.

12          “(3) The loan or loan guarantee may have a  
13    term of the shorter of the estimated useful life of the  
14    facility, or 25 years.

15          “(4) An urban Indian organization may assign,  
16    and the Secretary may accept assignment of, the  
17    revenue of the organization as security for a loan or  
18    loan guarantee under this subsection.

19          “(5) The Secretary shall not collect application,  
20    processing, or similar fees from urban Indian organi-  
21    zations applying for loans or loan guarantees under  
22    this subsection.

23          “(c) URBAN INDIAN HEALTH CARE FACILITIES RE-  
24    VOLVING LOAN FUND.—

1           “(1) ESTABLISHMENT.—There is established in  
2 the Treasury of the United States a fund to be  
3 known as the Urban Indian Health Care Facilities  
4 Revolving Loan Fund. The URLF shall consist of—

5           “(A) such amounts as may be appropriated  
6 to the URLF;

7           “(B) amounts received from urban Indian  
8 organizations in repayment of loans made to  
9 such organizations under paragraph (2); and

10           “(C) interest earned on amounts in the  
11 URLF under paragraph (3).

12           “(2) USE OF URLF.—Amounts in the URLF  
13 may be expended by the Secretary, acting through  
14 the Service or the Health Resources and Services  
15 Administration, to make loans available to urban In-  
16 dian organizations receiving grants or contracts  
17 under this title for the purposes, and subject to the  
18 requirements, described in subsection (b). Amounts  
19 appropriated to the URLF, amounts received from  
20 urban Indian organizations in repayment of loans,  
21 and interest on amounts in the URLF shall remain  
22 available until expended.

23           “(3) INVESTMENTS.—The Secretary of the  
24 Treasury shall invest such amounts of the URLF as  
25 such Secretary determines are not required to meet

1 current withdrawals from the URLF. Such invest-  
2 ments may be made only in interest-bearing obliga-  
3 tions of the United States. For such purpose, such  
4 obligations may be acquired on original issue at the  
5 issue price, or by purchase of outstanding obliga-  
6 tions at the market price. Any obligation acquired by  
7 the URLF may be sold by the Secretary of the  
8 Treasury at the market price.

9 **“SEC. 510. OFFICE OF URBAN INDIAN HEALTH.**

10 “There is hereby established within the Service an  
11 Office of Urban Indian Health which shall be responsible  
12 for—

13 “(1) carrying out the provisions of this title;

14 “(2) providing central oversight of the pro-  
15 grams and services authorized under this title; and

16 “(3) providing technical assistance to urban In-  
17 dian organizations.

18 **“SEC. 511. GRANTS FOR ALCOHOL AND SUBSTANCE ABUSE**  
19 **RELATED SERVICES.**

20 “(a) GRANTS.—The Secretary may make grants for  
21 the provision of health-related services in prevention of,  
22 treatment of, rehabilitation of, or school and community-  
23 based education in, alcohol and substance abuse in urban  
24 centers to those urban Indian organizations with whom



1 the Secretary has entered into a contract under this title  
2 or under section 201.

3 “(b) GOALS OF GRANT.—Each grant made pursuant  
4 to subsection (a) shall set forth the goals to be accom-  
5 plished pursuant to the grant. The goals shall be specific  
6 to each grant as agreed to between the Secretary and the  
7 grantee.

8 “(c) CRITERIA.—The Secretary shall establish cri-  
9 teria for the grants made under subsection (a), including  
10 criteria relating to the—

11 “(1) size of the urban Indian population;

12 “(2) capability of the organization to adequately  
13 perform the activities required under the grant;

14 “(3) satisfactory performance standards for the  
15 organization in meeting the goals set forth in such  
16 grant, which standards shall be negotiated and  
17 agreed to between the Secretary and the grantee on  
18 a grant-by-grant basis; and

19 “(4) identification of need for services.

20 The Secretary shall develop a methodology for allocating  
21 grants made pursuant to this section based on such cri-  
22 teria.

23 “(d) TREATMENT OF FUNDS RECEIVED BY URBAN  
24 INDIAN ORGANIZATIONS.—Any funds received by an  
25 urban Indian organization under this Act for substance

1 abuse prevention, treatment, and rehabilitation shall be  
2 subject to the criteria set forth in subsection (c).

3 **“SEC. 512. TREATMENT OF CERTAIN DEMONSTRATION**  
4 **PROJECTS.**

5 “(a) TULSA AND OKLAHOMA CITY CLINICS.—Not-  
6 withstanding any other provision of law, the Tulsa and  
7 Oklahoma City Clinic demonstration projects shall become  
8 permanent programs within the Service’s direct care pro-  
9 gram and continue to be treated as service units in the  
10 allocation of resources and coordination of care, and shall  
11 continue to meet the requirements and definitions of an  
12 urban Indian organization in this title, and as such will  
13 not be subject to the provisions of the Indian Self-Deter-  
14 mination and Education Assistance Act.

15 “(b) REPORT.—The Secretary shall submit to the  
16 President, for inclusion in the report required to be sub-  
17 mitted to the Congress under section 801 for fiscal year  
18 1999, a report on the findings and conclusions derived  
19 from the demonstration projects specified in subsection  
20 (a).

21 **“SEC. 513. URBAN NIAAA TRANSFERRED PROGRAMS.**

22 “(a) GRANTS AND CONTRACTS.—The Secretary, act-  
23 ing through the Office of Urban Indian Health of the  
24 Service, shall make grants or enter into contracts, effective  
25 not later than September 30, 2004, with urban Indian or-

1 ganizations for the administration of urban Indian alcohol  
2 programs that were originally established under the Na-  
3 tional Institute on Alcoholism and Alcohol Abuse (referred  
4 to in this section to as ‘NIAAA’) and transferred to the  
5 Service.

6 “(b) USE OF FUNDS.—Grants provided or contracts  
7 entered into under this section shall be used to provide  
8 support for the continuation of alcohol prevention and  
9 treatment services for urban Indian populations and such  
10 other objectives as are agreed upon between the Service  
11 and a recipient of a grant or contract under this section.

12 “(c) ELIGIBILITY.—Urban Indian organizations that  
13 operate Indian alcohol programs originally funded under  
14 NIAAA and subsequently transferred to the Service are  
15 eligible for grants or contracts under this section.

16 “(d) EVALUATION AND REPORT.—The Secretary  
17 shall evaluate and report to the Congress on the activities  
18 of programs funded under this section at least every 5  
19 years.

20 **“SEC. 514. CONSULTATION WITH URBAN INDIAN ORGANIZA-**  
21 **TIONS.**

22 “(a) IN GENERAL.—The Secretary shall ensure that  
23 the Service, the Health Care Financing Administration,  
24 and other operating divisions and staff divisions of the De-  
25 partment consult, to the maximum extent practicable, with

1 urban Indian organizations (as defined in section 4) prior  
2 to taking any action, or approving Federal financial assist-  
3 ance for any action of a State, that may affect urban Indi-  
4 ans or urban Indian organizations.

5 “(b) REQUIREMENT.—In subsection (a), the term  
6 ‘consultation’ means the open and free exchange of infor-  
7 mation and opinion among urban Indian organizations  
8 and the operating and staff divisions of the Department  
9 which leads to mutual understanding and comprehension  
10 and which emphasizes trust, respect, and shared respon-  
11 sibility.

12 **“SEC. 515. FEDERAL TORT CLAIMS ACT COVERAGE.**

13 “For purposes of section 224 of the Public Health  
14 Service Act (42 U.S.C. 233), with respect to claims by  
15 any person, initially filed on or after October 1, 1999,  
16 whether or not such person is an Indian or Alaska Native  
17 or is served on a fee basis or under other circumstances  
18 as permitted by Federal law or regulations, for personal  
19 injury (including death) resulting from the performance  
20 prior to, including, or after October 1, 1999, of medical,  
21 surgical, dental, or related functions, including the con-  
22 duct of clinical studies or investigations, or for purposes  
23 of section 2679 of title 28, United States Code, with re-  
24 spect to claims by any such person, on or after October  
25 1, 1999, for personal injury (including death) resulting

1 from the operation of an emergency motor vehicle, an  
2 urban Indian organization that has entered into a contract  
3 or received a grant pursuant to this title is deemed to be  
4 part of the Public Health Service while carrying out any  
5 such contract or grant and its employees (including those  
6 acting on behalf of the organization as provided for in sec-  
7 tion 2671 of title 28, United States Code, and including  
8 an individual who provides health care services pursuant  
9 to a personal services contract with an urban Indian orga-  
10 nization for the provision of services in any facility owned,  
11 operated, or constructed under the jurisdiction of the In-  
12 dian Health Service) are deemed employees of the Service  
13 while acting within the scope of their employment in carry-  
14 ing out the contract or grant, except that such employees  
15 shall be deemed to be acting within the scope of their em-  
16 ployment in carrying out the contract or grant when they  
17 are required, by reason of their employment, to perform  
18 medical, surgical, dental or related functions at a facility  
19 other than a facility operated by the urban Indian organi-  
20 zation pursuant to such contract or grant, but only if such  
21 employees are not compensated for the performance of  
22 such functions by a person or entity other than the urban  
23 Indian organization.

1 **“SEC. 516. URBAN YOUTH TREATMENT CENTER DEM-**  
 2 **ONSTRATION.**

3 “(a) CONSTRUCTION AND OPERATION.—The Sec-  
 4 retary, acting through the Service, shall, through grants  
 5 or contracts, make payment for the construction and oper-  
 6 ation of at least 2 residential treatment centers in each  
 7 State described in subsection (b) to demonstrate the provi-  
 8 sion of alcohol and substance abuse treatment services to  
 9 urban Indian youth in a culturally competent residential  
 10 setting.

11 “(b) STATES.—A State described in this subsection  
 12 is a State in which—

13 “(1) there reside urban Indian youth with a  
 14 need for alcohol and substance abuse treatment serv-  
 15 ices in a residential setting; and

16 “(2) there is a significant shortage of culturally  
 17 competent residential treatment services for urban  
 18 Indian youth.

19 **“SEC. 517. USE OF FEDERAL GOVERNMENT FACILITIES AND**  
 20 **SOURCES OF SUPPLY.**

21 “(a) IN GENERAL.—The Secretary shall permit an  
 22 urban Indian organization that has entered into a contract  
 23 or received a grant pursuant to this title, in carrying out  
 24 such contract or grant, to use existing facilities and all  
 25 equipment therein or pertaining thereto and other per-  
 26 sonal property owned by the Federal Government within

1 the Secretary's jurisdiction under such terms and condi-  
2 tions as may be agreed upon for their use and mainte-  
3 nance.

4       “(b) DONATION OF PROPERTY.—Subject to sub-  
5 section (d), the Secretary may donate to an urban Indian  
6 organization that has entered into a contract or received  
7 a grant pursuant to this title any personal or real property  
8 determined to be excess to the needs of the Service or the  
9 General Services Administration for purposes of carrying  
10 out the contract or grant.

11       “(c) ACQUISITION OF PROPERTY.—The Secretary  
12 may acquire excess or surplus government personal or real  
13 property for donation, subject to subsection (d), to an  
14 urban Indian organization that has entered into a contract  
15 or received a grant pursuant to this title if the Secretary  
16 determines that the property is appropriate for use by the  
17 urban Indian organization for a purpose for which a con-  
18 tract or grant is authorized under this title.

19       “(d) PRIORITY.—In the event that the Secretary re-  
20 ceives a request for a specific item of personal or real  
21 property described in subsections (b) or (c) from an urban  
22 Indian organization and from an Indian tribe or tribal or-  
23 ganization, the Secretary shall give priority to the request  
24 for donation to the Indian tribe or tribal organization if  
25 the Secretary receives the request from the Indian tribe

1 or tribal organization before the date on which the Sec-  
2 retary transfers title to the property or, if earlier, the date  
3 on which the Secretary transfers the property physically,  
4 to the urban Indian organization.

5 “(e) RELATION TO FEDERAL SOURCES OF SUP-  
6 PLY.—For purposes of section 201(a) of the Federal  
7 Property and Administrative Services Act of 1949 (40  
8 U.S.C. 481(a)) (relating to Federal sources of supply, in-  
9 cluding lodging providers, airlines, and other transpor-  
10 tation providers), an urban Indian organization that has  
11 entered into a contract or received a grant pursuant to  
12 this title shall be deemed an executive agency when carry-  
13 ing out such contract or grant, and the employees of the  
14 urban Indian organization shall be eligible to have access  
15 to such sources of supply on the same basis as employees  
16 of an executive agency have such access.

17 **“SEC. 518. GRANTS FOR DIABETES PREVENTION, TREAT-**  
18 **MENT AND CONTROL.**

19 “(a) AUTHORITY.—The Secretary may make grants  
20 to those urban Indian organizations that have entered into  
21 a contract or have received a grant under this title for  
22 the provision of services for the prevention, treatment, and  
23 control of the complications resulting from, diabetes  
24 among urban Indians.



1       “(b) GOALS.—Each grant made pursuant to sub-  
2 section (a) shall set forth the goals to be accomplished  
3 under the grant. The goals shall be specific to each grant  
4 as agreed upon between the Secretary and the grantee.

5       “(c) CRITERIA.—The Secretary shall establish cri-  
6 teria for the awarding of grants made under subsection  
7 (a) relating to—

8           “(1) the size and location of the urban Indian  
9 population to be served;

10          “(2) the need for the prevention of, treatment  
11 of, and control of the complications resulting from  
12 diabetes among the urban Indian population to be  
13 served;

14          “(3) performance standards for the urban In-  
15 dian organization in meeting the goals set forth in  
16 such grant that are negotiated and agreed to by the  
17 Secretary and the grantee;

18          “(4) the capability of the urban Indian organi-  
19 zation to adequately perform the activities required  
20 under the grant; and

21          “(5) the willingness of the urban Indian organi-  
22 zation to collaborate with the registry, if any, estab-  
23 lished by the Secretary under section 204(e) in the  
24 area office of the Service in which the organization  
25 is located.

1       “(d) APPLICATION OF CRITERIA.—Any funds re-  
2 ceived by an urban Indian organization under this Act for  
3 the prevention, treatment, and control of diabetes among  
4 urban Indians shall be subject to the criteria developed  
5 by the Secretary under subsection (c).

6 **“SEC. 519. COMMUNITY HEALTH REPRESENTATIVES.**

7       “The Secretary, acting through the Service, may  
8 enter into contracts with, and make grants to, urban In-  
9 dian organizations for the use of Indians trained as health  
10 service providers through the Community Health Rep-  
11 resentatives Program under section 107(b) in the provi-  
12 sion of health care, health promotion, and disease preven-  
13 tion services to urban Indians.

14 **“SEC. 520. REGULATIONS.**

15       “(a) EFFECT OF TITLE.—This title shall be effective  
16 on the date of enactment of this Act regardless of whether  
17 the Secretary has promulgated regulations implementing  
18 this title.

19       “(b) PROMULGATION.—

20               “(1) IN GENERAL.—The Secretary may promul-  
21 gate regulations to implement the provisions of this  
22 title.

23               “(2) PUBLICATION.—Proposed regulations to  
24 implement this title shall be published by the Sec-  
25 retary in the Federal Register not later than 270

1 days after the date of enactment of this Act and  
2 shall have a comment period of not less than 120  
3 days.

4 “(3) EXPIRATION OF AUTHORITY.—The author-  
5 ity to promulgate regulations under this title shall  
6 expire on the date that is 18 months after the date  
7 of enactment of this Act.

8 “(c) NEGOTIATED RULEMAKING COMMITTEE.—A ne-  
9 gotiated rulemaking committee shall be established pursu-  
10 ant to section 565 of title 5, United States Code, to carry  
11 out this section and shall, in addition to Federal represent-  
12 atives, have as the majority of its members representatives  
13 of urban Indian organizations from each service area.

14 “(d) ADAPTION OF PROCEDURES.—The Secretary  
15 shall adapt the negotiated rulemaking procedures to the  
16 unique context of this Act.

17 **“SEC. 521. AUTHORIZATION OF APPROPRIATIONS.**

18 “There is authorized to be appropriated such sums  
19 as may be necessary for each fiscal year through fiscal  
20 year 2015 to carry out this title.

1 **“TITLE VI—ORGANIZATIONAL**  
2 **IMPROVEMENTS**

3 **“SEC. 601. ESTABLISHMENT OF THE INDIAN HEALTH SERV-**  
4 **ICE AS AN AGENCY OF THE PUBLIC HEALTH**  
5 **SERVICE.**

6 “(a) ESTABLISHMENT.—

7 “(1) IN GENERAL.—In order to more effectively  
8 and efficiently carry out the responsibilities, authori-  
9 ties, and functions of the United States to provide  
10 health care services to Indians and Indian tribes, as  
11 are or may be hereafter provided by Federal statute  
12 or treaties, there is established within the Public  
13 Health Service of the Department the Indian Health  
14 Service.

15 “(2) ASSISTANT SECRETARY OF INDIAN  
16 HEALTH.—The Service shall be administered by an  
17 Assistance Secretary of Indian Health, who shall be  
18 appointed by the President, by and with the advice  
19 and consent of the Senate. The Assistant Secretary  
20 shall report to the Secretary. Effective with respect  
21 to an individual appointed by the President, by and  
22 with the advice and consent of the Senate, after  
23 January 1, 1993, the term of service of the Assist-  
24 ant Secretary shall be 4 years. An Assistant Sec-  
25 retary may serve more than 1 term.

1       “(b) AGENCY.—The Service shall be an agency within  
2 the Public Health Service of the Department, and shall  
3 not be an office, component, or unit of any other agency  
4 of the Department.

5       “(c) FUNCTIONS AND DUTIES.—The Secretary shall  
6 carry out through the Assistant Secretary of the Service—

7               “(1) all functions which were, on the day before  
8 the date of enactment of the Indian Health Care  
9 Amendments of 1988, carried out by or under the  
10 direction of the individual serving as Director of the  
11 Service on such day;

12               “(2) all functions of the Secretary relating to  
13 the maintenance and operation of hospital and  
14 health facilities for Indians and the planning for,  
15 and provision and utilization of, health services for  
16 Indians;

17               “(3) all health programs under which health  
18 care is provided to Indians based upon their status  
19 as Indians which are administered by the Secretary,  
20 including programs under—

21                       “(A) this Act;

22                       “(B) the Act of November 2, 1921 (25  
23 U.S.C. 13);

24                       “(C) the Act of August 5, 1954 (42 U.S.C.  
25 2001, et seq.);

1           “(D) the Act of August 16, 1957 (42  
2           U.S.C. 2005 et seq.); and

3           “(E) the Indian Self-Determination Act  
4           (25 U.S.C. 450f, et seq.); and

5           “(4) all scholarship and loan functions carried  
6           out under title I.

7           “(d) AUTHORITY.—

8           “(1) IN GENERAL.—The Secretary, acting  
9           through the Assistant Secretary, shall have the  
10          authority—

11          “(A) except to the extent provided for in  
12          paragraph (2), to appoint and compensate em-  
13          ployees for the Service in accordance with title  
14          5, United States Code;

15          “(B) to enter into contracts for the pro-  
16          curement of goods and services to carry out the  
17          functions of the Service; and

18          “(C) to manage, expend, and obligate all  
19          funds appropriated for the Service.

20          “(2) PERSONNEL ACTIONS.—Notwithstanding  
21          any other provision of law, the provisions of section  
22          12 of the Act of June 18, 1934 (48 Stat. 986; 25  
23          U.S.C. 472), shall apply to all personnel actions  
24          taken with respect to new positions created within

1 the Service as a result of its establishment under  
2 subsection (a).

3 **“SEC. 602. AUTOMATED MANAGEMENT INFORMATION SYS-**  
4 **TEM.**

5 “(a) ESTABLISHMENT.—

6 “(1) IN GENERAL.—The Secretary, in consulta-  
7 tion with tribes, tribal organizations, and urban In-  
8 dian organizations, shall establish an automated  
9 management information system for the Service.

10 “(2) REQUIREMENTS OF SYSTEM.—The infor-  
11 mation system established under paragraph (1) shall  
12 include—

13 “(A) a financial management system;

14 “(B) a patient care information system;

15 “(C) a privacy component that protects the  
16 privacy of patient information;

17 “(D) a services-based cost accounting com-  
18 ponent that provides estimates of the costs as-  
19 sociated with the provision of specific medical  
20 treatments or services in each area office of the  
21 Service;

22 “(E) an interface mechanism for patient  
23 billing and accounts receivable system; and

24 “(F) a training component.

1       “(b) PROVISION OF SYSTEMS TO TRIBES AND ORGA-  
2 NIZATIONS.—The Secretary shall provide each Indian  
3 tribe and tribal organization that provides health services  
4 under a contract entered into with the Service under the  
5 Indian Self-Determination Act automated management in-  
6 formation systems which—

7               “(1) meet the management information needs  
8       of such Indian tribe or tribal organization with re-  
9       spect to the treatment by the Indian tribe or tribal  
10      organization of patients of the Service; and

11              “(2) meet the management information needs  
12      of the Service.

13       “(c) ACCESS TO RECORDS.—Notwithstanding any  
14 other provision of law, each patient shall have reasonable  
15 access to the medical or health records of such patient  
16 which are held by, or on behalf of, the Service.

17       “(d) AUTHORITY TO ENHANCE INFORMATION TECH-  
18 NOLOGY.—The Secretary, acting through the Assistant  
19 Secretary, shall have the authority to enter into contracts,  
20 agreements or joint ventures with other Federal agencies,  
21 States, private and nonprofit organizations, for the pur-  
22 pose of enhancing information technology in Indian health  
23 programs and facilities.



1 **“SEC. 603. AUTHORIZATION OF APPROPRIATIONS.**

2 “There is authorized to be appropriated such sums  
3 as may be necessary for each fiscal year through fiscal  
4 year 2015 to carry out this title.

5 **“TITLE VII—BEHAVIORAL**  
6 **HEALTH PROGRAMS**

7 **“SEC. 701. BEHAVIORAL HEALTH PREVENTION AND TREAT-**  
8 **MENT SERVICES.**

9 “(a) PURPOSES.—It is the purpose of this section  
10 to—

11 “(1) authorize and direct the Secretary, acting  
12 through the Service, Indian tribes, tribal organiza-  
13 tions, and urban Indian organizations to develop a  
14 comprehensive behavioral health prevention and  
15 treatment program which emphasizes collaboration  
16 among alcohol and substance abuse, social services,  
17 and mental health programs;

18 “(2) provide information, direction and guid-  
19 ance relating to mental illness and dysfunction and  
20 self-destructive behavior, including child abuse and  
21 family violence, to those Federal, tribal, State and  
22 local agencies responsible for programs in Indian  
23 communities in areas of health care, education, so-  
24 cial services, child and family welfare, alcohol and  
25 substance abuse, law enforcement and judicial serv-  
26 ices;

1           “(3) assist Indian tribes to identify services and  
2 resources available to address mental illness and  
3 dysfunctional and self-destructive behavior;

4           “(4) provide authority and opportunities for In-  
5 dian tribes to develop and implement, and coordinate  
6 with, community-based programs which include iden-  
7 tification, prevention, education, referral, and treat-  
8 ment services, including through multi-disciplinary  
9 resource teams;

10          “(5) ensure that Indians, as citizens of the  
11 United States and of the States in which they re-  
12 side, have the same access to behavioral health serv-  
13 ices to which all citizens have access; and

14          “(6) modify or supplement existing programs  
15 and authorities in the areas identified in paragraph  
16 (2).

17          “(b) BEHAVIORAL HEALTH PLANNING.—

18           “(1) AREA-WIDE PLANS.—The Secretary, acting  
19 through the Service, Indian tribes, tribal organiza-  
20 tions, and urban Indian organizations, shall encour-  
21 age Indian tribes and tribal organizations to develop  
22 tribal plans, encourage urban Indian organizations  
23 to develop local plans, and encourage all such groups  
24 to participate in developing area-wide plans for In-

1       dian Behavioral Health Services. The plans shall, to  
2       the extent feasible, include—

3               “(A) an assessment of the scope of the  
4               problem of alcohol or other substance abuse,  
5               mental illness, dysfunctional and self-destructive  
6               behavior, including suicide, child abuse and  
7               family violence, among Indians, including—

8                       “(i) the number of Indians served who  
9                       are directly or indirectly affected by such  
10                      illness or behavior; and

11                     “(ii) an estimate of the financial and  
12                     human cost attributable to such illness or  
13                     behavior;

14               “(B) an assessment of the existing and ad-  
15               ditional resources necessary for the prevention  
16               and treatment of such illness and behavior, in-  
17               cluding an assessment of the progress toward  
18               achieving the availability of the full continuum  
19               of care described in subsection (c); and

20               “(C) an estimate of the additional funding  
21               needed by the Service, Indian tribes, tribal or-  
22               ganizations and urban Indian organizations to  
23               meet their responsibilities under the plans.

24               “(2) NATIONAL CLEARINGHOUSE.—The Sec-  
25               retary shall establish a national clearinghouse of

1 plans and reports on the outcomes of such plans de-  
2 veloped under this section by Indian tribes, tribal or-  
3 ganizations and by areas relating to behavioral  
4 health. The Secretary shall ensure access to such  
5 plans and outcomes by any Indian tribe, tribal orga-  
6 nization, urban Indian organization or the Service.

7 “(3) TECHNICAL ASSISTANCE.—The Secretary  
8 shall provide technical assistance to Indian tribes,  
9 tribal organizations, and urban Indian organizations  
10 in preparation of plans under this section and in de-  
11 veloping standards of care that may be utilized and  
12 adopted locally.

13 “(c) CONTINUUM OF CARE.—The Secretary, acting  
14 through the Service, Indian tribes and tribal organiza-  
15 tions, shall provide, to the extent feasible and to the extent  
16 that funding is available, for the implementation of pro-  
17 grams including—

18 “(1) a comprehensive continuum of behavioral  
19 health care that provides for—

20 “(A) community based prevention, inter-  
21 vention, outpatient and behavioral health  
22 aftercare;

23 “(B) detoxification (social and medical);

24 “(C) acute hospitalization;

- 1           “(D) intensive outpatient or day treat-
- 2           ment;
- 3           “(E) residential treatment;
- 4           “(F) transitional living for those needing a
- 5           temporary stable living environment that is sup-
- 6           portive of treatment or recovery goals;
- 7           “(G) emergency shelter;
- 8           “(H) intensive case management;
- 9           “(I) traditional health care practices; and
- 10           “(J) diagnostic services, including the utili-
- 11           zation of neurological assessment technology;
- 12           and
- 13           “(2) behavioral health services for particular
- 14           populations, including—
- 15           “(A) for persons from birth through age
- 16           17, child behavioral health services, that
- 17           include—
- 18           “(i) pre-school and school age fetal al-
- 19           cohol disorder services, including assess-
- 20           ment and behavioral intervention);
- 21           “(ii) mental health or substance abuse
- 22           services (emotional, organic, alcohol, drug,
- 23           inhalant and tobacco);
- 24           “(iii) services for co-occurring dis-
- 25           orders (multiple diagnosis);

1           “(iv) prevention services that are fo-  
2           cused on individuals ages 5 years through  
3           10 years (alcohol, drug, inhalant and to-  
4           bacco);

5           “(v) early intervention, treatment and  
6           aftercare services that are focused on indi-  
7           viduals ages 11 years through 17 years;

8           “(vi) healthy choices or life style serv-  
9           ices (related to STD’s, domestic violence,  
10          sexual abuse, suicide, teen pregnancy, obe-  
11          sity, and other risk or safety issues);

12          “(vii) co-morbidity services;

13          “(B) for persons ages 18 years through 55  
14          years, adult behavioral health services that  
15          include—

16               “(i) early intervention, treatment and  
17               aftercare services;

18               “(ii) mental health and substance  
19               abuse services (emotional, alcohol, drug,  
20               inhalant and tobacco);

21               “(iii) services for co-occurring dis-  
22               orders (dual diagnosis) and co-morbidity;

23               “(iv) healthy choices and life style  
24               services (related to parenting, partners, do-

1           mestic violence, sexual abuse, suicide, obe-  
2           sity, and other risk related behavior);

3           “(v) female specific treatment services  
4           for—

5                   “(I) women at risk of giving  
6                   birth to a child with a fetal alcohol  
7                   disorder;

8                   “(II) substance abuse requiring  
9                   gender specific services;

10                   “(III) sexual assault and domes-  
11                   tic violence; and

12                   “(IV) healthy choices and life  
13                   style (parenting, partners, obesity,  
14                   suicide and other related behavioral  
15                   risk); and

16           “(vi) male specific treatment services  
17           for—

18                   “(I) substance abuse requiring  
19                   gender specific services;

20                   “(II) sexual assault and domestic  
21                   violence; and

22                   “(III) healthy choices and life  
23                   style (parenting, partners, obesity,  
24                   suicide and other risk related behav-  
25                   ior);

1           “(C) family behavioral health services,  
2 including—

3           “(i) early intervention, treatment and  
4 aftercare for affected families;

5           “(ii) treatment for sexual assault and  
6 domestic violence; and

7           “(iii) healthy choices and life style (re-  
8 lated to parenting, partners, domestic vio-  
9 lence and other abuse issues);

10          “(D) for persons age 56 years and older,  
11 elder behavioral health services including—

12          “(i) early intervention, treatment and  
13 aftercare services that include—

14           “(I) mental health and substance  
15 abuse services (emotional, alcohol,  
16 drug, inhalant and tobacco);

17           “(II) services for co-occurring  
18 disorders (dual diagnosis) and co-mor-  
19 bidity; and

20           “(III) healthy choices and life  
21 style services (managing conditions re-  
22 lated to aging);

23          “(ii) elder women specific services  
24 that include—



1 “(I) treatment for substance  
2 abuse requiring gender specific serv-  
3 ices and

4 “(II) treatment for sexual as-  
5 sult, domestic violence and neglect;

6 “(iii) elder men specific services that  
7 include—

8 “(I) treatment for substance  
9 abuse requiring gender specific serv-  
10 ices; and

11 “(II) treatment for sexual as-  
12 sult, domestic violence and neglect;  
13 and

14 “(iv) services for dementia regardless  
15 of cause.

16 “(d) COMMUNITY BEHAVIORAL HEALTH PLAN.—

17 “(1) IN GENERAL.—The governing body of any  
18 Indian tribe or tribal organization or urban Indian  
19 organization may, at its discretion, adopt a resolu-  
20 tion for the establishment of a community behavioral  
21 health plan providing for the identification and co-  
22 ordination of available resources and programs to  
23 identify, prevent, or treat alcohol and other sub-  
24 stance abuse, mental illness or dysfunctional and  
25 self-destructive behavior, including child abuse and

1 family violence, among its members or its service  
2 population. Such plan should include behavioral  
3 health services, social services, intensive outpatient  
4 services, and continuing after care.

5 “(2) TECHNICAL ASSISTANCE.—In furtherance  
6 of a plan established pursuant to paragraph (1) and  
7 at the request of a tribe, the appropriate agency,  
8 service unit, or other officials of the Bureau of In-  
9 dian Affairs and the Service shall cooperate with,  
10 and provide technical assistance to, the Indian tribe  
11 or tribal organization in the development of a plan  
12 under paragraph (1). Upon the establishment of  
13 such a plan and at the request of the Indian tribe  
14 or tribal organization, such officials shall cooperate  
15 with the Indian tribe or tribal organization in the  
16 implementation of such plan.

17 “(3) FUNDING.—The Secretary, acting through  
18 the Service, may make funding available to Indian  
19 tribes and tribal organizations adopting a resolution  
20 pursuant to paragraph (1) to obtain technical assist-  
21 ance for the development of a community behavioral  
22 health plan and to provide administrative support in  
23 the implementation of such plan.

24 “(e) COORDINATED PLANNING.—The Secretary, act-  
25 ing through the Service, Indian tribes, tribal organiza-

1 tions, and urban Indian organizations shall coordinate be-  
2 havioral health planning, to the extent feasible, with other  
3 Federal and State agencies, to ensure that comprehensive  
4 behavioral health services are available to Indians without  
5 regard to their place of residence.

6 “(f) FACILITIES ASSESSMENT.—Not later than 1  
7 year after the date of enactment of this Act, the Secretary,  
8 acting through the Service, shall make an assessment of  
9 the need for inpatient mental health care among Indians  
10 and the availability and cost of inpatient mental health  
11 facilities which can meet such need. In making such as-  
12 sessment, the Secretary shall consider the possible conver-  
13 sion of existing, under-utilized service hospital beds into  
14 psychiatric units to meet such need.

15 **“SEC. 702. MEMORANDUM OF AGREEMENT WITH THE DE-**  
16 **PARTMENT OF THE INTERIOR.**

17 “(a) IN GENERAL.—Not later than 1 year after the  
18 date of enactment of this Act, the Secretary and the Sec-  
19 retary of the Interior shall develop and enter into a memo-  
20 randum of agreement, or review and update any existing  
21 memoranda of agreement as required under section 4205  
22 of the Indian Alcohol and Substance Abuse Prevention  
23 and Treatment Act of 1986 (25 U.S.C. 2411), and under  
24 which the Secretaries address—

1           “(1) the scope and nature of mental illness and  
2           dysfunctional and self-destructive behavior, including  
3           child abuse and family violence, among Indians;

4           “(2) the existing Federal, tribal, State, local,  
5           and private services, resources, and programs avail-  
6           able to provide mental health services for Indians;

7           “(3) the unmet need for additional services, re-  
8           sources, and programs necessary to meet the needs  
9           identified pursuant to paragraph (1);

10          “(4)(A) the right of Indians, as citizens of the  
11          United States and of the States in which they re-  
12          side, to have access to mental health services to  
13          which all citizens have access;

14          “(B) the right of Indians to participate in, and  
15          receive the benefit of, such services; and

16          “(C) the actions necessary to protect the exer-  
17          cise of such right;

18          “(5) the responsibilities of the Bureau of Indian  
19          Affairs and the Service, including mental health  
20          identification, prevention, education, referral, and  
21          treatment services (including services through multi-  
22          disciplinary resource teams), at the central, area,  
23          and agency and service unit levels to address the  
24          problems identified in paragraph (1);

1           “(6) a strategy for the comprehensive coordina-  
2           tion of the mental health services provided by the  
3           Bureau of Indian Affairs and the Service to meet  
4           the needs identified pursuant to paragraph (1),  
5           including—

6                   “(A) the coordination of alcohol and sub-  
7                   stance abuse programs of the Service, the Bu-  
8                   reau of Indian Affairs, and the various Indian  
9                   tribes (developed under the Indian Alcohol and  
10                  Substance Abuse Prevention and Treatment  
11                  Act of 1986) with the mental health initiatives  
12                  pursuant to this Act, particularly with respect  
13                  to the referral and treatment of dually-diag-  
14                  nosed individuals requiring mental health and  
15                  substance abuse treatment; and

16                  “(B) ensuring that Bureau of Indian Af-  
17                  fairs and Service programs and services (includ-  
18                  ing multidisciplinary resource teams) address-  
19                  ing child abuse and family violence are coordi-  
20                  nated with such non-Federal programs and  
21                  services;

22                  “(7) direct appropriate officials of the Bureau  
23                  of Indian Affairs and the Service, particularly at the  
24                  agency and service unit levels, to cooperate fully  
25                  with tribal requests made pursuant to community

1 behavioral health plans adopted under section 701(e)  
2 and section 4206 of the Indian Alcohol and Sub-  
3 stance Abuse Prevention and Treatment Act of 1986  
4 (25 U.S.C. 2412); and

5 “(8) provide for an annual review of such  
6 agreement by the 2 Secretaries and a report which  
7 shall be submitted to Congress and made available  
8 to the Indian tribes.

9 “(b) SPECIFIC PROVISIONS.—The memorandum of  
10 agreement updated or entered into pursuant to subsection  
11 (a) shall include specific provisions pursuant to which the  
12 Service shall assume responsibility for—

13 “(1) the determination of the scope of the prob-  
14 lem of alcohol and substance abuse among Indian  
15 people, including the number of Indians within the  
16 jurisdiction of the Service who are directly or indi-  
17 rectly affected by alcohol and substance abuse and  
18 the financial and human cost;

19 “(2) an assessment of the existing and needed  
20 resources necessary for the prevention of alcohol and  
21 substance abuse and the treatment of Indians af-  
22 fected by alcohol and substance abuse; and

23 “(3) an estimate of the funding necessary to  
24 adequately support a program of prevention of alco-

1       hol and substance abuse and treatment of Indians  
2       affected by alcohol and substance abuse.

3       “(c) CONSULTATION.—The Secretary and the Sec-  
4       retary of the Interior shall, in developing the memoran-  
5       dum of agreement under subsection (a), consult with and  
6       solicit the comments of—

7               “(1) Indian tribes and tribal organizations;

8               “(2) Indian individuals;

9               “(3) urban Indian organizations and other In-  
10       dian organizations;

11              “(4) behavioral health service providers.

12       “(d) PUBLICATION.—The memorandum of agree-  
13       ment under subsection (a) shall be published in the Fed-  
14       eral Register. At the same time as the publication of such  
15       agreement in the Federal Register, the Secretary shall  
16       provide a copy of such memorandum to each Indian tribe,  
17       tribal organization, and urban Indian organization.

18       **“SEC. 703. COMPREHENSIVE BEHAVIORAL HEALTH PRE-  
19       VENTION AND TREATMENT PROGRAM.**

20       “(a) ESTABLISHMENT.—

21              “(1) IN GENERAL.—The Secretary, acting  
22       through the Service, Indian tribes and tribal organi-  
23       zations consistent with section 701, shall provide a  
24       program of comprehensive behavioral health preven-  
25       tion and treatment and aftercare, including systems

1 of care and traditional health care practices, which  
2 shall include—

3 “(A) prevention, through educational inter-  
4 vention, in Indian communities;

5 “(B) acute detoxification or psychiatric  
6 hospitalization and treatment (residential and  
7 intensive outpatient);

8 “(C) community-based rehabilitation and  
9 aftercare;

10 “(D) community education and involve-  
11 ment, including extensive training of health  
12 care, educational, and community-based person-  
13 nel;

14 “(E) specialized residential treatment pro-  
15 grams for high risk populations including preg-  
16 nant and post partum women and their chil-  
17 dren;

18 “(F) diagnostic services utilizing, when ap-  
19 propriate, neuropsychiatric assessments which  
20 include the use of the most advances technology  
21 available; and

22 “(G) a telepsychiatry program that uses  
23 experts in the field of pediatric psychiatry, and  
24 that incorporates assessment, diagnosis and



1 treatment for children, including those children  
2 with concurrent neurological disorders.

3 “(2) TARGET POPULATIONS.—The target popu-  
4 lation of the program under paragraph (1) shall be  
5 members of Indian tribes. Efforts to train and edu-  
6 cate key members of the Indian community shall  
7 target employees of health, education, judicial, law  
8 enforcement, legal, and social service programs.

9 “(b) CONTRACT HEALTH SERVICES.—

10 “(1) IN GENERAL.—The Secretary, acting  
11 through the Service (with the consent of the Indian  
12 tribe to be served), Indian tribes and tribal organiza-  
13 tions, may enter into contracts with public or private  
14 providers of behavioral health treatment services for  
15 the purpose of carrying out the program required  
16 under subsection (a).

17 “(2) PROVISION OF ASSISTANCE.—In carrying  
18 out this subsection, the Secretary shall provide as-  
19 sistance to Indian tribes and tribal organizations to  
20 develop criteria for the certification of behavioral  
21 health service providers and accreditation of service  
22 facilities which meet minimum standards for such  
23 services and facilities.

1 **“SEC. 704. MENTAL HEALTH TECHNICIAN PROGRAM.**

2 “(a) IN GENERAL.—Under the authority of the Act  
3 of November 2, 1921 (25 U.S.C. 13) (commonly known  
4 as the Snyder Act), the Secretary shall establish and  
5 maintain a Mental Health Technician program within the  
6 Service which—

7 “(1) provides for the training of Indians as  
8 mental health technicians; and

9 “(2) employs such technicians in the provision  
10 of community-based mental health care that includes  
11 identification, prevention, education, referral, and  
12 treatment services.

13 “(b) TRAINING.—In carrying out subsection (a)(1),  
14 the Secretary shall provide high standard paraprofessional  
15 training in mental health care necessary to provide quality  
16 care to the Indian communities to be served. Such training  
17 shall be based upon a curriculum developed or approved  
18 by the Secretary which combines education in the theory  
19 of mental health care with supervised practical experience  
20 in the provision of such care.

21 “(c) SUPERVISION AND EVALUATION.—The Sec-  
22 retary shall supervise and evaluate the mental health tech-  
23 nicians in the training program under this section.

24 “(d) TRADITIONAL CARE.—The Secretary shall en-  
25 sure that the program established pursuant to this section  
26 involves the utilization and promotion of the traditional

1 Indian health care and treatment practices of the Indian  
2 tribes to be served.

3 **“SEC. 705. LICENSING REQUIREMENT FOR MENTAL**  
4 **HEALTH CARE WORKERS.**

5 “Subject to section 220, any person employed as a  
6 psychologist, social worker, or marriage and family thera-  
7 pist for the purpose of providing mental health care serv-  
8 ices to Indians in a clinical setting under the authority  
9 of this Act or through a funding agreement pursuant to  
10 the Indian Self-Determination and Education Assistance  
11 Act shall—

12 “(1) in the case of a person employed as a psy-  
13 chologist to provide health care services, be licensed  
14 as a clinical or counseling psychologist, or working  
15 under the direct supervision of a clinical or counsel-  
16 ing psychologist;

17 “(2) in the case of a person employed as a so-  
18 cial worker, be licensed as a social worker or work-  
19 ing under the direct supervision of a licensed social  
20 worker; or

21 “(3) in the case of a person employed as a mar-  
22 riage and family therapist, be licensed as a marriage  
23 and family therapist or working under the direct su-  
24 pervision of a licensed marriage and family thera-  
25 pist.

1 **“SEC. 706. INDIAN WOMEN TREATMENT PROGRAMS.**

2 “(a) FUNDING.—The Secretary, consistent with sec-  
3 tion 701, shall make funding available to Indian tribes,  
4 tribal organizations and urban Indian organization to de-  
5 velop and implement a comprehensive behavioral health  
6 program of prevention, intervention, treatment, and re-  
7 lapse prevention services that specifically addresses the  
8 spiritual, cultural, historical, social, and child care needs  
9 of Indian women, regardless of age.

10 “(b) USE OF FUNDS.—Funding provided pursuant to  
11 this section may be used to—

12 “(1) develop and provide community training,  
13 education, and prevention programs for Indian  
14 women relating to behavioral health issues, including  
15 fetal alcohol disorders;

16 “(2) identify and provide psychological services,  
17 counseling, advocacy, support, and relapse preven-  
18 tion to Indian women and their families; and

19 “(3) develop prevention and intervention models  
20 for Indian women which incorporate traditional  
21 health care practices, cultural values, and commu-  
22 nity and family involvement.

23 “(c) CRITERIA.—The Secretary, in consultation with  
24 Indian tribes and tribal organizations, shall establish cri-  
25 teria for the review and approval of applications and pro-  
26 posals for funding under this section.

1       “(d) EARMARK OF CERTAIN FUNDS.—Twenty per-  
 2 cent of the amounts appropriated to carry out this section  
 3 shall be used to make grants to urban Indian organiza-  
 4 tions funded under title V.

5 **“SEC. 707. INDIAN YOUTH PROGRAM.**

6       “(a) DETOXIFICATION AND REHABILITATION.—The  
 7 Secretary shall, consistent with section 701, develop and  
 8 implement a program for acute detoxification and treat-  
 9 ment for Indian youth that includes behavioral health  
 10 services. The program shall include regional treatment  
 11 centers designed to include detoxification and rehabilita-  
 12 tion for both sexes on a referral basis and programs devel-  
 13 oped and implemented by Indian tribes or tribal organiza-  
 14 tions at the local level under the Indian Self-Determina-  
 15 tion and Education Assistance Act. Regional centers shall  
 16 be integrated with the intake and rehabilitation programs  
 17 based in the referring Indian community.

18       “(b) ALCOHOL AND SUBSTANCE ABUSE TREATMENT  
 19 CENTERS OR FACILITIES.—

20               “(1) ESTABLISHMENT.—

21                       “(A) IN GENERAL.—The Secretary, acting  
 22 through the Service, Indian tribes, or tribal or-  
 23 ganizations, shall construct, renovate, or, as  
 24 necessary, purchase, and appropriately staff  
 25 and operate, at least 1 youth regional treatment

1 center or treatment network in each area under  
2 the jurisdiction of an area office.

3 “(B) AREA OFFICE IN CALIFORNIA.—For  
4 purposes of this subsection, the area office in  
5 California shall be considered to be 2 area of-  
6 fices, 1 office whose jurisdiction shall be consid-  
7 ered to encompass the northern area of the  
8 State of California, and 1 office whose jurisdic-  
9 tion shall be considered to encompass the re-  
10 mainder of the State of California for the pur-  
11 pose of implementing California treatment net-  
12 works.

13 “(2) FUNDING.—For the purpose of staffing  
14 and operating centers or facilities under this sub-  
15 section, funding shall be made available pursuant to  
16 the Act of November 2, 1921 (25 U.S.C. 13) (com-  
17 monly known as the Snyder Act).

18 “(3) LOCATION.—A youth treatment center  
19 constructed or purchased under this subsection shall  
20 be constructed or purchased at a location within the  
21 area described in paragraph (1) that is agreed upon  
22 (by appropriate tribal resolution) by a majority of  
23 the tribes to be served by such center.

24 “(4) SPECIFIC PROVISION OF FUNDS.—

1           “(A) IN GENERAL.—Notwithstanding any  
2 other provision of this title, the Secretary may,  
3 from amounts authorized to be appropriated for  
4 the purposes of carrying out this section, make  
5 funds available to—

6           “(i) the Tanana Chiefs Conference,  
7 Incorporated, for the purpose of leasing,  
8 constructing, renovating, operating and  
9 maintaining a residential youth treatment  
10 facility in Fairbanks, Alaska;

11           “(ii) the Southeast Alaska Regional  
12 Health Corporation to staff and operate a  
13 residential youth treatment facility without  
14 regard to the proviso set forth in section  
15 4(l) of the Indian Self-Determination and  
16 Education Assistance Act (25 U.S.C.  
17 450b(l));

18           “(iii) the Southern Indian Health  
19 Council, for the purpose of staffing, oper-  
20 ating, and maintaining a residential youth  
21 treatment facility in San Diego County,  
22 California; and

23           “(iv) the Navajo Nation, for the staff-  
24 ing, operation, and maintenance of the  
25 Four Corners Regional Adolescent Treat-

1                   ment Center, a residential youth treatment  
2                   facility in New Mexico.

3                   “(B) PROVISION OF SERVICES TO ELIGI-  
4                   BLE YOUTH.—Until additional residential youth  
5                   treatment facilities are established in Alaska  
6                   pursuant to this section, the facilities specified  
7                   in subparagraph (A) shall make every effort to  
8                   provide services to all eligible Indian youth re-  
9                   siding in such State.

10                  “(c) INTERMEDIATE ADOLESCENT BEHAVIORAL  
11 HEALTH SERVICES.—

12                  “(1) IN GENERAL.—The Secretary, acting  
13                  through the Service, Indian tribes and tribal organi-  
14                  zations, may provide intermediate behavioral health  
15                  services, which may incorporate traditional health  
16                  care practices, to Indian children and adolescents,  
17                  including—

18                         “(A) pre-treatment assistance;

19                         “(B) inpatient, outpatient, and after-care  
20                         services;

21                         “(C) emergency care;

22                         “(D) suicide prevention and crisis interven-  
23                         tion; and

24                         “(E) prevention and treatment of mental  
25                         illness, and dysfunctional and self-destructive



1 behavior, including child abuse and family vio-  
2 lence.

3 “(2) USE OF FUNDS.—Funds provided under  
4 this subsection may be used—

5 “(A) to construct or renovate an existing  
6 health facility to provide intermediate behav-  
7 ioral health services;

8 “(B) to hire behavioral health profes-  
9 sionals;

10 “(C) to staff, operate, and maintain an in-  
11 termediate mental health facility, group home,  
12 sober housing, transitional housing or similar  
13 facilities, or youth shelter where intermediate  
14 behavioral health services are being provided;  
15 and

16 “(D) to make renovations and hire appro-  
17 priate staff to convert existing hospital beds  
18 into adolescent psychiatric units; and

19 “(E) to provide intensive home- and com-  
20 munity-based services, including collaborative  
21 systems of care.

22 “(3) CRITERIA.—The Secretary shall, in con-  
23 sultation with Indian tribes and tribal organizations,  
24 establish criteria for the review and approval of ap-

1 plications or proposals for funding made available  
2 pursuant to this subsection.

3 “(d) FEDERALLY OWNED STRUCTURES.—

4 “(1) IN GENERAL.—The Secretary, acting  
5 through the Service, shall, in consultation with In-  
6 dian tribes and tribal organizations—

7 “(A) identify and use, where appropriate,  
8 federally owned structures suitable for local res-  
9 idential or regional behavioral health treatment  
10 for Indian youth; and

11 “(B) establish guidelines, in consultation  
12 with Indian tribes and tribal organizations, for  
13 determining the suitability of any such Feder-  
14 ally owned structure to be used for local resi-  
15 dential or regional behavioral health treatment  
16 for Indian youth.

17 “(2) TERMS AND CONDITIONS FOR USE OF  
18 STRUCTURE.—Any structure described in paragraph  
19 (1) may be used under such terms and conditions as  
20 may be agreed upon by the Secretary and the agency  
21 having responsibility for the structure and any In-  
22 dian tribe or tribal organization operating the pro-  
23 gram.

24 “(e) REHABILITATION AND AFTERCARE SERVICES.—

1           “(1) IN GENERAL.—The Secretary, an Indian  
2       tribe or tribal organization, in cooperation with the  
3       Secretary of the Interior, shall develop and imple-  
4       ment within each service unit, community-based re-  
5       habilitation and follow-up services for Indian youth  
6       who have significant behavioral health problems, and  
7       require long-term treatment, community reinte-  
8       gration, and monitoring to support the Indian youth  
9       after their return to their home community.

10           “(2) ADMINISTRATION.—Services under para-  
11       graph (1) shall be administered within each service  
12       unit or tribal program by trained staff within the  
13       community who can assist the Indian youth in con-  
14       tinuing development of self-image, positive problem-  
15       solving skills, and nonalcohol or substance abusing  
16       behaviors. Such staff may include alcohol and sub-  
17       stance abuse counselors, mental health professionals,  
18       and other health professionals and paraprofessionals,  
19       including community health representatives.

20           “(f) INCLUSION OF FAMILY IN YOUTH TREATMENT  
21       PROGRAM.—In providing the treatment and other services  
22       to Indian youth authorized by this section, the Secretary,  
23       an Indian tribe or tribal organization shall provide for the  
24       inclusion of family members of such youth in the treat-  
25       ment programs or other services as may be appropriate.

1 Not less than 10 percent of the funds appropriated for  
 2 the purposes of carrying out subsection (e) shall be used  
 3 for outpatient care of adult family members related to the  
 4 treatment of an Indian youth under that subsection.

5 “(g) MULTIDRUG ABUSE PROGRAM.—The Secretary,  
 6 acting through the Service, Indian tribes, tribal organiza-  
 7 tions and urban Indian organizations, shall provide, con-  
 8 sistent with section 701, programs and services to prevent  
 9 and treat the abuse of multiple forms of substances, in-  
 10 cluding alcohol, drugs, inhalants, and tobacco, among In-  
 11 dian youth residing in Indian communities, on Indian res-  
 12 ervations, and in urban areas and provide appropriate  
 13 mental health services to address the incidence of mental  
 14 illness among such youth.

15 **“SEC. 708. INPATIENT AND COMMUNITY-BASED MENTAL**  
 16 **HEALTH FACILITIES DESIGN, CONSTRUCTION**  
 17 **AND STAFFING ASSESSMENT.**

18 “(a) IN GENERAL.—Not later than 1 year after the  
 19 date of enactment of this section, the Secretary, acting  
 20 through the Service, Indian tribes and tribal organiza-  
 21 tions, shall provide, in each area of the Service, not less  
 22 than 1 inpatient mental health care facility, or the equiva-  
 23 lent, for Indians with behavioral health problems.

24 “(b) TREATMENT OF CALIFORNIA.—For purposes of  
 25 this section, California shall be considered to be 2 areas

1 of the Service, 1 area whose location shall be considered  
2 to encompass the northern area of the State of California  
3 and 1 area whose jurisdiction shall be considered to en-  
4 compass the remainder of the State of California.

5 “(e) CONVERSION OF CERTAIN HOSPITAL BEDS.—  
6 The Secretary shall consider the possible conversion of ex-  
7 isting, under-utilized Service hospital beds into psychiatric  
8 units to meet needs under this section.

9 **“SEC. 709. TRAINING AND COMMUNITY EDUCATION.**

10 “(a) COMMUNITY EDUCATION.—

11 “(1) IN GENERAL.—The Secretary, in coopera-  
12 tion with the Secretary of the Interior, shall develop  
13 and implement, or provide funding to enable Indian  
14 tribes and tribal organization to develop and imple-  
15 ment, within each service unit or tribal program a  
16 program of community education and involvement  
17 which shall be designed to provide concise and timely  
18 information to the community leadership of each  
19 tribal community.

20 “(2) EDUCATION.—A program under paragraph  
21 (1) shall include education concerning behavioral  
22 health for political leaders, tribal judges, law en-  
23 forcement personnel, members of tribal health and  
24 education boards, and other critical members of each  
25 tribal community.

1           “(3) TRAINING.—Community-based training  
2           (oriented toward local capacity development) under a  
3           program under paragraph (1) shall include tribal  
4           community provider training (designed for adult  
5           learners from the communities receiving services for  
6           prevention, intervention, treatment and aftercare).

7           “(b) TRAINING.—The Secretary shall, either directly  
8           or through Indian tribes or tribal organization, provide in-  
9           struction in the area of behavioral health issues, including  
10          instruction in crisis intervention and family relations in  
11          the context of alcohol and substance abuse, child sexual  
12          abuse, youth alcohol and substance abuse, and the causes  
13          and effects of fetal alcohol disorders, to appropriate em-  
14          ployees of the Bureau of Indian Affairs and the Service,  
15          and to personnel in schools or programs operated under  
16          any contract with the Bureau of Indian Affairs or the  
17          Service, including supervisors of emergency shelters and  
18          halfway houses described in section 4213 of the Indian  
19          Alcohol and Substance Abuse Prevention and Treatment  
20          Act of 1986 (25 U.S.C. 2433).

21          “(c) COMMUNITY-BASED TRAINING MODELS.—In  
22          carrying out the education and training programs required  
23          by this section, the Secretary, acting through the Service  
24          and in consultation with Indian tribes, tribal organiza-  
25          tions, Indian behavioral health experts, and Indian alcohol

1 and substance abuse prevention experts, shall develop and  
2 provide community-based training models. Such models  
3 shall address—

4           “(1) the elevated risk of alcohol and behavioral  
5 health problems faced by children of alcoholics;

6           “(2) the cultural, spiritual, and  
7 multigenerational aspects of behavioral health prob-  
8 lem prevention and recovery; and

9           “(3) community-based and multidisciplinary  
10 strategies for preventing and treating behavioral  
11 health problems.

12 **“SEC. 710. BEHAVIORAL HEALTH PROGRAM.**

13       “(a) PROGRAMS FOR INNOVATIVE SERVICES.—The  
14 Secretary, acting through the Service, Indian tribes or  
15 tribal organizations, consistent with Section 701, may de-  
16 velop, implement, and carry out programs to deliver inno-  
17 vative community-based behavioral health services to Indi-  
18 ans.

19       “(b) CRITERIA.—The Secretary may award funding  
20 for a project under subsection (a) to an Indian tribe or  
21 tribal organization and may consider the following criteria:

22           “(1) Whether the project will address signifi-  
23 cant unmet behavioral health needs among Indians.

24           “(2) Whether the project will serve a significant  
25 number of Indians.

1           “(3) Whether the project has the potential to  
2 deliver services in an efficient and effective manner.

3           “(4) Whether the tribe or tribal organization  
4 has the administrative and financial capability to ad-  
5 minister the project.

6           “(5) Whether the project will deliver services in  
7 a manner consistent with traditional health care.

8           “(6) Whether the project is coordinated with,  
9 and avoids duplication of, existing services.

10          “(c) FUNDING AGREEMENTS.—For purposes of this  
11 subsection, the Secretary shall, in evaluating applications  
12 or proposals for funding for projects to be operated under  
13 any funding agreement entered into with the Service  
14 under the Indian Self-Determination Act and Education  
15 Assistance Act, use the same criteria that the Secretary  
16 uses in evaluating any other application or proposal for  
17 such funding.

18 **“SEC. 711. FETAL ALCOHOL DISORDER FUNDING.**

19          “(a) ESTABLISHMENT OF PROGRAM.—

20               “(1) IN GENERAL.—The Secretary, consistent  
21 with Section 701, acting through Indian tribes, trib-  
22 al organizations, and urban Indian organizations,  
23 shall establish and operate fetal alcohol disorders  
24 programs as provided for in this section for the pur-



1 poses of meeting the health status objective specified  
2 in section 3(b).

3 “(2) USE OF FUNDS.—Funding provided pursu-  
4 ant to this section shall be used to—

5 “(A) develop and provide community and  
6 in-school training, education, and prevention  
7 programs relating to fetal alcohol disorders;

8 “(B) identify and provide behavioral health  
9 treatment to high-risk women;

10 “(C) identify and provide appropriate edu-  
11 cational and vocational support, counseling, ad-  
12 vocacy, and information to fetal alcohol disorder  
13 affected persons and their families or care-  
14 takers;

15 “(D) develop and implement counseling  
16 and support programs in schools for fetal alco-  
17 hol disorder affected children;

18 “(E) develop prevention and intervention  
19 models which incorporate traditional practition-  
20 ers, cultural and spiritual values and commu-  
21 nity involvement;

22 “(F) develop, print, and disseminate edu-  
23 cation and prevention materials on fetal alcohol  
24 disorders;

1           “(G) develop and implement, through the  
2           tribal consultation process, culturally sensitive  
3           assessment and diagnostic tools including  
4           dysmorphology clinics and multidisciplinary  
5           fetal alcohol disorder clinics for use in tribal  
6           and urban Indian communities;

7           “(H) develop early childhood intervention  
8           projects from birth on to mitigate the effects of  
9           fetal alcohol disorders; and

10           “(I) develop and fund community-based  
11           adult fetal alcohol disorder housing and support  
12           services.

13           “(3) CRITERIA.—The Secretary shall establish  
14           criteria for the review and approval of applications  
15           for funding under this section.

16           “(b) PROVISION OF SERVICES.—The Secretary, act-  
17           ing through the Service, Indian tribes, tribal organizations  
18           and urban Indian organizations, shall—

19           “(1) develop and provide services for the pre-  
20           vention, intervention, treatment, and aftercare for  
21           those affected by fetal alcohol disorders in Indian  
22           communities; and

23           “(2) provide supportive services, directly or  
24           through an Indian tribe, tribal organization or urban  
25           Indian organization, including services to meet the

1 special educational, vocational, school-to-work transi-  
2 tion, and independent living needs of adolescent and  
3 adult Indians with fetal alcohol disorders.

4 “(c) TASK FORCE.—

5 “(1) IN GENERAL.—The Secretary shall estab-  
6 lish a task force to be known as the Fetal Alcohol  
7 Disorders Task Force to advise the Secretary in car-  
8 rying out subsection (b).

9 “(2) COMPOSITION.—The task force under  
10 paragraph (1) shall be composed of representatives  
11 from the National Institute on Drug Abuse, the Na-  
12 tional Institute on Alcohol and Alcoholism, the Of-  
13 fice of Substance Abuse Prevention, the National In-  
14 stitute of Mental Health, the Service, the Office of  
15 Minority Health of the Department of Health and  
16 Human Services, the Administration for Native  
17 Americans, the National Institute of Child Health &  
18 Human Development, the Centers for Disease Con-  
19 trol and Prevention, the Bureau of Indian Affairs,  
20 Indian tribes, tribal organizations, urban Indian  
21 communities, and Indian fetal alcohol disorders ex-  
22 perts.

23 “(d) APPLIED RESEARCH.—The Secretary, acting  
24 through the Substance Abuse and Mental Health Services  
25 Administration, shall make funding available to Indian

1 tribes, tribal organizations and urban Indian organizations  
 2 for applied research projects which propose to elevate the  
 3 understanding of methods to prevent, intervene, treat, or  
 4 provide rehabilitation and behavioral health aftercare for  
 5 Indians and urban Indians affected by fetal alcohol dis-  
 6 orders.

7 “(e) URBAN INDIAN ORGANIZATIONS.—The Sec-  
 8 retary shall ensure that 10 percent of the amounts appro-  
 9 priated to carry out this section shall be used to make  
 10 grants to urban Indian organizations funded under title  
 11 V.

12 **“SEC. 712. CHILD SEXUAL ABUSE AND PREVENTION TREAT-**  
 13 **MENT PROGRAMS.**

14 “(a) ESTABLISHMENT.—The Secretary and the Sec-  
 15 retary of the Interior, acting through the Service, Indian  
 16 tribes and tribal organizations, shall establish, consistent  
 17 with section 701, in each service area, programs involving  
 18 treatment for—

19 “(1) victims of child sexual abuse; and

20 “(2) perpetrators of child sexual abuse.

21 “(b) USE OF FUNDS.—Funds provided under this  
 22 section shall be used to—

23 “(1) develop and provide community education  
 24 and prevention programs related to child sexual  
 25 abuse;

1           “(2) identify and provide behavioral health  
2 treatment to children who are victims of sexual  
3 abuse and to their families who are affected by sex-  
4 ual abuse;

5           “(3) develop prevention and intervention models  
6 which incorporate traditional health care practition-  
7 ers, cultural and spiritual values, and community in-  
8 volvement;

9           “(4) develop and implement, through the tribal  
10 consultation process, culturally sensitive assessment  
11 and diagnostic tools for use in tribal and urban In-  
12 dian communities.

13           “(5) identify and provide behavioral health  
14 treatment to perpetrators of child sexual abuse with  
15 efforts being made to begin offender and behavioral  
16 health treatment while the perpetrator is incarcer-  
17 ated or at the earliest possible date if the perpetra-  
18 tor is not incarcerated, and to provide treatment  
19 after release to the community until it is determined  
20 that the perpetrator is not a threat to children.

21 **“SEC. 713. BEHAVIORAL MENTAL HEALTH RESEARCH.**

22           “(a) IN GENERAL.—The Secretary, acting through  
23 the Service and in consultation with appropriate Federal  
24 agencies, shall provide funding to Indian tribes, tribal or-  
25 ganizations and urban Indian organizations or, enter into

1 contracts with, or make grants to appropriate institutions,  
2 for the conduct of research on the incidence and preva-  
3 lence of behavioral health problems among Indians served  
4 by the Service, Indian tribes or tribal organizations and  
5 among Indians in urban areas. Research priorities under  
6 this section shall include—

7           “(1) the inter-relationship and inter-dependence  
8           of behavioral health problems with alcoholism and  
9           other substance abuse, suicide, homicides, other in-  
10          juries, and the incidence of family violence; and

11          “(2) the development of models of prevention  
12          techniques.

13          “(b) SPECIAL EMPHASIS.—The effect of the inter-re-  
14          lationships and interdependencies referred to in subsection  
15          (a)(1) on children, and the development of prevention  
16          techniques under subsection (a)(2) applicable to children,  
17          shall be emphasized.

18 **“SEC. 714. DEFINITIONS.**

19          “In this title:

20               “(1) ASSESSMENT.—The term ‘assessment’  
21               means the systematic collection, analysis and dis-  
22               semination of information on health status, health  
23               needs and health problems.

24               “(2) ALCOHOL RELATED NEURODEVELOP-  
25               MENTAL DISORDERS.—The term ‘alcohol related

1 neurodevelopmental disorders’ or ‘ARND’ with re-  
2 spect to an individual means the individual has a  
3 history of maternal alcohol consumption during  
4 pregnancy, central nervous system involvement such  
5 as developmental delay, intellectual deficit, or  
6 neurologic abnormalities, that behaviorally, there  
7 may be problems with irritability, and failure to  
8 thrive as infants, and that as children become older  
9 there will likely be hyperactivity, attention deficit,  
10 language dysfunction and perceptual and judgment  
11 problems.

12 “(3) BEHAVIORAL HEALTH.—The term ‘behav-  
13 ioral health’ means the blending of substances (alco-  
14 hol, drugs, inhalants and tobacco) abuse and mental  
15 health prevention and treatment, for the purpose of  
16 providing comprehensive services. Such term in-  
17 cludes the joint development of substance abuse and  
18 mental health treatment planning and coordinated  
19 case management using a multidisciplinary ap-  
20 proach.

21 “(4) BEHAVIORAL HEALTH AFTERCARE.—

22 “(A) IN GENERAL.—The term ‘behavioral  
23 health aftercare’ includes those activities and  
24 resources used to support recovery following in-  
25 patient, residential, intensive substance abuse

1 or mental health outpatient or outpatient treat-  
2 ment, to help prevent or treat relapse, including  
3 the development of an aftercare plan.

4 “(B) **AFTERCARE PLAN.**—Prior to the  
5 time at which an individual is discharged from  
6 a level of care, such as outpatient treatment, an  
7 aftercare plan shall have been developed for the  
8 individual. Such plan may use such resources as  
9 community base therapeutic group care, transi-  
10 tional living, a 12-step sponsor, a local 12-step  
11 or other related support group, or other com-  
12 munity based providers (such as mental health  
13 professionals, traditional health care practition-  
14 ers, community health aides, community health  
15 representatives, mental health technicians, or  
16 ministers).

17 “(5) **DUAL DIAGNOSIS.**—The term ‘dual diag-  
18 nosis’ means coexisting substance abuse and mental  
19 illness conditions or diagnosis. In individual with a  
20 dual diagnosis may be referred to as a mentally ill  
21 chemical abuser.

22 “(6) **FETAL ALCOHOL DISORDERS.**—The term  
23 ‘fetal alcohol disorders’ means fetal alcohol syn-  
24 drome, partial fetal alcohol syndrome, or alcohol re-  
25 lated neural developmental disorder.



1           “(7) FETAL ALCOHOL SYNDROME.—The term  
2           ‘fetal alcohol syndrome’ or ‘FAS’ with respect to an  
3           individual means a syndrome in which the individual  
4           has a history of maternal alcohol consumption dur-  
5           ing pregnancy, and with respect to which the follow-  
6           ing criteria should be met:

7                   “(A) Central nervous system involvement  
8                   such as developmental delay, intellectual deficit,  
9                   microencephaly, or neurologic abnormalities.

10                   “(B) Craniofacial abnormalities with at  
11                   least 2 of the following: microphthalmia, short  
12                   palpebral fissures, poorly developed philtrum,  
13                   thin upper lip, flat nasal bridge, and short  
14                   upturned nose.

15                   “(C) Prenatal or postnatal growth delay.

16           “(8) PARTIAL FAS.—The term ‘partial FAS’  
17           with respect to an individual means a history of ma-  
18           ternal alcohol consumption during pregnancy having  
19           most of the criteria of FAS, though not meeting a  
20           minimum of at least 2 of the following: micro-oph-  
21           thalmia, short palpebral fissures, poorly developed  
22           philtrum, thin upper lip, flat nasal bridge, short  
23           upturned nose.

24           “(9) REHABILITATION.—The term ‘rehabilita-  
25           tion’ means to restore the ability or capacity to en-

1 gage in usual and customary life activities through  
2 education and therapy.

3 “(10) SUBSTANCE ABUSE.—The term ‘sub-  
4 stance abuse’ includes inhalant abuse.

5 **“SEC. 715. AUTHORIZATION OF APPROPRIATIONS.**

6 “There is authorized to be appropriated such sums  
7 as may be necessary for each fiscal year through fiscal  
8 year 2015 to carry out this title.

9 **“TITLE VIII—MISCELLANEOUS**

10 **“SEC. 801. REPORTS.**

11 “The President shall, at the time the budget is sub-  
12 mitted under section 1105 of title 31, United States Code,  
13 for each fiscal year transmit to the Congress a report  
14 containing—

15 “(1) a report on the progress made in meeting  
16 the objectives of this Act, including a review of pro-  
17 grams established or assisted pursuant to this Act  
18 and an assessment and recommendations of addi-  
19 tional programs or additional assistance necessary  
20 to, at a minimum, provide health services to Indians,  
21 and ensure a health status for Indians, which are at  
22 a parity with the health services available to and the  
23 health status of, the general population, including  
24 specific comparisons of appropriations provided and  
25 those required for such parity;

1           “(2) a report on whether, and to what extent,  
2 new national health care programs, benefits, initia-  
3 tives, or financing systems have had an impact on  
4 the purposes of this Act and any steps that the Sec-  
5 retary may have taken to consult with Indian tribes  
6 to address such impact, including a report on pro-  
7 posed changes in the allocation of funding pursuant  
8 to section 808;

9           “(3) a report on the use of health services by  
10 Indians—

11           “(A) on a national and area or other rel-  
12 evant geographical basis;

13           “(B) by gender and age;

14           “(C) by source of payment and type of  
15 service;

16           “(D) comparing such rates of use with  
17 rates of use among comparable non-Indian pop-  
18 ulations; and

19           “(E) on the services provided under fund-  
20 ing agreements pursuant to the Indian Self-De-  
21 termination and Education Assistance Act;

22           “(4) a report of contractors concerning health  
23 care educational loan repayments under section 110;

1           “(5) a general audit report on the health care  
2 educational loan repayment program as required  
3 under section 110(n);

4           “(6) a separate statement that specifies the  
5 amount of funds requested to carry out the provi-  
6 sions of section 201;

7           “(7) a report on infectious diseases as required  
8 under section 212;

9           “(8) a report on environmental and nuclear  
10 health hazards as required under section 214;

11           “(9) a report on the status of all health care fa-  
12 cilities needs as required under sections 301(c)(2)  
13 and 301(d);

14           “(10) a report on safe water and sanitary waste  
15 disposal facilities as required under section  
16 302(h)(1);

17           “(11) a report on the expenditure of non-service  
18 funds for renovation as required under sections  
19 305(a)(2) and 305(a)(3);

20           “(12) a report identifying the backlog of main-  
21 tenance and repair required at Service and tribal fa-  
22 cilities as required under section 314(a);

23           “(13) a report providing an accounting of reim-  
24 bursement funds made available to the Secretary

1 under titles XVIII and XIX of the Social Security  
2 Act as required under section 403(a);

3 “(14) a report on services sharing of the Serv-  
4 ice, the Department of Veteran’s Affairs, and other  
5 Federal agency health programs as required under  
6 section 412(e)(2);

7 “(15) a report on the evaluation and renewal of  
8 urban Indian programs as required under section  
9 505;

10 “(16) a report on the findings and conclusions  
11 derived from the demonstration project as required  
12 under section 512(a)(2);

13 “(17) a report on the evaluation of programs as  
14 required under section 513; and

15 “(18) a report on alcohol and substance abuse  
16 as required under section 701(f).

17 **“SEC. 802. REGULATIONS.**

18 “(a) INITIATION OF RULEMAKING PROCEDURES.—

19 “(1) IN GENERAL.—Not later than 90 days  
20 after the date of enactment of this Act, the Sec-  
21 retary shall initiate procedures under subchapter III  
22 of chapter 5 of title 5, United States Code, to nego-  
23 tiate and promulgate such regulations or amend-  
24 ments thereto that are necessary to carry out this  
25 Act.

1           “(2) PUBLICATION.—Proposed regulations to  
2           implement this Act shall be published in the Federal  
3           Register by the Secretary not later than 270 days  
4           after the date of enactment of this Act and shall  
5           have not less than a 120 day comment period.

6           “(3) EXPIRATION OF AUTHORITY.—The author-  
7           ity to promulgate regulations under this Act shall  
8           expire 18 months from the date of enactment of this  
9           Act.

10          “(b) RULEMAKING COMMITTEE.—A negotiated rule-  
11          making committee established pursuant to section 565 of  
12          title 5, United States Code, to carry out this section shall  
13          have as its members only representatives of the Federal  
14          Government and representatives of Indian tribes, and trib-  
15          al organizations, a majority of whom shall be nominated  
16          by and be representatives of Indian tribes, tribal organiza-  
17          tions, and urban Indian organizations from each service  
18          area.

19          “(c) ADAPTION OF PROCEDURES.—The Secretary  
20          shall adapt the negotiated rulemaking procedures to the  
21          unique context of self-governance and the government-to-  
22          government relationship between the United States and  
23          Indian tribes.



1 riod with respect to the performance of abortions shall  
 2 apply for that period with respect to the performance of  
 3 abortions using funds contained in an Act providing ap-  
 4 propriations for the Service.

5 **“SEC. 806. ELIGIBILITY OF CALIFORNIA INDIANS.**

6 “(a) ELIGIBILITY.—

7 “(1) IN GENERAL.—Until such time as any  
 8 subsequent law may otherwise provide, the following  
 9 California Indians shall be eligible for health services  
 10 provided by the Service:

11 “(A) Any member of a federally recognized  
 12 Indian tribe.

13 “(B) Any descendant of an Indian who  
 14 was residing in California on June 1, 1852, but  
 15 only if such descendant—

16 “(i) is a member of the Indian com-  
 17 munity served by a local program of the  
 18 Service; and

19 “(ii) is regarded as an Indian by the  
 20 community in which such descendant lives.

21 “(C) Any Indian who holds trust interests  
 22 in public domain, national forest, or Indian res-  
 23 ervation allotments in California.

24 “(D) Any Indian in California who is listed  
 25 on the plans for distribution of the assets of



1 California rancherias and reservations under  
 2 the Act of August 18, 1958 (72 Stat. 619), and  
 3 any descendant of such an Indian.

4 “(b) RULE OF CONSTRUCTION.—Nothing in this sec-  
 5 tion may be construed as expanding the eligibility of Cali-  
 6 fornia Indians for health services provided by the Service  
 7 beyond the scope of eligibility for such health services that  
 8 applied on May 1, 1986.

9 **“SEC. 807. HEALTH SERVICES FOR INELIGIBLE PERSONS.**

10 “(a) INELIGIBLE PERSONS.—

11 “(1) IN GENERAL.—Any individual who—

12 “(A) has not attained 19 years of age;

13 “(B) is the natural or adopted child, step-  
 14 child, foster-child, legal ward, or orphan of an  
 15 eligible Indian; and

16 “(C) is not otherwise eligible for the health  
 17 services provided by the Service,

18 shall be eligible for all health services provided by  
 19 the Service on the same basis and subject to the  
 20 same rules that apply to eligible Indians until such  
 21 individual attains 19 years of age. The existing and  
 22 potential health needs of all such individuals shall be  
 23 taken into consideration by the Service in determin-  
 24 ing the need for, or the allocation of, the health re-  
 25 sources of the Service. If such an individual has

1       been determined to be legally incompetent prior to  
2       attaining 19 years of age, such individual shall re-  
3       main eligible for such services until one year after  
4       the date such disability has been removed.

5           “(2) SPOUSES.—Any spouse of an eligible In-  
6       dian who is not an Indian, or who is of Indian de-  
7       scend but not otherwise eligible for the health serv-  
8       ices provided by the Service, shall be eligible for  
9       such health services if all of such spouses or spouses  
10      who are married to members of the Indian tribe  
11      being served are made eligible, as a class, by an ap-  
12      propriate resolution of the governing body of the In-  
13      dian tribe or tribal organization providing such serv-  
14      ices. The health needs of persons made eligible  
15      under this paragraph shall not be taken into consid-  
16      eration by the Service in determining the need for,  
17      or allocation of, its health resources.

18      “(b) PROGRAMS AND SERVICES.—

19           “(1) PROGRAMS.—

20           “(A) IN GENERAL.—The Secretary may  
21      provide health services under this subsection  
22      through health programs operated directly by  
23      the Service to individuals who reside within the  
24      service area of a service unit and who are not  
25      eligible for such health services under any other

1 subsection of this section or under any other  
2 provision of law if—

3 “(i) the Indian tribe (or, in the case  
4 of a multi-tribal service area, all the Indian  
5 tribes) served by such service unit requests  
6 such provision of health services to such  
7 individuals; and

8 “(ii) the Secretary and the Indian  
9 tribe or tribes have jointly determined  
10 that—

11 “(I) the provision of such health  
12 services will not result in a denial or  
13 diminution of health services to eligi-  
14 ble Indians; and

15 “(II) there is no reasonable alter-  
16 native health program or services,  
17 within or without the service area of  
18 such service unit, available to meet  
19 the health needs of such individuals.

20 “(B) FUNDING AGREEMENTS.—In the case  
21 of health programs operated under a funding  
22 agreement entered into under the Indian Self-  
23 Determination and Educational Assistance Act,  
24 the governing body of the Indian tribe or tribal  
25 organization providing health services under

1 such funding agreement is authorized to deter-  
2 mine whether health services should be provided  
3 under such funding agreement to individuals  
4 who are not eligible for such health services  
5 under any other subsection of this section or  
6 under any other provision of law. In making  
7 such determinations, the governing body of the  
8 Indian tribe or tribal organization shall take  
9 into account the considerations described in  
10 subparagraph (A)(ii).

11 “(2) LIABILITY FOR PAYMENT.—

12 “(A) IN GENERAL.—Persons receiving  
13 health services provided by the Service by rea-  
14 son of this subsection shall be liable for pay-  
15 ment of such health services under a schedule  
16 of charges prescribed by the Secretary which, in  
17 the judgment of the Secretary, results in reim-  
18 bursement in an amount not less than the ac-  
19 tual cost of providing the health services. Not-  
20 withstanding section 1880 of the Social Secu-  
21 rity Act, section 402(a) of this Act, or any  
22 other provision of law, amounts collected under  
23 this subsection, including medicare or medicaid  
24 reimbursements under titles XVIII and XIX of  
25 the Social Security Act, shall be credited to the

1 account of the program providing the service  
 2 and shall be used solely for the provision of  
 3 health services within that program. Amounts  
 4 collected under this subsection shall be available  
 5 for expenditure within such program for not to  
 6 exceed 1 fiscal year after the fiscal year in  
 7 which collected.

8 “(B) SERVICES FOR INDIGENT PERSONS.—  
 9 Health services may be provided by the Sec-  
 10 retary through the Service under this sub-  
 11 section to an indigent person who would not be  
 12 eligible for such health services but for the pro-  
 13 visions of paragraph (1) only if an agreement  
 14 has been entered into with a State or local gov-  
 15 ernment under which the State or local govern-  
 16 ment agrees to reimburse the Service for the  
 17 expenses incurred by the Service in providing  
 18 such health services to such indigent person.

19 “(3) SERVICE AREAS.—

20 “(A) SERVICE TO ONLY ONE TRIBE.—In  
 21 the case of a service area which serves only one  
 22 Indian tribe, the authority of the Secretary to  
 23 provide health services under paragraph (1)(A)  
 24 shall terminate at the end of the fiscal year suc-  
 25 ceeding the fiscal year in which the governing

1 body of the Indian tribe revokes its concurrence  
2 to the provision of such health services.

3 “(B) MULTI-TRIBAL AREAS.—In the case  
4 of a multi-tribal service area, the authority of  
5 the Secretary to provide health services under  
6 paragraph (1)(A) shall terminate at the end of  
7 the fiscal year succeeding the fiscal year in  
8 which at least 51 percent of the number of In-  
9 dian tribes in the service area revoke their con-  
10 currence to the provision of such health serv-  
11 ices.

12 “(c) PURPOSE FOR PROVIDING SERVICES.—The  
13 Service may provide health services under this subsection  
14 to individuals who are not eligible for health services pro-  
15 vided by the Service under any other subsection of this  
16 section or under any other provision of law in order to—

17 “(1) achieve stability in a medical emergency;

18 “(2) prevent the spread of a communicable dis-  
19 ease or otherwise deal with a public health hazard;

20 “(3) provide care to non-Indian women preg-  
21 nant with an eligible Indian’s child for the duration  
22 of the pregnancy through post partum; or

23 “(4) provide care to immediate family members  
24 of an eligible person if such care is directly related  
25 to the treatment of the eligible person.

1       “(d) HOSPITAL PRIVILEGES.—Hospital privileges in  
 2 health facilities operated and maintained by the Service  
 3 or operated under a contract entered into under the Indian  
 4 Self-Determination Education Assistance Act may be ex-  
 5 tended to non-Service health care practitioners who pro-  
 6 vide services to persons described in subsection (a) or (b).  
 7 Such non-Service health care practitioners may be re-  
 8 garded as employees of the Federal Government for pur-  
 9 poses of section 1346(b) and chapter 171 of title 28,  
 10 United States Code (relating to Federal tort claims) only  
 11 with respect to acts or omissions which occur in the course  
 12 of providing services to eligible persons as a part of the  
 13 conditions under which such hospital privileges are ex-  
 14 tended.

15       “(e) DEFINITION.—In this section, the term ‘eligible  
 16 Indian’ means any Indian who is eligible for health serv-  
 17 ices provided by the Service without regard to the provi-  
 18 sions of this section.

19       **“SEC. 808. REALLOCATION OF BASE RESOURCES.**

20       “(a) REQUIREMENT OF REPORT.—Notwithstanding  
 21 any other provision of law, any allocation of Service funds  
 22 for a fiscal year that reduces by 5 percent or more from  
 23 the previous fiscal year the funding for any recurring pro-  
 24 gram, project, or activity of a service unit may be imple-  
 25 mented only after the Secretary has submitted to the

1 President, for inclusion in the report required to be trans-  
2 mitted to the Congress under section 801, a report on the  
3 proposed change in allocation of funding, including the  
4 reasons for the change and its likely effects.

5 “(b) NONAPPLICATION OF SECTION.—Subsection (a)  
6 shall not apply if the total amount appropriated to the  
7 Service for a fiscal year is less than the amount appro-  
8 priated to the Service for previous fiscal year.

9 **“SEC. 809. RESULTS OF DEMONSTRATION PROJECTS.**

10 “The Secretary shall provide for the dissemination to  
11 Indian tribes of the findings and results of demonstration  
12 projects conducted under this Act.

13 **“SEC. 810. PROVISION OF SERVICES IN MONTANA.**

14 “(a) IN GENERAL.—The Secretary, acting through  
15 the Service, shall provide services and benefits for Indians  
16 in Montana in a manner consistent with the decision of  
17 the United States Court of Appeals for the Ninth Circuit  
18 in *McNabb for McNabb v. Bowen*, 829 F.2d 787 (9th Cr.  
19 1987).

20 “(b) RULE OF CONSTRUCTION.—The provisions of  
21 subsection (a) shall not be construed to be an expression  
22 of the sense of the Congress on the application of the deci-  
23 sion described in subsection (a) with respect to the provi-  
24 sion of services or benefits for Indians living in any State  
25 other than Montana.



1 **“SEC. 811. MORATORIUM.**

2 “During the period of the moratorium imposed by  
3 Public Law 100–446 on implementation of the final rule  
4 published in the Federal Register on September 16, 1987,  
5 by the Health Resources and Services Administration, re-  
6 lating to eligibility for the health care services of the Serv-  
7 ice, the Service shall provide services pursuant to the cri-  
8 teria for eligibility for such services that were in effect  
9 on September 15, 1987, subject to the provisions of sec-  
10 tions 806 and 807 until such time as new criteria govern-  
11 ing eligibility for services are developed in accordance with  
12 section 802.

13 **“SEC. 812. TRIBAL EMPLOYMENT.**

14 “For purposes of section 2(2) of the Act of July 5,  
15 1935 (49 Stat. 450, Chapter 372), an Indian tribe or trib-  
16 al organization carrying out a funding agreement under  
17 the Self-Determination and Education Assistance Act  
18 shall not be considered an employer.

19 **“SEC. 813. PRIME VENDOR.**

20 “For purposes of section 4 of Public Law 102–585  
21 (38 U.S.C. 812) Indian tribes and tribal organizations  
22 carrying out a grant, cooperative agreement, or funding  
23 agreement under the Indian Self-Determination and Edu-  
24 cation Assistance Act (25 U.S.C. 450 et seq.) shall be  
25 deemed to be an executive agency and part of the Service  
26 and, as such, may act as an ordering agent of the Service

1 and the employees of the tribe or tribal organization may  
 2 order supplies on behalf thereof on the same basis as em-  
 3 ployees of the Service.

4 **“SEC. 814. NATIONAL BI-PARTISAN COMMISSION ON INDIAN**  
 5 **HEALTH CARE ENTITLEMENT.**

6 “(a) ESTABLISHMENT.—There is hereby established  
 7 the National Bi-Partisan Indian Health Care Entitlement  
 8 Commission (referred to in this Act as the ‘Commission’).

9 “(b) MEMBERSHIP.—The Commission shall be com-  
 10 posed of 25 members, to be appointed as follows:

11 “(1) Ten members of Congress, of which—

12 “(A) three members shall be from the  
 13 House of Representatives and shall be ap-  
 14 pointed by the majority leader;

15 “(B) three members shall be from the  
 16 House of Representatives and shall be ap-  
 17 pointed by the minority leader;

18 “(C) two members shall be from the Sen-  
 19 ate and shall be appointed by the majority lead-  
 20 er; and

21 “(D) two members shall be from the Sen-  
 22 ate and shall be appointed by the minority lead-  
 23 er;

24 who shall each be members of the committees of  
 25 Congress that consider legislation affecting the pro-

1 vision of health care to Indians and who shall elect  
2 the chairperson and vice-chairperson of the Commis-  
3 sion.

4 “(2) Twelve individuals to be appointed by the  
5 members of the Commission appointed under para-  
6 graph (1), of which at least 1 shall be from each  
7 service area as currently designated by the Director  
8 of the Service, to be chosen from among 3 nominees  
9 from each such area as selected by the Indian tribes  
10 within the area, with due regard being given to the  
11 experience and expertise of the nominees in the pro-  
12 vision of health care to Indians and with due regard  
13 being given to a reasonable representation on the  
14 Commission of members who are familiar with var-  
15 ious health care delivery modes and who represent  
16 tribes of various size populations.

17 “(3) Three individuals shall be appointed by the  
18 Director of the Service from among individual who  
19 are knowledgeable about the provision of health care  
20 to Indians, at least 1 of whom shall be appointed  
21 from among 3 nominees from each program that is  
22 funded in whole or in part by the Service primarily  
23 or exclusively for the benefit of urban Indians.

24 All those persons appointed under paragraphs (2) and (3)  
25 shall be members of Federally recognized Indian tribes.

1       “(c) TERMS.—

2               “(1) IN GENERAL.—Members of the Commis-  
3       sion shall serve for the life of the Commission.

4               “(2) APPOINTMENT OF MEMBERS.—Members of  
5       the Commission shall be appointed under subsection  
6       (b)(1) not later than 90 days after the date of enact-  
7       ment of this Act, and the remaining members of the  
8       Commission shall be appointed not later than 60  
9       days after the date on which the members are ap-  
10       pointed under such subsection.

11              “(3) VACANCY.—A vacancy in the membership  
12       of the Commission shall be filled in the manner in  
13       which the original appointment was made.

14       “(d) DUTIES OF THE COMMISSION.—The Commis-  
15       sion shall carry out the following duties and functions:

16              “(1) Review and analyze the recommendations  
17       of the report of the study committee established  
18       under paragraph (3) to the Commission.

19              “(2) Make recommendations to Congress for  
20       providing health services for Indian persons as an  
21       entitlement, giving due regard to the effects of such  
22       a programs on existing health care delivery systems  
23       for Indian persons and the effect of such programs  
24       on the sovereign status of Indian tribes;

1           “(3) Establish a study committee to be com-  
2       posed of those members of the Commission ap-  
3       pointed by the Director of the Service and at least  
4       4 additional members of Congress from among the  
5       members of the Commission which shall—

6           “(A) to the extent necessary to carry out  
7       its duties, collect and compile data necessary to  
8       understand the extent of Indian needs with re-  
9       gard to the provision of health services, regard-  
10      less of the location of Indians, including holding  
11      hearings and soliciting the views of Indians, In-  
12      dian tribes, tribal organizations and urban In-  
13      dian organizations, and which may include au-  
14      thorizing and funding feasibility studies of var-  
15      ious models for providing and funding health  
16      services for all Indian beneficiaries including  
17      those who live outside of a reservation, tempo-  
18      rarily or permanently;

19          “(B) make recommendations to the Com-  
20      mission for legislation that will provide for the  
21      delivery of health services for Indians as an en-  
22      titlement, which shall, at a minimum, address  
23      issues of eligibility, benefits to be provided, in-  
24      cluding recommendations regarding from whom  
25      such health services are to be provided, and the

1 cost, including mechanisms for funding of the  
2 health services to be provided;

3 “(C) determine the effect of the enactment  
4 of such recommendations on the existing system  
5 of the delivery of health services for Indians;

6 “(D) determine the effect of a health serv-  
7 ices entitlement program for Indian persons on  
8 the sovereign status of Indian tribes;

9 “(E) not later than 12 months after the  
10 appointment of all members of the Commission,  
11 make a written report of its findings and rec-  
12 ommendations to the Commission, which report  
13 shall include a statement of the minority and  
14 majority position of the committee and which  
15 shall be disseminated, at a minimum, to each  
16 federally recognized Indian tribe, tribal organi-  
17 zation and urban Indian organization for com-  
18 ment to the Commission; and

19 “(F) report regularly to the full Commis-  
20 sion regarding the findings and recommenda-  
21 tions developed by the committee in the course  
22 of carrying out its duties under this section.

23 “(4) Not later than 18 months after the date  
24 of appointment of all members of the Commission,  
25 submit a written report to Congress containing a

1 recommendation of policies and legislation to imple-  
2 ment a policy that would establish a health care sys-  
3 tem for Indians based on the delivery of health serv-  
4 ices as an entitlement, together with a determination  
5 of the implications of such an entitlement system on  
6 existing health care delivery systems for Indians and  
7 on the sovereign status of Indian tribes.

8 “(e) ADMINISTRATIVE PROVISIONS.—

9 “(1) COMPENSATION AND EXPENSES.—

10 “(A) CONGRESSIONAL MEMBERS.—Each  
11 member of the Commission appointed under  
12 subsection (b)(1) shall receive no additional  
13 pay, allowances, or benefits by reason of their  
14 service on the Commission and shall receive  
15 travel expenses and per diem in lieu of subsist-  
16 ence in accordance with sections 5702 and 5703  
17 of title 5, United States Code.

18 “(B) OTHER MEMBERS.—The members of  
19 the Commission appointed under paragraphs  
20 (2) and (3) of subsection (b), while serving on  
21 the business of the Commission (including trav-  
22 el time) shall be entitled to receive compensa-  
23 tion at the per diem equivalent of the rate pro-  
24 vided for level IV of the Executive Schedule  
25 under section 5315 of title 5, United States

1 Code, and while so serving away from home and  
2 the member's regular place of business, be al-  
3 lowed travel expenses, as authorized by the  
4 chairperson of the Commission. For purposes of  
5 pay (other than pay of members of the Commis-  
6 sion) and employment benefits, rights, and  
7 privileges, all personnel of the Commission shall  
8 be treated as if they were employees of the  
9 United States Senate.

10 “(2) MEETINGS AND QUORUM.—

11 “(A) MEETINGS.—The Commission shall  
12 meet at the call of the chairperson.

13 “(B) QUORUM.—A quorum of the Commis-  
14 sion shall consist of not less than 15 members,  
15 of which not less than 6 of such members shall  
16 be appointees under subsection (b)(1) and not  
17 less than 9 of such members shall be Indians.

18 “(3) DIRECTOR AND STAFF.—

19 “(A) EXECUTIVE DIRECTOR.—The mem-  
20 bers of the Commission shall appoint an execu-  
21 tive director of the Commission. The executive  
22 director shall be paid the rate of basic pay  
23 equal to that for level V of the Executive Sched-  
24 ular.



1           “(B) STAFF.—With the approval of the  
2 Commission, the executive director may appoint  
3 such personnel as the executive director deems  
4 appropriate.

5           “(C) APPLICABILITY OF CIVIL SERVICE  
6 LAWS.—The staff of the Commission shall be  
7 appointed without regard to the provisions of  
8 title 5, United States Code, governing appoint-  
9 ments in the competitive service, and shall be  
10 paid without regard to the provisions of chapter  
11 51 and subchapter III of chapter 53 of such  
12 title (relating to classification and General  
13 Schedule pay rates).

14           “(D) EXPERTS AND CONSULTANTS.—With  
15 the approval of the Commission, the executive  
16 director may procure temporary and intermit-  
17 tent services under section 3109(b) of title 5,  
18 United States Code.

19           “(E) FACILITIES.—The Administrator of  
20 the General Services Administration shall locate  
21 suitable office space for the operation of the  
22 Commission. The facilities shall serve as the  
23 headquarters of the Commission and shall in-  
24 clude all necessary equipment and incidentals

1 required for the proper functioning of the Com-  
2 mission.

3 “(f) POWERS.—

4 “(1) HEARINGS AND OTHER ACTIVITIES.—For  
5 the purpose of carrying out its duties, the Commis-  
6 sion may hold such hearings and undertake such  
7 other activities as the Commission determines to be  
8 necessary to carry out its duties, except that at least  
9 6 regional hearings shall be held in different areas  
10 of the United States in which large numbers of Indi-  
11 ans are present. Such hearings shall be held to so-  
12 licit the views of Indians regarding the delivery of  
13 health care services to them. To constitute a hearing  
14 under this paragraph, at least 5 members of the  
15 Commission, including at least 1 member of Con-  
16 gress, must be present. Hearings held by the study  
17 committee established under this section may be  
18 counted towards the number of regional hearings re-  
19 quired by this paragraph.

20 “(2) STUDIES BY GAO.—Upon request of the  
21 Commission, the Comptroller General shall conduct  
22 such studies or investigations as the Commission de-  
23 termines to be necessary to carry out its duties.

24 “(3) COST ESTIMATES.—

1           “(A) IN GENERAL.—The Director of the  
2           Congressional Budget Office or the Chief Actu-  
3           ary of the Health Care Financing Administra-  
4           tion, or both, shall provide to the Commission,  
5           upon the request of the Commission, such cost  
6           estimates as the Commission determines to be  
7           necessary to carry out its duties.

8           “(B) REIMBURSEMENTS.—The Commis-  
9           sion shall reimburse the Director of the Con-  
10          gressional Budget Office for expenses relating  
11          to the employment in the office of the Director  
12          of such additional staff as may be necessary for  
13          the Director to comply with requests by the  
14          Commission under subparagraph (A).

15          “(4) DETAIL OF FEDERAL EMPLOYEES.—Upon  
16          the request of the Commission, the head of any Fed-  
17          eral Agency is authorized to detail, without reim-  
18          bursement, any of the personnel of such agency to  
19          the Commission to assist the Commission in carry-  
20          ing out its duties. Any such detail shall not interrupt  
21          or otherwise affect the civil service status or privi-  
22          leges of the Federal employee.

23          “(5) TECHNICAL ASSISTANCE.—Upon the re-  
24          quest of the Commission, the head of a Federal  
25          Agency shall provide such technical assistance to the

1 Commission as the Commission determines to be  
2 necessary to carry out its duties.

3 “(6) USE OF MAILS.—The Commission may use  
4 the United States mails in the same manner and  
5 under the same conditions as Federal Agencies and  
6 shall, for purposes of the frank, be considered a  
7 commission of Congress as described in section 3215  
8 of title 39, United States Code.

9 “(7) OBTAINING INFORMATION.—The Commis-  
10 sion may secure directly from the any Federal Agen-  
11 cy information necessary to enable it to carry out its  
12 duties, if the information may be disclosed under  
13 section 552 of title 4, United States Code. Upon re-  
14 quest of the chairperson of the Commission, the  
15 head of such agency shall furnish such information  
16 to the Commission.

17 “(8) SUPPORT SERVICES.—Upon the request of  
18 the Commission, the Administrator of General Serv-  
19 ices shall provide to the Commission on a reimburs-  
20 able basis such administrative support services as  
21 the Commission may request.

22 “(9) PRINTING.—For purposes of costs relating  
23 to printing and binding, including the cost of per-  
24 sonnel detailed from the Government Printing Of-

1        fice, the Commission shall be deemed to be a com-  
 2        mittee of the Congress.

3        “(g) AUTHORIZATION OF APPROPRIATIONS.—There  
 4 is authorized to be appropriated \$4,000,000 to carry out  
 5 this section. The amount appropriated under this sub-  
 6 section shall not be deducted from or affect any other ap-  
 7 propriation for health care for Indian persons.

8        **“SEC. 815. APPROPRIATIONS; AVAILABILITY.**

9        “Any new spending authority (described in subsection  
 10 (c)(2)(A) or (B) of section 401 of the Congressional Budg-  
 11 et Act of 1974) which is provided under this Act shall  
 12 be effective for any fiscal year only to such extent or in  
 13 such amounts as are provided in appropriation Acts.

14        **“SEC. 816. AUTHORIZATION OF APPROPRIATIONS.**

15        “There is authorized to be appropriated such sums  
 16 as may be necessary for each fiscal year through fiscal  
 17 year 2015 to carry out this title.”

18        **TITLE II—CONFORMING AMEND-**  
 19        **MENTS TO THE SOCIAL SECU-**  
 20        **RITY ACT**

21                    **Subtitle A—Medicare**

22        **SEC. 201. LIMITATIONS ON CHARGES.**

23        Section 1866(a)(1) of the Social Security Act (42  
 24 U.S.C. 1395cc(a)(1)) is amended—

1 (1) in subparagraph (R), by striking “and” at  
2 the end;

3 (2) in subparagraph (S), by striking the period  
4 and inserting “, and”; and

5 (3) by adding at the end the following:

6 “(T) in the case of hospitals and critical access  
7 hospitals which provide inpatient hospital services  
8 for which payment may be made under this title, to  
9 accept as payment in full for services that are cov-  
10 ered under and furnished to an individual eligible for  
11 the contract health services program operated by the  
12 Indian Health Service, by an Indian tribe or tribal  
13 organization, or furnished to an urban Indian eligi-  
14 ble for health services purchased by an urban Indian  
15 organization (as those terms are defined in section  
16 4 of the Indian Health Care Improvement Act), in  
17 accordance with such admission practices and such  
18 payment methodology and amounts as are prescribed  
19 under regulations issued by the Secretary.”.

20 **SEC. 202. QUALIFIED INDIAN HEALTH PROGRAM.**

21 Title XVIII of the Social Security Act (42 U.S.C.  
22 1395 et seq.) is amended by inserting after section 1880  
23 the following:

24 “QUALIFIED INDIAN HEALTH PROGRAM

25 “SEC. 1880A. (a) DEFINITION OF QUALIFIED IN-  
26 DIAN HEALTH PROGRAM.—In this section:

1           “(1) IN GENERAL.—The term ‘qualified Indian  
2 health program’ means a health program operated  
3 by—

4                   “(A) the Indian Health Service;

5                   “(B) an Indian tribe or tribal organization  
6 or an urban Indian organization (as those  
7 terms are defined in section 4 of the Indian  
8 Health Care Improvement Act) and which is  
9 funded in whole or part by the Indian Health  
10 Service under the Indian Self Determination  
11 and Education Assistance Act; or

12                   “(C) an urban Indian organization (as so  
13 defined) and which is funded in whole or in  
14 part under title V of the Indian Health Care  
15 Improvement Act.

16           “(2) INCLUDED PROGRAMS AND ENTITIES.—  
17 Such term may include 1 or more hospital, nursing  
18 home, home health program, clinic, ambulance serv-  
19 ice or other health program that provides a service  
20 for which payments may be made under this title  
21 and which is covered in the cost report submitted  
22 under this title or title XIX for the qualified Indian  
23 health program.

24           “(b) ELIGIBILITY FOR PAYMENTS.—A qualified In-  
25 dian health program shall be eligible for payments under

1 this title, notwithstanding sections 1814(c) and 1835(d),  
2 if and for so long as the program meets all the conditions  
3 and requirements set forth in this section.

4 “(c) DETERMINATION OF PAYMENTS.—

5 “(1) IN GENERAL.—Notwithstanding any other  
6 provision in the law, a qualified Indian health pro-  
7 gram shall be entitled to receive payment based on  
8 an all-inclusive rate which shall be calculated to pro-  
9 vide full cost recovery for the cost of furnishing serv-  
10 ices provided under this section.

11 “(2) DEFINITION OF FULL COST RECOVERY.—

12 “(A) IN GENERAL.—Subject to subpara-  
13 graph (B), in this section, the term ‘full cost re-  
14 covery’ means the sum of—

15 “(i) the direct costs, which are reason-  
16 able, adequate and related to the cost of  
17 furnishing such services, taking into ac-  
18 count the unique nature, location, and  
19 service population of the qualified Indian  
20 health program, and which shall include di-  
21 rect program, administrative, and overhead  
22 costs, without regard to the customary or  
23 other charge or any fee schedule that  
24 would otherwise be applicable; and



1                   “(ii) indirect costs which, in the case  
2                   of a qualified Indian health program—

3                   “(I) for which an indirect cost  
4                   rate (as that term is defined in sec-  
5                   tion 4(g) of the Indian Self-Deter-  
6                   mination and Education Assistance  
7                   Act) has been established, shall be not  
8                   less than an amount determined on  
9                   the basis of the indirect cost rate; or

10                   “(II) for which no such rate has  
11                   been established, shall be not less  
12                   than the administrative costs specifi-  
13                   cally associated with the delivery of  
14                   the services being provided.

15                   “(B) LIMITATION.—Notwithstanding any  
16                   other provision of law, the amount determined  
17                   to be payable as full cost recovery may not be  
18                   reduced for co-insurance, co-payments, or  
19                   deductibles when the service was provided to an  
20                   Indian entitled under Federal law to receive the  
21                   service from the Indian Health Service, an In-  
22                   dian tribe or tribal organization, or an urban  
23                   Indian organization or because of any limita-  
24                   tions on payment provided for in any managed  
25                   care plan.

1           “(3) OUTSTATIONING COSTS.—In addition to  
2 full cost recovery, a qualified Indian health program  
3 shall be entitled to reasonable outstationing costs,  
4 which shall include all administrative costs associ-  
5 ated with outreach and acceptance of eligibility ap-  
6 plications for any Federal or State health program  
7 including the programs established under this title,  
8 title XIX, and XXI.

9           “(4) DETERMINATION OF ALL-INCLUSIVE EN-  
10 COUNTER OR PER DIEM AMOUNT.—

11           “(A) IN GENERAL.—Costs identified for  
12 services addressed in a cost report submitted by  
13 a qualified Indian health program shall be used  
14 to determine an all-inclusive encounter or per  
15 diem payment amount for such services.

16           “(B) NO SINGLE REPORT REQUIRE-  
17 MENT.—Not all qualified Indian health pro-  
18 grams provided or administered by the Indian  
19 Health Service, an Indian tribe or tribal organi-  
20 zation, or an urban Indian organization need be  
21 combined into a single cost report.

22           “(C) PAYMENT FOR ITEMS NOT COVERED  
23 BY A COST REPORT.—A full cost recovery pay-  
24 ment for services not covered by a cost report

1 shall be made on a fee-for-service, encounter, or  
2 per diem basis.

3 “(5) OPTIONAL DETERMINATION.—The full  
4 cost recovery rate provided for in paragraphs (1)  
5 through (3) may be determined, at the election of  
6 the qualified Indian health program, by the Health  
7 Care Financing Administration or by the State  
8 agency responsible for administering the State plan  
9 under title XIX and shall be valid for reimburse-  
10 ments made under this title, title XIX, and title  
11 XXI. The costs described in paragraph (2)(A) shall  
12 be calculated under whatever methodology yields the  
13 greatest aggregate payment for the cost reporting  
14 period, provided that such methodology shall be ad-  
15 justed to include adjustments to such payment to  
16 take into account for those qualified Indian health  
17 programs that include hospitals—

18 “(A) a significant decrease in discharges;

19 “(B) costs for graduate medical education  
20 programs;

21 “(C) additional payment as a dispropor-  
22 tionate share hospital with a payment adjust-  
23 ment factor of 10; and

24 “(D) payment for outlier cases.

1           “(6) ELECTION OF PAYMENT.—A qualified In-  
2       dian health program may elect to receive payment  
3       for services provided under this section—

4           “(A) on the full cost recovery basis pro-  
5       vided in paragraphs (1) through (5);

6           “(B) on the basis of the inpatient or out-  
7       patient encounter rates established for Indian  
8       Health Service facilities and published annually  
9       in the Federal Register;

10          “(C) on the same basis as other providers  
11       are reimbursed under this title, provided that  
12       the amounts determined under paragraph  
13       (c)(2)(B) shall be added to any such amount;

14          “(D) on the basis of any other rate or  
15       methodology applicable to the Indian Health  
16       Service or an Indian tribe or tribal organiza-  
17       tion; or

18          “(E) on the basis of any rate or methodol-  
19       ogy negotiated with the agency responsible for  
20       making payment.

21       “(d) ELECTION OF REIMBURSEMENT FOR OTHER  
22       SERVICES.—

23           “(1) IN GENERAL.—A qualified Indian health  
24       program may elect to be reimbursed for any service  
25       the Indian Health Service, an Indian tribe or tribal

1 organization, or an urban Indian organization may  
2 be reimbursed for under section 1880 and section  
3 1911.

4 “(2) OPTION TO INCLUDE ADDITIONAL SERV-  
5 ICES.—An election under paragraph (1) may in-  
6 clude, at the election of the qualified Indian health  
7 program—

8 “(A) any service when furnished by an em-  
9 ployee of the qualified Indian health program  
10 who is licensed or certified to perform such a  
11 service to the same extent that such service  
12 would be reimbursable if performed by a physi-  
13 cian and any service or supplies furnished as in-  
14 cident to a physician’s service as would other-  
15 wise be covered if furnished by a physician or  
16 as an incident to a physician’s service;

17 “(B) screening, diagnostic, and therapeutic  
18 outpatient services including part-time or inter-  
19 mittent screening, diagnostic, and therapeutic  
20 skilled nursing care and related medical sup-  
21 plies (other than drugs and biologicals), fur-  
22 nished by an employee of the qualified Indian  
23 health program who is licensed or certified to  
24 perform such a service for an individual in the  
25 individual’s home or in a community health set-

1           ting under a written plan of treatment estab-  
2           lished and periodically reviewed by a physician,  
3           when furnished to an individual as an out-  
4           patient of a qualified Indian health program;

5           “(C) preventive primary health services as  
6           described under section 330 of the Public  
7           Health Service Act, when provided by an em-  
8           ployee of the qualified Indian health program  
9           who is licensed or certified to perform such a  
10          service, regardless of the location in which the  
11          service is provided;

12          “(D) with respect to services for children,  
13          all services specified as part of the State plan  
14          under title XIX, the State child health plan  
15          under title XXI, and early and periodic screen-  
16          ing, diagnostic, and treatment services as de-  
17          scribed in section 1905(r);

18          “(E) influenza and pneumococcal immuni-  
19          zations;

20          “(F) other immunizations for prevention of  
21          communicable diseases when targeted; and

22          “(G) the cost of transportation for provid-  
23          ers or patients necessary to facilitate access for  
24          patients.”.

**Subtitle B—Medicaid****2 SEC. 211. STATE CONSULTATION WITH INDIAN HEALTH  
3 PROGRAMS.**

4 Section 1902(a) of the Social Security Act (42 U.S.C.  
5 1396a(a)) is amended—

6 (1) in paragraph (64), by striking “and” at the  
7 end:

8 (2) in paragraph (65), by striking the period  
9 and inserting “; and”; and

10 (3) by inserting after paragraph (65), the fol-  
11 lowing:

12 “(66) if the Indian Health Service operates or  
13 funds health programs in the State or if there are  
14 Indian tribes or tribal organizations or urban Indian  
15 organizations (as those terms are defined in Section  
16 4 of the Indian Health Care Improvement Act)  
17 present in the State, provide for meaningful con-  
18 sultation with such entities prior to the submission  
19 of, and as a precondition of approval of, any pro-  
20 posed amendment, waiver, demonstration project, or  
21 other request that would have the effect of changing  
22 any aspect of the State’s administration of the State  
23 plan under this title, so long as—

24 “(A) the term ‘meaningful consultation’ is  
25 defined through the negotiated rulemaking

1 process provided for under section 802 of the  
2 Indian Health Care Improvement Act; and

3 “(B) such consultation is carried out in  
4 collaboration with the Indian Medicaid Advisory  
5 Committee established under section 415(a)(3)  
6 of that Act.”.

7 **SEC. 212. FMAP FOR SERVICES PROVIDED BY INDIAN**  
8 **HEALTH PROGRAMS.**

9 The third sentence of Section 1905(b) of the Social  
10 Security Act (42 U.S.C. 1396d(b)) is amended to read as  
11 follows:

12 “Notwithstanding the first sentence of this section, the  
13 Federal medical assistance percentage shall be 100 per  
14 cent with respect to amounts expended as medical assist-  
15 ance for services which are received through the Indian  
16 Health Service, an Indian tribe or tribal organization, or  
17 an urban Indian organization (as defined in section 4 of  
18 the Indian Health Care Improvement Act) under section  
19 1911, whether directly, by referral, or under contracts or  
20 other arrangements between the Indian Health Service,  
21 Indian tribe or tribal organization, or urban Indian orga-  
22 nization and another health provider.”.

23 **SEC. 213. INDIAN HEALTH SERVICE PROGRAMS.**

24 Section 1911 of the Social Security Act (42 U.S.C.  
25 1396j) is amended to read as follows:



1           “INDIAN HEALTH SERVICE PROGRAMS

2           “SEC. 1911. (a) IN GENERAL.—The Indian Health  
3 Service, an Indian tribe or tribal organization, or an urban  
4 Indian organization (as those terms are defined in section  
5 4 of the Indian Health Care Improvement Act), shall be  
6 eligible for reimbursement for medical assistance provided  
7 under a State plan by such entities if and for so long as  
8 the Service, Indian tribe or tribal organization, or urban  
9 Indian organization provides services or provider types of  
10 a type otherwise covered under the State plan and meets  
11 the conditions and requirements which are applicable gen-  
12 erally to the service for which it seeks reimbursement  
13 under this title and for services provided by a qualified  
14 Indian health program under section 1880A.

15          “(b) PERIOD FOR BILLING.—Notwithstanding sub-  
16 section (a), if the Indian Health Service, an Indian tribe  
17 or tribal organization, or an urban Indian organization  
18 which provides services of a type otherwise covered under  
19 the State plan does not meet all of the conditions and re-  
20 quirements of this title which are applicable generally to  
21 such services submits to the Secretary within 6 months  
22 after the date on which such reimbursement is first sought  
23 an acceptable plan for achieving compliance with such con-  
24 ditions and requirements, the Service, an Indian tribe or  
25 tribal organization, or urban Indian organization shall be

1 deemed to meet such conditions and requirements (and to  
 2 be eligible for reimbursement under this title), without re-  
 3 gard to the extent of actual compliance with such condi-  
 4 tions and requirements during the first 12 months after  
 5 the month in which such plan is submitted.

6 “(c) **AUTHORITY TO ENTER INTO AGREEMENTS.**—  
 7 The Secretary may enter into agreements with the State  
 8 agency for the purpose of reimbursing such agency for  
 9 health care and services provided by the Indian Health  
 10 Service, Indian tribes or tribal organizations, or urban In-  
 11 dian organizations, directly, through referral, or under  
 12 contracts or other arrangements between the Indian  
 13 Health Service, an Indian tribe or tribal organization, or  
 14 an urban Indian organization and another health care pro-  
 15 vider to Indians who are eligible for medical assistance  
 16 under the State plan.”.

17 **Subtitle C—State Children’s Health**  
 18 **Insurance Program**

19 **SEC. 221. ENHANCED FMAP FOR STATE CHILDREN’S**  
 20 **HEALTH INSURANCE PROGRAM.**

21 (a) **IN GENERAL.**—Section 2105(b) of the Social Se-  
 22 curity Act (42 U.S.C. 1397ee(b)) is amended—

23 (1) by striking “For purposes” and inserting  
 24 the following:

1           “(1) IN GENERAL.—Subject to paragraph (2),  
2 for purposes”; and

3           (2) by adding at the end the following:

4           “(2) SERVICES PROVIDED BY INDIAN PRO-  
5 GRAMS.—Without regard to which option a State  
6 chooses under section 2101(a), the ‘enhanced  
7 FMAP’ for a State for a fiscal year shall be 100 per  
8 cent with respect to expenditures for child health as-  
9 sistance for services provided through a health pro-  
10 gram operated by the Indian Health Service, an In-  
11 dian tribe or tribal organization, or an urban Indian  
12 organization (as such terms are defined in section 4  
13 of the Indian Health Care Improvement Act).”.

14       (b)       CONFORMING       AMENDMENT.—Section  
15 2105(e)(6)(B) of such Act (42 U.S.C. 1397ee(c)(6)(B))  
16 is amended by inserting “an Indian tribe or tribal organi-  
17 zation, or an urban Indian organization (as such terms  
18 are defined in section 4 of the Indian Health Care Im-  
19 provement Act),” after “Service,”.

20 **SEC. 222. DIRECT FUNDING OF STATE CHILDREN’S HEALTH**  
21 **INSURANCE PROGRAM.**

22       Title XXI of Social Security Act (42 U.S.C. 1397aa  
23 et seq.) is amended by adding at the end the following:

1 **“SEC. 2111. DIRECT FUNDING OF INDIAN HEALTH PRO-**  
2 **GRAMS.**

3       “(a) IN GENERAL.—The Secretary may enter into  
4 agreements directly with the Indian Health Service, an In-  
5 dian tribe or tribal organization, or an urban Indian orga-  
6 nization (as such terms are defined in section 4 of the  
7 Indian Health Care Improvement Act) for such entities  
8 to provide child health assistance to Indians who reside  
9 in a service area on or near an Indian reservation. Such  
10 agreements may provide for funding under a block grant  
11 or such other mechanism as is agreed upon by the Sec-  
12 retary and the Indian Health Service, Indian tribe or trib-  
13 al organization, or urban Indian organization. Such agree-  
14 ments may not be made contingent on the approval of the  
15 State in which the Indians to be served reside.

16       “(b) TRANSFER OF FUNDS.—Notwithstanding any  
17 other provision of law, a State may transfer funds to  
18 which it is, or would otherwise be, entitled to under this  
19 title to the Indian Health Service, an Indian tribe or tribal  
20 organization or an urban Indian organization—

21               “(1) to be administered by such entity to  
22 achieve the purposes and objectives of this title  
23 under an agreement between the State and the en-  
24 tity; or

1           “(2) under an agreement entered into under  
2           subsection (a) between the entity and the Sec-  
3           retary.”.

4           **Subtitle D—Authorization of**  
5           **Appropriations**

6           **SEC. 231. AUTHORIZATION OF APPROPRIATIONS.**

7           There is authorized to be appropriated such sums as  
8           may be necessary for each of fiscal years 2004 through  
9           2015 to carry out this title and the amendments by this  
10          title.

11          **TITLE III—MISCELLANEOUS**  
12          **PROVISIONS**

13          **SEC. 301. REPEALS.**

14          The following are repealed:

15                 (1) Section 506 of Public Law 101–630 (25  
16                 U.S.C. 1653 note) is repealed.

17                 (2) Section 712 of the Indian Health Care  
18                 Amendments of 1988 is repealed.

19          **SEC. 302. SEVERABILITY PROVISIONS.**

20          If any provision of this Act, any amendment made  
21          by the Act, or the application of such provision or amend-  
22          ment to any person or circumstances is held to be invalid,  
23          the remainder of this Act, the remaining amendments  
24          made by this Act, and the application of such provisions

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1 to persons or circumstances other than those to which it  
2 is held invalid, shall not be affected thereby.

3 **SEC. 303. EFFECTIVE DATE.**

4 This Act and the amendments made by this Act take  
5 effect on October 1, 2003.

○

The CHAIRMAN. Senator Inouye will not be able to be here today. He is in a defense appropriations hearing. As you might know, that is extremely important now, so we will just go ahead with the testimony.

We will start with the first panel, Charles Grim, interim director of the Indian Health Service. He will be accompanied by Mr. Lincoln, Craig Vanderwagen, and Gary Hartz.

Dr. Grim, before I start, I also wanted to congratulate you. I understand 2 days ago we received official papers from the White House nominating you to be the permanent director of the IHS, and we will schedule a hearing on your nomination right after the Easter break, and we look forward to your service in that capacity. Congratulations.

Mr. GRIM. Thank you, Chairman Campbell.

The CHAIRMAN. Go ahead and proceed.

**STATEMENT OF CHARLES GRIM, M.D., INTERIM DIRECTOR, INDIAN HEALTH SERVICE, DEPARTMENT OF HEALTH AND HUMAN SERVICES**

Mr. GRIM. It is a pleasure to be here before you and the committee, Mr. Chairman. I would like to request that my written statement that has been submitted be entered to the record.

The CHAIRMAN. Your complete statement will be in the record.

Mr. GRIM. Thank you.

I am Dr. Charles W. Grim, interim director of the Indian Health Service. I am accompanied today by several of my staff, Michel Lincoln, deputy director for the Indian Health Service; Craig Vanderwagen, acting chief medical officer for the Indian Health Service; Gary Hartz, acting director for the Office of Public Health; and Bob McSwain, director for the Office of Management Support.

Today we are here to speak about the reauthorization of the Indian Health Care Improvement Act. There is no single piece of legislation that will affect the future health status of the American Indians and the Alaska Natives more than the Indian Health Care Improvement Act Reauthorization of 2003, S. 556. In the intervening 28 years since it was first authorized, achievements in tribal self-determination, decisions by this committee and other authorizing and appropriations committees of Congress, and the Indian Health Service Programs have improved the health status of Indian people.

To continue the momentum of improvement and to achieve the goals shared by Indian country, this committee and the Administration, to eliminate health disparities between all Americans, it is critical that the Indian Health Care Improvement Act reflect the health and world realities of today, and not those of 28 years ago.

From the beginning of the tribal-Federal relationship, the provision of health care services to Indians has been a key component of the Federal Government's trust responsibility. Two major pieces of legislation are at the core of the Federal Government's responsibilities for meeting the health needs of American Indians and Alaska Natives—the Snyder Act of 1921, Public Law 67–85 and the Indian Health Care Improvement Act, Public Law 94–437. The Snyder Act authorized regular appropriations for relief of distress and conservation of health of American Indians and Alaska Na-

tives. It remains the basic authority for appropriations for major Indian programs.

The Indian Health Care Improvement Act was originally authorized in 1976, and was enacted to implement the Federal responsibility for the care and education of the Indian people by improving the services and facilities of the Federal Indian health programs, and encouraging maximum participation of tribes in such programs.

Like the Snyder Act, the Indian Health Care Improvement Act provided the authority for the programs of the Federal Government to deliver health services to Indian people, but it also provided additional guidance in several areas. The Indian Health Care Improvement Act contained specific language that addressed the recruitment and retention of a number of health professionals serving Indian communities. It focused on health services for urban Indian people and addressed the construction, replacement and repair of health care facilities.

S. 556 is the product of extensive consultation that the Indian Health Service undertook during 1999 with Indian country. In anticipation of the reauthorization of the act and the changes in the health care environment of the country, IHS wanted to consult with Indian country to ascertain how these changes have impacted on the ability of tribes and urban Indian health programs to deliver high quality and much-needed services.

During consultation with Indian country, we learned that tribes were anxious to discuss the impact of managed care and other changes in the health care field that affected their ability to administer quality health programs and services. Based on this consultation, the tribes and urban Indian health programs determined that they would draft a legislative proposal reflecting their concerns and issues.

S. 556 contains a variety of new, expanded and strengthened provisions, activities and services. The Department supports the reauthorization of this cornerstone legislative authority, and Secretary Thompson has made Indian health care a priority of the Department. In the Department's review of the proposed language, to ascertain its relationship to its policies and budget priorities during this time in our Nation's history, there are certain provisions in S. 556 that generate some concern.

Key provisions in S. 556 are inconsistent with current Medicare and Medicaid provider payment practices and could inappropriately increase costs. As an example, the bill proposes a new provider type called Qualified Indian Health Provider for IHS, tribal and urban Indian providers participating in Medicare and Medicaid programs. The most problematic aspects of the QIHP are the structure and operation of the payment provisions, which are not only burdensome, but more importantly would not be feasible to administer. In addition to the burden and feasibility issues, on a more fundamental level, the full cost, plus other costs of the QIHP payment approach would be contrary to the way that Medicare generally pays providers.

The bill also expands the current 100 percent Federal matching rates to States for Medicare and SCHIP services provided through IHS facilities to include services provided to American Indians and



Alaska Natives by non-Indian health care providers. This proposed change would substantially increase the Federal program and administrative costs, with no guarantee and little likelihood of increasing access to services for Indian beneficiaries or better payments to Indian providers.

We are also concerned that S. 556 would appear to broadly mandate the use of negotiated rulemaking to develop all regulations to implement the act. Negotiated rulemaking is very resource-intensive for both Federal and non-Federal participants. While it can be effective and appropriate in certain circumstances, it may not be the most effective way to obtain the necessary Indian input in the development of the Indian Health Care Improvement Act rules and regulations in every given case.

In addition to our expressed concerns with S. 556, I would like to present a little bit of an explanation of the Secretary's One-Department Initiative and its benefits to the Indian Health Service. The Secretary's One-Department Initiative has been of great benefit to the IHS, as well as the Native American constituents of the Department. The fundamental premise of the initiative is that the Department of Health and Human Services must speak with one consistent voice. Nothing is more important to our success as a Department.

With regard to our tribal constituents, the Secretary observed on his first trip to Indian country that tribal programs were often stovepiped and that their existed within HHS an assumption that the Indian Health Service has sole responsibility for the health issues facing tribes.

In the 2 short years since the Secretary launched this initiative, he has reestablished the Intradepartmental Council for Native American Affairs. The membership on this council is comprised of the heads of all HHS operating and staff divisions, with the IHS director serving as the vice-chair. This council serves as an advisory body to the Secretary and has the responsibility to assure that Indian policy is implemented across all divisions. The council provides the Secretary with policy guidance and budget formulation recommendations that span all divisions of HHS. The profound impact of this council on the IHS is the revised premise within HHS that all agencies bear responsibility for the government's responsibility and obligation to the Native people of this country.

I want to assure you and the committee that we are committed to working with you to ensure that this key legislative authority can be reauthorized. We will be happy to answer any questions that you may have regarding the Department's view on S. 556.

Thank you.

[Prepared statement of Mr. Grim appears in appendix.]

The CHAIRMAN. Thank you, Dr. Grim.

I was listening very carefully to your explanation about the One-HHS, and we are getting quite a bit of uncomfortable feelings back from the tribes. Is it still on track? Has it been revised to reflect the comments and recommendations from the review group or from tribes themselves?

Mr. GRIM. The Indian Health Service at the current time is also going through a reorganization of its own, as part of the President's management agenda. This is an initiative that we started prior to

the President's management agenda, which asked agencies to de-layer their bureaucracies and try to become more effective and efficient. As part of the IHS HQ reorganization process, we have been taking input for the Department relative to some of the One-HHS initiatives.

We received numerous comments from tribes, as well as resolutions. Primarily the comments have been around the consolidation efforts of the Human Resources Department. We have made those informations known at all departmental meetings on such consolidations.

The Indian Health service has had a seat at the table. We have been involved in all of the planning sessions that the Department is holding relative to the HR consolidations. We are making all of our unique considerations known in those meetings.

The CHAIRMAN. I see. Well, as I understand it, the initiative is going to involve the transfer of \$838,000 from the IHS to the HHS. Clearly, that is one of the tribal concerns, that they are going to lose their tribal shares. I think you can understand their worry. How do you propose to preserve the tribal shares?

Mr. GRIM. One of the initial issues that you brought up, Senator, on the \$838,000 transfer of funds from Indian Health Service into the Department was actually dealt with by the Congress. That was restored to the Indian Health Service budget. One of the things that we are trying to do to ensure that Indian country and Indian Health Service needs are dealt with is that our staff, both in legislative and public affairs and in HR, have been in attendance at all of the meetings that the Department has called relative to having public affairs, legislative affairs and other departments try to speak with one voice.

The CHAIRMAN. I understand that sometimes when they speak with one voice, though, it is a majority voice that leaves a lot of people out in the cold. If that money was transferred, can the functions that they are now used for under IHS and the dollars that are going to be associated with it, are they still be contractable once they are consolidated with the HHS?

Mr. GRIM. One of the things we have been making the Department aware of are the special needs relative to our budget around tribal shares. A large portion of our headquarters and regional office budgets, as well as 100 percent of our service unit budgets, are contractable and compactable for tribal shares. One of the things that the Department is looking at right now in these consolidation efforts are just those issues. Many of these things are still in the planning phases, and as I said, we do attend those meetings. One of the things the Department is aware of, though, is that the Indian Health Service HR budget, parts of the legislative and public affairs budget, are eligible for tribal shares. Should a tribe who is not currently taking those shares come in and ask for said shares, then we would—make those moneys available. So those issues have been made known to the Department.

The CHAIRMAN. And I further understand that you believe the IHS will realize a cost of \$21.3 million from the reduction of 195 FTEs and \$9.3 million from information technology. Your testimony says that every effort will be made to minimize the impact at the service delivery level of the organization. I can tell you, In-

dian people from the health standpoint, they do not have an awful lot of slack. A lot of them are right on the edge, and I would be interested in knowing the specific impacts that, if you foresee any now, that it is going to have on service delivery because of the reduction of those FTEs.

Mr. GRIM. One of the things that we have always tried to do, Senator, in the past when the agency has been asked to take any sort of budget reductions or FTE reductions, a primary policy of the agency has been to take those in the administrative realm, to try to reduce the impact on the care delivery level. The 195 FTE reduction that is being proposed in the Indian Health Service budget is because of savings that are being requested in that amount for the Indian Health Service. The way that the Indian Health Service plans on dealing with those is that we will be looking at any sorts of economies and efficiencies that we can achieve in the way of administrative operations of the agency, as well as consolidating and streamlining certain functions like IT and the HR consolidations that are occurring within the Health and Human Services Department.

We do not have specific information yet because it is a fiscal year 2004 budget proposal on exactly where those 195 FTEs might come from. What we will be looking at, however, will be administrative vacancies that currently exist. We are at both the headquarters and regional levels being very careful now about the administrative vacancies that we are filling. Also the Department is going forward with some early-out and buyout authority requests that were granted in the Homeland Security Act. We will make wise and judicious use of buyout and early-out authorities targeted at areas where we may have overages in certain areas. And then, as a last resort, we would touch the service unit or the health care delivery level, if necessary.

The agency will look very, very closely, though, at our administrative ranks to ensure that what is left will be able to fulfill our fiduciary and accountability standards that are expected of us.

The CHAIRMAN. Well, I appreciate your answering, but they are somewhat broad terms for me. Do you foresee the elimination of any existing programs or disease prevention or health promotion activities that now tribes avail themselves to?

Mr. GRIM. No, sir; we do not.

The CHAIRMAN. I did not ask all the way. I should have. Would any of the other people that are accompanying you—were they going to make statements, too?

Mr. GRIM. They do not have any initial statements, no sir.

The CHAIRMAN. Okay. Tell me about the consultation that has taken place, if any, with tribes on this proposal.

Mr. GRIM. On the One-HHS?

The CHAIRMAN. Yes.

Mr. GRIM. As I said, the Indian Health Service, as part of our own internal reorganization, had a restructuring initiative work group that was put together well over 1 year ago—about 1 year ago January. They had a series of meetings, and in those meetings—and that was a group composed of primarily tribal leaders from all regions of Indian Health Service—with four Federal representatives. In that process, they dealt extensively in discussions about

the One-HHS Initiative. They provided both an interim and a final report to the director of Indian Health Service. As part of the restructuring initiatives that we are doing at headquarters of Indian Health Service, we put together then a final team that developed essentially the organizational charts, functional statements and things like that, that took into account all of the comments that came in from the restructuring initiative work group.

Further, we sent comments after that out to Indian country to each of our regions and asked that they hold meetings with their tribes in whatever format they used to do tribal consultation. They would then take a look at the restructuring of Indian Health Service headquarters as currently proposed in draft. We have also been making the Department aware, as we and other of the operating divisions have meetings on the HR consolidation, of the issues that the tribes have brought forward relative to their concerns about HR consolidation.

The CHAIRMAN. How long has this been going on—the consultation process?

Mr. GRIM. The consultation process started, I believe it was in January 2002 for the restructuring of Indian Health Service.

The CHAIRMAN. Well, my own personal view is that I would want to know a lot more about any specific impacts, particularly if they are going to adversely affect tribes, before the 2004 money is going to be triggered. I would think that Senator Inouye would be equally interested in that.

Over the years, the success of tribes with 638 contracts and self-governance compacts has resulted in the reduction of the IHS headquarters and area staff offices. Are there administrative functions that are essentially Federal in nature that they cannot be contracted-out to tribes now?

Mr. GRIM. Yes, sir.

The CHAIRMAN. What are a couple of those?

Mr. GRIM. We take a lot of these from an OMB circular that talks about inherently Federal functions. One, for example, is doing a Federal budget, proposing a Federal budget; dealing with Federal contracting; supervising Federal employees—things like that. If you would like, I could submit to the record a further list.

The CHAIRMAN. Would you please submit that for the record?

Now that the RIW final report is completed, what is your next step in meeting the goals of this One-HHS program?

Mr. GRIM. The agency is almost ready to make some final decisions on an organizational structure for the Indian Health Service.

The CHAIRMAN. Will there be any further consultation with tribes before that report is issued?

Mr. GRIM. What we had indicated to tribes was that at the same time we submitted our reorganization plan to the Department, we would be submitting it out to Indian country for a final look at the plan. At that point, there is still time for very minor adjustments in the plan, but the majority of the comments received back from Indian country relative to the headquarters reorganization itself were relatively minor sorts of changes that were requested. We think we have got most of those incorporated into the final changes. So we will send it out at the same time.

I think the Department would be willing to allow us to make minor adjustments as it is going through its approval process there.

The CHAIRMAN. In Alaska for a number of years, the health care has been delivered under one compact. In a sense, they have already consolidated for literally a unified health system. Have you looked at that consolidation process in Alaska to see if there is anything you can apply to this One-HHS program?

Mr. GRIM. I think we always try to learn from some of the things that the tribes are doing. Many times they have flexibilities, as you are aware, that we do not, when they take over their programs under that act. It frees them from some of the constraints that we have as a Federal program.

The Alaska region and some of those tribes have been making us aware of some of the efficiencies they have realized. As an example, regarding their human resources that are being managed up there, they have a more efficient HR employee to total employees ratio now than we are trying to achieve as a Department. So I think we do have some things that we can learn from looking at the way things are done by some of our compact tribes.

The CHAIRMAN. Okay. Well, I have no further questions, Dr. Grim, but I may submit some and request an answer in writing. Senator Inouye may also, or other members of the committee.

With that, I appreciate your appearing today and thank you very much.

We will now move to the second panel, which will be Julia Davis-Wheeler, the Chairperson for the National Indian Health Board, from Denver; and Don Kashevaroff, who is the Representative of the Tribal Self-Governance Advisory Committee from Anchorage, AK.

We will go ahead and start with you, Julia, if you would. And just as the former panel, you are welcome to submit your complete written testimony. That will be included in the record if you would like to just summarize.

**STATEMENT OF JULIA DAVIS-WHEELER, CHAIRPERSON,  
NATIONAL INDIAN HEALTH BOARD**

Ms. DAVIS-WHEELER. Yes; thank you, Senator Campbell. It is good to see you this morning.

Good morning, everyone. It is a pleasure to be here to testify on behalf of the National Indian Health Board. I would like to state that I have two Board members with me in the audience. I would request Buford Rolin from Nashville and Everett Vigil from Albuquerque, stand please with our NIHB staff. Thank you.

I also represent the Northwest Portland Area Indian Health Board. I serve as chair for that. I am also the secretary for the Nez Perce Tribal Council.

So it is a pleasure to appear before you today to make comments on the Indian Health Care Improvement Act, which is important authorizing legislation for the care of all of our American Indians and Alaska Natives.

In June 1999, the director of the Indian Health Service at that time, Dr. Michael Trujillo, convened a National Steering Committee composed of representatives from tribes and national Indian or-

ganizations to provide assistance and advice regarding the reauthorization of the Indian Health Care Improvement Act. Over the course of 5 months, the National Steering Committee drafted proposed legislation. In October 1999, the National Steering Committee forwarded their final proposed bill to the Director of the Indian Health Service and to each authorizing committee in the House and Senate. I have testified on the Indian Health Care Improvement Act before and I once again want to express my appreciation to you.

Last year, the Northwest Portland Area Indian Health Board, with the Billings tribes, California tribes, and the Nashville tribes, hosted a meeting at Portland, OR on May 28 to 30, to talk about the recommendations on the changes for the current legislation, S. 212. The purpose of the meeting was to address concerns expressed in the September 27, 2001 letter that Senator Inouye received from the Secretary of the Department of Health and Human Services Tommy Thompson. These concerns focused on the large cost of the bill, and it raised legitimate questions about what we were trying to achieve in the bill. The participants at the Portland meeting also discussed concerns raised about high-cost elements from the score on S. 212, prepared by the Congressional Budget Office, CBO, in March 2001.

I am very glad you have chosen to introduce S. 556 this year. The bill has very few apparent changes to S. 212, so we look forward to bringing you up to date on some of the changes recommended by the National Steering Committee.

The National Steering Committee is also working this year on a House bill that is expected to be introduced soon that will reflect the 2002 Portland meeting changes, and the changes discussed in subsequent meetings with House legislative counsel, and other legislative staff meetings at the March 20 and 21, 2002 National Steering Committee meeting at Portland. A lot of good things are possible if we pass the bill with our recommended changes. The titles have exciting new authorities.

I want to briefly review the titles contained in the Indian Health Care Improvement Act. Time only permits mentioning highlights in each title, but I am ready to answer your questions of any of the titles to the best of my ability. Although I have worked on the bill these past 4 years, there are only three or four experts who know everything in the bill and I may have to look to them for assistance in answering some of your questions.

The preamble section of the Act has been revised, including sections on findings, declaration of Nation policy, and definitions. Emphasis has been placed on the trust responsibility of the Federal Government to provide health services and the entitlement of Indian tribes to these services.

Title I, covering the Indian health human resources and development has been substantially rewritten, primarily to shift priority setting and decisionmaking to the local area levels where appropriate. The importance of education is highlighted by changes proposed in this Act.

Title II, the health services, represents a collection of diverse sections addressing issues related to the delivery of health services to American Indians and Alaska Native populations. Diabetes pro-

grams and epidemiology centers are just two of the many health programs authorized by this title. Title II also offers us the opportunity to improve the long-term care needed for Indian elders. As you know, there has never been specific authority for long-term care in the Indian Health Care Improvement Act. Nursing homes are only a small part of the long-term care needs of what we want to accomplish with home and community-based health care for our elders.

Title III, facilities, proposes that tribal consultation be required for any and all facility issues, not just facility closures. It protects and projects on the current priority list, while moving toward a new method of selecting facility projects. This title gives permanent authority to small ambulatory facility construction.

Title IV, access to health services, seeks to maximize recovery from all third-party coverage, including Medicaid, Medicare and State children's health insurance programs, and any new federally funded health care programs. It also will contain protection against estate recovery proceedings, to make heirs pay the Medicaid bills of deceased American Indians and Alaska Natives. This was the title that resulted in the largest dollar total in the CBO score, but the National Steering Committee has agreed to some modifications to the provisions in the first tribal bill, and this has resulted in billions less in costs to the Federal Government.

Title V, the health services for urban Indians, addresses facility construction authority and coverage by the Federal Tort Claims Act for the 35 urban programs. Urban representatives were very active members of the leadership group on the National Steering Committee, and they feel that the changes in Title V will result in millions of dollars in new funding for urban programs.

Title VI, the organizational improvements, includes very few changes, including the elevation of the Indian Health Service Director to Assistant Secretary in the Department of Health and Human Services. Although tribes are generally very satisfied with the relationship that Interim Director Dr. Charles Grim has with top policymakers in the Department of Health and Human Services, we want to institutionalize this access with this change.

Title VII, the newly titled behavioral health title, with major revisions, specifically to integrate alcohol and substance abuse provisions, with mental health and social services authorities. I know the committee is having a hearing next week on consolidation of alcohol and substance abuse programs, and I think this title can be complementary to the goals of that legislation.

Title VIII, miscellaneous, was largely rewritten. It now includes a proposal to establish an Entitlement Commission to study and make recommendations on making Indian health an entitlement in the same manner as Medicaid and Medicare. Ten sections were moved out of Title VIII to more appropriate sections in the Indian Health Care Improvement Act. All the CHS provisions were moved to Title II, a majority of the free-standing and severability provisions from other titles were incorporated into Title VIII.

I pray that this Act will pass this year, with Congress hearing from tribes that it is a priority for us in 2003. The National Indian Health Board and tribes nationwide are renewing their efforts to make this happen. The National Steering Committee, working with

the National Congress of American Indians, the tribal leaders Self-Governance Advisory Committee, and the National Council on Urban Indian Health, stand ready to work with this committee to make necessary changes and improvements to craft a bill that will assist us in our goal of raising the health status of American Indians and Alaska Natives.

I hope this hearing can be the final kick-off of the renewed effort to reauthorize the Indian Health Care Improvement Act. The Indian Health Service is no longer able to assist the National Steering Committee as it did in 1999, with support for travel and staff expenses. So it is a challenge to the tribes and the national Indian organizations, including the National Indian Health Board, to move this effort forward. We will meet this challenge and the continued support of this committee is a critical element of our efforts to pass this bill in this session of this Congress.

Just a note, I would like to support the confirmation of Dr. Grim. I was pleased to hear the announcement by Senator Campbell regarding his confirmation. I would also like to comment, as a tribal leader, that the One-DHHS Initiative that my counterpart here is going to comment on, needs to be reviewed thoroughly by tribal governments. Speaking as a tribal leader, having the head offices in Baltimore is a concern that we have as tribal leaders. The other concern is keeping the government-to-government relationship intact that we have with the Federal Government.

Thank you for this time and I would be happy to answer any questions that you have.

[Prepared statement of Ms. Davis-Wheeler appears in appendix.]

The CHAIRMAN. Thank you, Julia.

We will now move to Chairman Kashevaroff.

**STATEMENT OF DON KASHEVAROFF, REPRESENTATIVE, TRIBAL SELF-GOVERNANCE ADVISORY COMMITTEE; PRESIDENT AND CHAIRMAN OF THE ALASKA NATIVE TRIBAL HEALTH CONSORTIUM**

Mr. KASHEVAROFF. Thank you, Mr. Chairman.

I would also request that my written testimony be put in the record.

The CHAIRMAN. Yes; it will be included in the record.

Mr. KASHEVAROFF. Thank you. And I would like to thank you for the opportunity to testify here on the reauthorization of the Indian Health Care Improvement Act and on the One-HHS proposal that is going through. Since Ms. Davis-Wheeler touched a lot on the Indian Health Care Improvement Act, I would just like to add a few things from my viewpoint.

First, I also represent the Tribal Self-Governance Advisory Committee. This committee is of tribal leaders, convened by the Indian Health Service, to address the health care needs of all eligible American Indian and Alaska Natives, especially those served by tribal health programs operated through self-governance compacts. Even though we have somewhat compacted and separated and started to do our own direct operations apart from the IHS, we are still very concerned and take both the Indian Health Care Improvement Act Reauthorization and the One-HHS proposals—we take them both seriously.



The Indian Health Care Improvement Act, as stated before, was worked out in 1999, 4 years ago, and a lot has happened since then. We have been going through and making modifications. We have been making compromises to some of the requests that came down. I think even though we have some compromises, we have a much better bill that the House side again is working up, and we would ask that that bill when it becomes available in the next couple of weeks be substituted for the current bill on the Senate side.

There were a couple of criticisms that we heard back on the 1999 bill that took immediate offense. There was discussion about the high score of the bill, and looking at the Medicaid-Medicare provisions and the amount of costs that they will require. My viewpoint is that the Indian Health Service and the U.S. Government should fully fund the tribes in this country. We do not get fully funded. We are basically forced to go out and find the funding on our own.

As compacted tribes, we have taken that on as our own responsibility and have been trying to run our hospitals, our clinics, like a private organization. Private organizations, go out and bill for everything they can bill. They bill private insurance. They bill Medicaid. They bill Medicare. We have been doing that also. It would be nice if we did not have to. It would be nice if we were 100 percent fully funded, but knowing that is not the case, I do not think it should be an issue that we are doing the same thing the rest of the country does in health care. I think we should be allowed to do that. There are also some demonstration projects that were underway that we think should be made available to all tribes, and I think contributed somewhat to the high score also.

So when the substitute bill comes, we hope, or when the House bill comes, we hope that that can be substituted and we look forward to working with this committee and taking on any extra questions or extra concerns, and working with this committee to make sure that we have a good bill for you.

[Prepared statement of Mr. Kashevaroff appears in appendix.]

The CHAIRMAN. Okay. Thank you, Mr. Kashevaroff.

You have a major job, Alaska being so big, and I am delighted to see Senator Murkowski has just arrived. I am sure you know that your new Senator is doing a great job, just like her Dad did when he was here.

I note with interest that neither one of you talked very much, or in fact almost not at all, about the One-HHS proposal. Would either one of you like to comment on that? If you don't, I would like to ask you to give us some feedback, some written explanation or evaluation of the proposal, if you could.

Mr. KASHEVAROFF. Thank you, Mr. Chairman. I will comment on that. In my written testimony, we have a couple of pages on it. Basically, I understand that HHS is a very large Department, and in a large Department there should be efficiencies that can be obtained. Change is not bad. Change is usually good. I would have no problem, actually. I applaud Secretary Thompson for trying to make change, trying to create efficiencies, and trying to do a better service.

What I think is missing is the understanding that IHS is a unique agency. IHS provides direct health service, and by providing direct health service, that brings a whole host of other parts that

you need. You need a better HR system. You need an HR system that looks at the nursing shortage in America, and says, how can we compete for the same nurses that the private sector is competing for? Now, that is somebody you need there at the hospital, getting those nurses to come to your hospital, not somebody back in Baltimore who is out of the loop, away from the local level, not knowing what is going on.

Similarly, on the information technology—on IT, we need data systems of patients that have clinical data; we need information systems. We need those type of systems. The rest of HHS does not really need those type of systems. We also have what we call the RPMS, or Resource Patient Management System, that collects data from all of IHS and the tribes, combines it together to provide data to the Congress. That is unique among HHS also, and that is something that takes a lot of work to keep going.

It was an antiquated system. We have proposals on the IHS side, the tribes have been putting forth proposals, IHS has put forth proposals—around \$36 million for a better centralized system that looks at a business perspective of what a hospital needs to be efficient and be successful. So we are looking for a \$36-million increase.

At the same time, HHS has come out and said that we need to reduce the \$54 million IT budget by \$9 million. At the same time, the IHS hospitals and clinics are very far behind the private sector, we cannot be reducing the budget. We need to be increasing that.

As I said again, I do not mind HHS combining a lot of things. I am sure they can combine like agencies that just do a lot of granting, but when you turn over to the IHS and see the unique status of it, it needs to stand out by itself and be recognized for that.

If they want One-HHS, they should have One-HHS. They should look at the disparities in health for the American Indians and Alaska Natives, and see that we have the worst statistics across the country. One-HHS should come together and say, we are going to handle the Indian population, we are going to bring them up to the rest of the population, that would be our One-HHS mission, and that is what we are going to do first.

When they do that, then we can talk about all being equal again, and then putting everybody back together.

The CHAIRMAN. Julia?

Ms. DAVIS-WHEELER. Yes; thank you, Senator Campbell.

As a tribal leader and participating in the One-HHS restructuring initiative with Indian Health Service, one of the concerns that came forward many times and was a very hot issue at the very beginning of our meetings with certain tribal leaders was the down-sizing of the Indian Health Service again. I can truly say that in a couple of those meetings, we had some tribal leaders just almost walk out on the whole process, because they felt that down-sizing the Indian Health Service any more was just a catastrophe for us to take care of our people.

The one other big concern that came forward, and I appreciate Dr. Grim's response to you on the question of consultation, was that the timeframe for proper consultation on the One-DHHS Initiative was very short. We had basically seven months to try to

consult with all the tribes across the United States. We did the best that we could under the circumstances, but I think in all reality it really needs to be like hearings or field hearings or that type of issue. I know that the Department of Health and Human Services was really putting a lot of pressure on the Indian Health Service agency to do this. So as a tribal leader, we worked very hard to help the Indian Health Service meet that deadline. It does need some more reviewing.

Thank you.

The CHAIRMAN. Okay. Well, since Dr. Grim is still here, I might say in his presence that if you think that some of the tribes have not had an adequate voice in that, we probably ought to ask him to extend that consultation process at least a few more months, Dr. Grim.

Senator Murkowski, did you have an opening statement or any questions of our witnesses?

**STATEMENT OF HON. LISA MURKOWSKI, U.S. SENATOR FROM ALASKA**

Senator MURKOWSKI. Thank you, Mr. Chairman. With your permission I would like to submit my opening remarks for the record.

I did have some questions, just general questions, that I will also submit for the record.

I would like to take the opportunity to welcome my constituent, Mr. Kashevaroff. We had a little bit of a chance yesterday to speak, but I am pleased to have you here this morning and you have you answer the questions from this committee.

You did address briefly in your comments here the issue of the merger and how that might affect, for instance, the IT end of things within the Indian Health Services. A more general and broad question for you this morning would be how tribal self-governance, with the Alaska Natives, has affected the Indian Health Service Program and the delivery of the health services. I am not looking for specifics, but if you can just briefly describe how is this all working with the tribal self-governance.

Mr. KASHEVAROFF. Thank you, Senator Murkowski. Alaska looks forward to another long tenure of a Senator Murkowski, and keep adding the years to the same name. So that will be good.

I appreciate your question. Alaska, as mentioned earlier by Dr. Grim, has pretty much, or is 100 percent contracted-compacted. The tribes all operate their own organizations themselves, and IHS has a residual there. The residual does have 10 HR people that will come over to the tribal side as the number of Federal employees dropped. So there are still some residual, plus some transition.

But we think from Alaska, and think this because we have been told from around the country, and we have many people from around the country coming up to Alaska to see what was accomplished in our compacting. I think the shining example, the first thing that comes to our mind when we talk about what we accomplished, is we took 229 tribes and we built a consensus and built a working relationship amongst each other. We have been able to expand this relationship now to Federal partners, to do projects such as the telemedicine project.

The idea of working together, cooperating is not unique among Indian Nations, but in Alaska, with so many tribes, it was amazing that we could come together, and we pretty much try to speak with one voice now. I think the power we gain by that can be shared across the Nation, not only among Indian tribes, but other groups, to say that if you can come together and work together, there is a lot that can be accomplished.

What we have done for the Indian Health Service is we took over a system back in 1998, 1999—actually it was 1997—that was not meeting the needs of our customers, our owners. We call them customer-owners now because every one of the 115,000 Natives in Alaska own the health system now because we are compacted. We took over a system, and we have been steadily improving it. The reason we improve it now is that control has been passed from Rockville to the local villages, to Anchorage. I sit as Chair of that, the Tribal Health Consortium, but I am also President of my tribe. I am elected by 400-and-some tribal members. When those folks come to our hospital, I want to make sure that they get the best care possible. They are treated with the highest respect possible, because I know that my election depends on it.

Every one of our tribal leaders now that are overseeing health care know that, and we have taken this to heart, that our people come first. Now that we have local control, we can see the needs at a local level and adjust to it. We are very agile now. We can make changes when needed. We can also go out and get more resources. We have been getting new grant funding we are bringing in to supplement what we have. Again, I know that you do not want specifics, but a quick example—my small tribe, IHS just refused to give us a clinic. They gave us contract health money. Unfortunately, with contract money, they would give us 2 or 3 percent a year. Our costs from the private doctor we went to were 14 to 15 percent increase every year. We are going in the red every year. By taking over our own services and doing it ourselves, we then have to go out and get grant money, and now we lease a clinic, and hopefully we are going to build a clinic here, too, pretty quick; but we are leasing a clinic; we are doing it ourselves; we are controlling our costs—something that IHS just would never have been in a position to do.

So there are a lot of examples. I guess one last thing that I want to say about how IHS can work with the compactors, is they can take and look at the success the compactors have had all across the country, not just in Alaska. And they can pick out the items that we have been successful in and try to duplicate those, called best practices, looking at what one organization does best and taking that and spreading it across the rest of IHS.

I think if IHS takes that mentality, and I know Dr. Grim, who I have had some work with the last year, I know he has come to the IHS with a business mind, wanting to do that. I do support his nomination. I think he is a great choice to take a government agency and try to mold it into a very efficient and top-rated health system. I think working with the tribes, he can probably accomplish that.

Senator MURKOWSKI. That is great. It is nice to hear that Alaska can be used as a model throughout the rest of the country. I am pleased to hear that.

Mr. KASHEVAROFF. Thank you.

The CHAIRMAN. Julia?

Ms. DAVIS-WHEELER. Yes, Chairman Campbell, I would like to respond to Senator Murkowski's question on self-governance. The Nez Perce Tribe in Idaho, we just recently in 1999, 2000 went to compact. One of the things that we have done with the compacting process that we went through is we were able to build two clinics—one a small satellite clinic for our up-river people that live 70 or 80 miles away from the main headquarters, because they were in a community building. So we have one building for them. It is not a big one, but a small building where all the health programs are together. We did that with some of our compact money reserves that we had, and then other grants.

Now, recently, we are working on the main tribal health clinic for the Nez Perce Tribe where the headquarters sits. So if we did not do the self-governance compact, we would not have been able to do that. So that shows that if tribes have the initiative or know how to do this, that they can get some things done. Whereas if we would have gone through the facilities priority selection process, we would have never gotten a new facility. So I just wanted to comment on that.

Thank you.

Senator MURKOWSKI. Thank you.

Mr. Chairman, I would just like to take the opportunity to thank you. With your assistance last week, we were able to bump up the number for the funding for IHS. I know it is not as much as some would have liked, but I think we agreed it was an attempt to address the need and we will work toward additional funding. I thank you for your initiative.

The CHAIRMAN. It was a 10-percent increase, was it not?

Senator MURKOWSKI. 10 percent over the President's number. So every little bit, I think we all would agree, helps.

Thank you for your assistance when we worked on that.

The CHAIRMAN. Thank you.

I appreciate your testimony and your support of S. 556. I have to tell you, I am really concerned about this One-HHS proposal. I understand that we need to streamline and consolidate and not duplicate efforts and make better, more efficient use of tax money and so on, but I have seen too many times in the past when Indian programs get folded into bigger programs, money that had formerly been designated for Indian programs somehow gets transferred or moved or something. The Indian people have never had a real strong voice in the Administrations, any Administration or here either, unfortunately. I am really concerned about that.

When one out of every two Pimas on this earth, for instance, suffer from diabetes, and there are people who three out of their whole 7-day week and sometimes four is spent on a road somewhere just so they get dialysis, I sometimes worry that folding things into making things look more efficient sometimes is going to leave Indian people out.

I would appreciate your looking at this One-HHS proposal in depth and giving the committee back some written guidance. We will look forward to that, too, and hopefully you can do that in the next few weeks if you could, Julia. I think Senator Inouye would be equally concerned about it.

With that, I have no further questions, but we may have some that will be submitted in writing. Thank you for appearing.

The committee is adjourned.

[Whereupon, at 10:54 a.m., the committee was adjourned, to reconvene at the call of the Chair.]

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## APPENDIX

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### ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

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PREPARED STATEMENT OF MELANIE BENJAMIN, CHIEF EXECUTIVE, MILLE LACS BAND OF OJIBWE

Mr. Chairman and members of the committee, this testimony is offered in support of Reauthorization of the Indian Health Care Improvement Act. The Mille Lacs Band of Ojibwe is a federally-recognized tribe with 3,570 enrolled members. Located in east central Minnesota, we operate three separate clinics offering services to more than 2,000 Mille Lacs Band members, as well as other non-members, through 20 different programs.

When Congress first enacted the Indian Health Care Improvement Act (IHCIA) in 1976, one of the major policy reasons for doing so was to address the health disparities in Indian Country by raising the health status of the Indian population to a level consistent with that of the general population of the United States. Unfortunately, the overall health status of Indian people has improved very little, and those same disparities continue to exist in alarming numbers. Reauthorization of the IHCIA would greatly assist efforts to rectify the continuing health disparities in Indian country.

One of the primary purposes of the IHCIA is to authorize appropriations for tribal health programs so that they may better satisfy their health care goals. Even so, federal funding levels have not kept pace with inflation or with the increasing needs that directly impact the costs of health care delivery. In fact, today's medical dollar is worth less than the funding received, making it very difficult to provide comprehensive health care.

As is true for most tribal communities, the Mille Lacs Band is confronting an increased health care burden due to growing incidents of conditions such as diabetes, heart disease, and cardiovascular disease. These health conditions, which are approaching epidemic proportions, are impacting not only our adult population, but also our youth. This weighs heavy on our hearts as our children are our future.

Factors such as poor diet and lack of exercise contribute greatly to the increase of these chronic health conditions. The Mille Lacs Band would like to develop preventative programs addressing these significant health deficiencies. Soaring treatment costs for chronic health conditions quickly drain program dollars, and the reality is that preventative programs are, in the long run, far more cost-effective.

Our health care burden is impacted further by our ever-growing user population, which has increased by more than 30 percent in recent years. As a result, we have outgrown our current facilities. Inadequate space does not permit us to effectively address the existing needs of our members, much less those that continue to emerge each year.

Presently, we are limited as to the services we are able to provide. While we currently employ one full-time dentist, two full-time physicians, and a handful of certified nurse practitioners, we are not capable of providing the comprehensive health care that our people rely upon, and frankly, deserve. Examples are programs targeted at substance abuse, mental health, and other behavioral health programs that contribute toward wellness beyond basic medical and dental care. We greatly need

to expand our facilities and construct additional space to meet those growing demands for health services.

Present funding levels are not sufficient to keep up with increasing health care needs and the associated costs. Level of need funding is designed to bring tribal health care programs to the equivalent of mainstream funding agencies throughout the United States. Our level of need funding is currently at 30 percent, an amount far below comparable non-tribal agencies. As a consequence, the Mille Lacs Band consistently faces a challenge in meeting the health care needs of our members and other tribal members who utilize our clinic services.

The Mille Lacs Band makes every effort to access outside funding services to complement Federal funding. Third party billings are submitted to insurance providers and payments are sought from Medicare and Medicaid reimbursements. Regardless, these efforts are not sufficient to keep up with increased costs of health care delivery and frequently, the Mille Lacs Band must provide the difference. The problem with this is that it means other tribal programs and services are affected when dollars must be shifted.

The impacts of non-reauthorization to the Mille Lacs Band of Ojibwe and other Tribes are numerous. Educational programs and campaigns may be eliminated, which will reduce health awareness. There will be an inability to provide comprehensive health care services to our clinic users, especially if clinic staff numbers are not increased. There will also be reduced access to the latest technology, a problem we already face with outdated technology that does not keep up with the latest medical advances. These are just some of the problems tribes will face without reauthorization of the IHCA.

Reauthorization of the Indian Health Care Improvement Act is beneficial to the Mille Lacs Band of Ojibwe and to all tribes who depend upon federal funding to provide comprehensive health care for our communities. Reauthorization will allow the Mille Lacs Band of Ojibwe to pursue our health care objectives and goals intended to rectify the significant health disparities that the United States acknowledges exist on our reservation and reservations across the United States.

Underlying the Indian Health Care Improvement Act Reauthorization is the Federal trust responsibility of the United States. The Federal trust responsibility extends to all the federally-recognized tribes of the United States who have a government-to-government relationship with the United States. This trust obligation arises out of the government-to-government relationship that is articulated in article 1, section 8, clause 3, of the U.S. Constitution, the governing instrument of the United States. The trust responsibility also arises out of the numerous treaties, executive orders, court decisions and Federal laws of the United States, and frequently is acknowledged in the same. Reauthorization of the IHCA is the means by which the United States can continue to fulfill its trust obligation to tribal nations.

Encompassed within the government-to-government relationship is the United States' recognition of tribes' right to self-governance. The Mille Lacs Band of Ojibwe is a self-governance tribe under the Tribal Self-Governance Act of 1994. We were one of the first tribes to enter into a self-governance compact, and not long after, entered into an Annual Funding Agreement, an arrangement which allows the Mille Lacs Band to design its health care programs and services in a manner that best addresses goals and objectives we have identified in our community. The Mille Lacs Band has been able to prioritize its health care needs and attempts to meet those needs as best we can through sound policy decisions. However, our self-governance status does not interfere with the federal trust responsibility of the United States.

Indian health care must be improved. Reauthorization of the Indian Health Care Improvement Act is essential to improving the lives of Indian people and the health care that they receive. Mii Gwetch.

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PREPARED STATEMENT OF JULIA DAVIS-WHEELER, CHAIRPERSON, NATIONAL INDIAN HEALTH BOARD

Chairman Campbell, Vice Chairman Inouye, and distinguished members of the Senate Indian Affairs Committee, I am Julia Davis-Wheeler, chairperson of the National Indian Health Board (NIHB). I am an elected official of the Nez Perce Tribe, serving as Secretary, and also Chair the Northwest Portland Area Indian Health Board. On behalf of the National Indian Health Board, it is an honor and pleasure to offer my testimony this morning on S. 556 to reauthorize the Indian Health Care Improvement Act, which is the most important authorizing legislation for American Indian and Alaska Native health delivery. As you recall, I stated in my recent testimony on the FY 2004 Budget that I looked forward to coming back and testifying on the Indian Health Care Improvement Act. I am pleased that this day has come



and it demonstrates your commitment to American Indian and Alaska Natives as we work toward eliminating the unique health problems facing Indian Country.

As you are well aware, the NIHB serves nearly all Federally Recognized American Indian and Alaska Native (AI/AN) Tribal governments in advocating for the improvement of health care delivery to American Indians and Alaska Natives. It is our mission to advance the level of health care in Indian Country and the adequacy of funding for health services that are operated by the Indian Health Service, programs operated directly by Tribal Governments, and other programs. Our Board Members represent each of the twelve Areas of IHS and are elected at-large by the respective Tribal Governmental Officials within their regional area.

I have been associated with the reauthorization effort since May 1999 when I first met with other tribal leaders and the Indian Health Service to explore how we, along with Congress and the Administration, could work together to pass this vital legislation.

In June 1999, the director of the IHS, Dr. Michael Trujillo convened a National Steering Committee (NSC) composed of representatives from tribal governments and national Indian organizations to provide assistance and advice regarding the reauthorization of the IHCA. Over the course of 5 months, the National Steering Committee drafted proposed legislation, which was based upon the consensus recommendations developed at four (4) regional consultation meetings held earlier in that year. The consensus recommendations formed the foundation upon which the National Steering Committee began to draft proposed legislation to reauthorize the IHCA. In October 1999, the National Steering Committee forwarded their final proposed bill to the IHS Director and to each authorizing committee in the House and Senate and the President. Previously, the House and Senate introduced legislation based on the tribal bill, but neither passed.

Last year the Northwest Portland Area Indian Health Board and other Area Health Boards hosted a May 28-30, 2003 Indian Health Care Improvement Act meeting. The purpose of the meeting was to consider changes and provide recommendations on the proposed legislation in response to concerns raised in a September 27, 2001 letter and memorandum from Health and Human Services Secretary Tommy G. Thompson to Senator Daniel Inouye. The primary issues raised in Secretary Thompson's correspondence focused on the high costs associated with some of the bill provisions, questions about what outcomes were sought in regards to certain sections of the bill, and it also included opposition to certain elements in the bill. The participants at the Portland meeting took a hard look at the high Congressional Budget Office (CBO) score on S. 212 and the other concerns and forwarded recommendations to the House and Senate in July 2002.

I am very pleased you have introduced S. 556 early this year and have held prompt hearings. The Bill appears to be identical to S. 212 introduced during the 107th Congress, so we look forward to bringing you up-to-date on some changes recommended by the National Steering Committee. The National Steering Committee is currently working with House members and committee staff on a House bill that is expected to be introduced very soon that incorporates the recommendations developed at the 2002 NSC meeting in Portland, further changes discussed in subsequent meetings with House Legislative Counsel, other legislative staff meetings, and at the March 20 and 21, 2003 NSC meeting hosted by the Northwest Portland Area Indian Health Board just a couple of weeks ago.

I should tell you that in December 2002 the NSC met in Rockville, MD and selected Lone Pine Paiute Shoshone Tribal Chairperson Rachel Joseph and me to co-chair this year's effort. In addition, Don Kashevaroff representing the Tribal Self-Governance Advisory Committee, former Navajo Nation Vice President Taylor McKenzie, and Kay Culbertson of the National Council of Urban Indian Health make up this year's NSC leadership group. The balance of members represent each of the 12 areas of the Indian Health Service and several national Indian organizations that I mention below. A lot of good things are possible if we pass the bill with our recommended changes. The titles have exciting new authorities.

I want to briefly review the titles contained in the Indian Health Care Improvement Act. Time only permits mentioning highlights in each title, but I am ready to answer your questions on any of the titles to the best of my ability. Although I have worked extensively on the bill over the past 4 years, I may have to call upon one of the technical advisers who possess a detailed knowledge of the legislation to assist with my answers to your questions.

**The Preamble** section of the act has been revised, including sections on Findings, Declaration of Nation Policy and Definitions. Emphasis has been placed on the trust responsibility of the Federal Government to provide health services and the entitlement of Indian tribes to these services

**Title I—Indian Health, Human Resources and Development**, has been substantially rewritten primarily to shift priority setting and decisionmaking to the local Area levels, where appropriate. The importance of education is highlighted by changes proposed to the act.

**Title II—Health Services** represents a collection of diverse sections addressing issues related to the delivery of health services to American Indian and Alaska Native populations. Diabetes programs and epidemiology centers are just two of the many health programs authorized by this title.

**Title III—Facilities**, proposes that tribal consultation be required for any and all facility issues, not just facility closures. It shelters projects on the current priority list while moving toward a new method for selecting facilities projects. This title gives permanent authority to small ambulatory facilities construction.

**Title IV—Access to Health Services**, seeks to maximize recovery from all third-party coverage, including Medicaid, Medicare, and the State Children's Health Insurance Program (S-CHIP) and any new federally funded health care programs. It also will contain new authority for long-term care and protection against estate recovery. This was a title that resulted in the largest dollar total in the CBO score, but the NSC has agreed to some modifications to the provisions in the first tribal bill and this has resulted in billions less in costs to the Federal Government. The main change is that States will not receive huge increases in reimbursements.

**Title V—Health Services for Urban Indians**, adds facility construction authority and coverage by the Federal Tort Claims Act for the 35 urban programs. Urban representatives were very active members of the leadership group on the NSC and they feel that the changes in title V will result in million of dollars in new funding for urban programs.

**Title VI—Organizational Improvements**, includes changes including the elevation of the Indian Health Service Director to Assistant Secretary in the Department of Health and Human Services. Although tribes are generally very satisfied with the relationship Interim Director Dr. Charles Grim has with top policymakers in the Department of Health and Human Services, we want to institutionalize this access with this role change.

**Title VII**—Contains the newly named Behavioral Health title with major revisions, specifically to integrate Alcohol and Substance Abuse provisions with Mental Health and Social Service authorities. I know the committee is having a hearing next week on consolidation of alcohol and substance abuse programs and I think this title can be complementary to the goals of that legislation.

**Title VIII—Miscellaneous** was largely rewritten. It now includes a proposal to establish an entitlement commission to study and make recommendations on making Indian Health an "Entitlement," in the same manner as Medicaid and Medicare. Ten sections were moved out of title VIII to more appropriate sections in the IHCLIA. All CHS provisions were moved to title II. A majority of the "free-standing and severability" provisions from other titles were incorporated into title VIII.

#### **Conclusion**

On behalf of the National Indian Health Board, I would like to thank the committee for its consideration of our testimony and for your interest in the improvement of the health of American Indian and Alaska Native people. I know that this act will not pass this year unless Congress hears from tribes that it is indeed a priority in 2003. The National Indian Health Board and tribes nationwide are renewing their efforts to make this happen. The National Steering Committee, working with the National Congress of American Indians, the Tribal Leaders Self-Governance Advisory Committee and the National Council of Urban Indian Health stand ready to work with this committee to make necessary changes and improvements to craft a bill that will assist us in our goal of raising the health status of American Indian and Alaska Natives.

**STATEMENT OF THE INDIAN HEALTH SERVICE  
HEARING ON THE  
REAUTHORIZATION OF THE INDIAN HEALTH CARE IMPROVEMENT  
ACT**

**APRIL 2, 2003**

Mr. Chairman and Members of the Committee:

Good morning, I am Dr. Charles Grim, Interim Director of the Indian Health Service (IHS). Today, I am accompanied by Mr. Michel Lincoln, Deputy Director, Mr. Gary Hartz, Acting Director of the Office of Public Health, and Dr. Craig Vanderwagen, Director, Division of Clinical and Preventive Services, Office of Public Health. We are pleased to have this opportunity to testify on behalf of Secretary Thompson on S. 556, the Indian Health Care Improvement Act Reauthorization of 2003". And, at the Committee's request, I will report on the Secretary's One-Department Initiative as it impacts the IHS and the President's FY 04 budget proposal to consolidate automated information systems in the Department.

The IHS has the responsibility for the delivery of health services to more than 1.6 million Federally- recognized American Indians and Alaska Natives (AI/ANs) through a system of IHS, tribal, and urban (I/T/U) operated facilities and programs based on treaties, judicial determinations, and Acts of Congress. The mission of the agency is to raise the physical, mental, social, and spiritual health of AI/ANs to the highest level, in partnership with the population we serve. The agency goal is to assure that comprehensive, culturally

acceptable personal and public health services are available and accessible to the service population. Our foundation is to uphold the Federal government's obligation to promote healthy American Indian and Alaska Native people, communities, and cultures and to honor and protect the inherent sovereign rights of tribes.

Two major pieces of legislation are at the core of the Federal government's responsibility for meeting the health needs of American Indians/Alaska Natives (AI/ANs): The Snyder Act of 1921, P.L.67-85, and the Indian Health Care Improvement Act (IHCIA), Public Law 94-437. The Snyder Act authorized regular appropriations for "the relief of distress and conservation of health" of American Indians/Alaska Natives. The IHCIA was enacted "to implement the Federal responsibility for the care and education of the Indian people by improving the services and facilities of Federal Indian health programs and encouraging maximum participation of Indians in such programs." Like the Snyder Act, the IHCIA provided the authority for the programs of the Federal government that deliver health services to Indian people, but the IHCIA also provided additional guidance in several areas. The IHCIA contained specific language that addressed the recruitment and retention of a number of health professionals serving Indian communities focused on health services for urban Indian people and addressed the construction, replacement, and repair of health care facilities.

We are here today to discuss reauthorization of the IHCIA and tribal recommendations for change to the existing IHCIA in the context of the many changes that have occurred in our country's health care environment since the law was first enacted in 1976. S. 556

reflects the product of an extensive tribal consultation process that took two full years and resulted in a tribally drafted reauthorization bill. IHS staff provided technical assistance and support to the Indian tribes and urban Indian health programs through this lengthy consultation.

The Department supports the purposes of S. 556 to improve the health status of AI/AN people and to raise health status the highest possible level. We do, however, continue to have concerns, as expressed previously to the Committee in the Secretary's September 27, 2001 report on S.212, regarding a number of provisions in that bill. As introduced, S. 556 is identical to S. 212. There are several provisions in S. 556 that are inconsistent with current Medicare and Medicaid provider payment practices and could inappropriately increase costs. For example:

- Title II, Section 202, which describe a new provider type called a Qualified Indian Health Provider (QIHP) and Sections 212 and 221 regarding extension of the 100% Federal matching rate for Medicaid and SCHIP. These sections are further discussed below in the statement.
- In addition, Section 419 proposes to exempt patients eligible for Medicare or Medicaid from standard cost-sharing requirements such as deductibles, copayments, and premiums. We have no concern with the current exception for Indian children exempt from premiums and co-pays in the SCHIP program.

The Department also reported in the staff analysis of its September 27, 2001 bill report some concerns with the managed care provisions in Section 423 which limits appropriate cost and utilization incentives in Medicare and Medicaid by potentially undermining capitated payments in managed care settings.

The Administration is seriously concerned about these provisions, which undermine standard practices in Medicare and Medicaid. The most pressing concerns were outlined in the Secretary's September report which I will present to you today: 1) the Qualified Indian Health Program (QIHP); 2) negotiated rule making; and, 3) extension of 100% Federal matching rate for Medicaid and SCHIP.

While the Administration continues to have serious concerns about S. 556 in its current form, we are committed to working with the Committee on legislation to reauthorize this important cornerstone authority for the provision of health care to American Indians and Alaska Natives.

**Qualified Indian Health Program (QIHP)**

The bill would amend the Medicare statute to add various detailed provisions for a new provider type called a Qualified Indian Health Provider (QIHP) for IHS, Tribal, and urban Indian (I/T/U) providers participating in the Medicare and Medicaid programs.

The most problematic aspects of QIHP are the structure and operation of the payment provisions, which are not only burdensome but, more importantly, would not be feasible to administer. QIHP would require the Federal government to complete a series of

complex payment computations for each I/T/U provider, for each payment period, (including rates and adjustments not available to any other provider) to identify the provider type for each that yields the highest payment amount for that period. However, such computations could only be made after services are provided, when it is too late for the providers to have known or complied with the differing conditions of participation applicable to differing provider types. In addition to the burden and feasibility issues, on a more fundamental level, this “full cost plus other costs” QHP payment approach would be contrary to the way that Medicare generally pays providers. Moreover, it would impose disproportionately higher costs on a program that is approaching insolvency. Extending such a payment approach to Medicaid and SCHIP would raise similarly serious administrative and budgetary concerns.

**Negotiated Rule Making; Tribal Consultation; Administrative Burdens**

We are concerned that S. 556 would appear to broadly mandate use of negotiated rule making to develop all regulations to implement the IHCLIA. Negotiated rule making is very resource-intensive for both Federal and non-Federal participants. It can be effective in appropriate circumstances, but may not be the most effective way to obtain necessary Indian provider input in the development of IHCLIA rules and regulations in a given case.

Additionally, while we appreciate the value of consultation with Tribes, we have concerns about the consultation requirements. The bill would require Tribal consultation prior to the Centers for Medicare & Medicaid Services (CMS) adopting any policy or regulation, as well as require all HHS agencies to consult with urban Indian organizations

prior to taking any action, or approving any action of a State, that may affect such organizations or urban Indians. Such requirements appear to be broader than the existing Tribal consultation requirement and would be very difficult to administer, given the hundreds of regulations and policies potentially covered.

We have similar concerns about the considerable indirect adverse impact of S.556's extensive reporting requirements and other administrative burdens on IHS and CMS that would divert limited resources from other activities. One example is the proposed requirement for a detailed annual report on health care facilities construction needs and the survey of facilities it would entail. As IHS programs and both IHS and CMS administrative functions are funded by capped discretionary accounts, the imposition of additional administrative duties on IHS and CMS would have the practical effect of requiring cutbacks in current activities.

**Extension of 100% Federal matching rate for Medicaid and SCHIP**

We also are concerned that the bill would extend the 100% Federal matching rate to States for Medicaid and State Children's Health Insurance Program (SCHIP) services (currently applicable to such services provided through an IHS facility) to other services provided to American Indians and Alaska Natives, including those furnished by non-Indian health care providers. This proposed change would substantially increase Federal program and administrative costs, with no guarantee and little likelihood of any more services for Indian beneficiaries or better payments for Indian providers.



As we continue our thorough review of this far-reaching, complex legislation, we may have further comments. However, we wish to reiterate our strong commitment to reauthorization and improvement of the Indian health care programs. We will be happy to work with the Committee, the National Tribal Steering Committee, and other representatives of the American Indian and Alaska Native communities to develop a bill fully acceptable to all stakeholders in these important programs.

**One-Department Initiative**

In addition to our expressed concerns with S.556, I will now present an explanation of the Secretary's One-Department initiative and its benefit to the IHS.

The Secretary's One Department Initiative has been of great benefit to the IHS as well as the Native American constituents of the Department. The fundamental premise of this initiative is that the Department of Health and Human Services must speak with one, consistent voice. Nothing is more important to our success as a department. With regard to our tribal constituents the Secretary observed on his first trip to Indian Country that tribal programs were often "stove piped" and that there existed within HHS an assumption that the IHS had sole responsibility for the health issues facing tribes. In the two short years since the Secretary launched this initiative he has reestablished the Intradepartmental Council for Native American Affairs. The membership of this Council is comprised of the heads of all the HHS Operating and Staff Division with the IHS Director serving as the Vice-Chair. This Council serves as an advisory body to the Secretary and has the responsibility to assure that Indian policy is implemented across all

Divisions. The Council provides the Secretary with policy guidance and budget formulation recommendations that span all Divisions of HHS. A profound impact of this Council on the IHS is the revised premise within HHS that all Agencies bear responsibility for the government's responsibility and obligation to the Native people of this country.

In addition to the Council the Secretary and Deputy Secretary have traveled widely to Indian Country with their senior staff. These trips have raised the awareness of tribal issues and have contributed greatly to our capacity to speak with one voice on behalf of tribes.

An example of a tangible benefit to the IHS is the FY '04 President's budget request for IHS of \$20 million for Sanitation Facilities Program. An evaluation of the program justified an increase in the FY '04 budget for the program's most needy homes. This increase was also a result of the Secretary's visit to Alaska with his senior staff in 2002. They observed the critical need for safe drinking water and sanitation facilities in Indian Country and acted decisively to increase the IHS budget request.

The One Department Initiative can be directly credited for this step forward for the Native people of this nation.

#### **FY '04 Information Technology Consolidation**


Also, I would like to address the Committee's request for information on the FY '04 President's budget proposal to consolidate automated information systems in the Department.

The FY '04 President's Budget for IHS includes funding to support Departmental efforts to improve the HHS Information Technology Enterprise Infrastructure. The request includes funds to support an enterprise approach to investing in key information technology infrastructure such as security and network modernization.

These investments will enable IHS programs to carry out their missions more securely and at a lower cost. Agency funds will be combined with resources in the IT Security and Innovation Fund to promote collaboration in planning and project management and to achieve common goals such as secure and reliable communication and lower costs for the purchase and maintenance of hardware and software.

The IHS budget request includes savings in the IT Budget from ongoing IT consolidation efforts and additional reduced spending through the streamlining or elimination of lower priority projects. As a result, the FY '04 IHS budget request proposes a decrease in spending for information technology below the FY '03 level of \$9,282,000. This decrease is the result of IT savings associated with the creation of "one HHS" from the Department's disparate organization units and more efficient and effective management of the base HHS information technology system. Consolidation of IT resources will yield savings necessary to support program requirements.

Mr. Chairman, this concludes my statement. Thank you for this opportunity to discuss the reauthorization of the Indian Health Care Improvement Act and other issues. We will be happy to answer any questions that you may have.

**Office of Management and Budget**[Click to Print  
this document](#) **APPENDIX 5****Office of Federal Procurement Policy (OFPP) Policy Letter 92-1,  
"Inherently Governmental Functions"****September 23, 1992****TO THE HEADS OF EXECUTIVE DEPARTMENTS AND  
ESTABLISHMENTS****SUBJECT: Inherently Governmental Functions.**

**1. Purpose.** This policy letter establishes Executive Branch policy relating to service contracting and inherently governmental functions. Its purpose is to assist Executive Branch officers and employees in avoiding an unacceptable transfer of official responsibility to Government contractors.

**2. Authority.** This policy letter is issued pursuant to subsection 6(a) of the Office of Federal Procurement Policy (OFPP) Act, as amended, codified at 41 U.S.C. 405(a).

**3. Exclusions.** Services obtained by personnel appointments and advisory committees are not covered by this policy letter.

**4. Background.** Contractors, when properly used, provide a wide variety of useful services that play an important part in helping agencies to accomplish their missions. Agencies use service contracts to acquire special knowledge and skills not available in the Government, obtain cost effective services, or obtain temporary or intermittent services, among other reasons.

Not all functions may be performed by contractors, however. Just as it is clear that certain functions, such as the command of combat troops, may not be contracted, it is also clear that other functions, such as building maintenance and food services, may be contracted. The difficulty is in determining which of these services that fall between these extremes may be acquired by contract. Agencies have occasionally relied on contractors to perform certain functions in such a way as to raise questions about whether Government policy is being created by private persons. Also, from time to time questions have arisen regarding the extent to which de facto control over contract performance has been transferred to contractors. This policy letter provides an illustrative list of functions, that are, as a matter of policy, inherently governmental (see Appendix A), and articulates the practical and policy considerations that underlie such determinations (see para. 7).

As stated in paragraph 9, however, this policy letter does not purport to specify which functions are, as a legal matter, inherently governmental, or to define the factors used in making such legal determination. Thus, the fact that a function is listed in Appendix A, or a factor is set forth in paragraph 7(b), does not necessarily mean that the function is inherently governmental as a legal matter or that the factor would be relevant in making the legal determination.

**5. Definition.** As a matter of policy, an "inherently governmental function" is a function that is so intimately related to the public interest as to mandate performance by Government employees. These functions include those activities that require either the exercise of discretion in applying Government authority or the making of value judgements in making decisions for the Government. Governmental functions normally fall into two categories: (1) the act of governing, i.e., the discretionary exercise of Government authority, and (2) monetary transactions and entitlement.

An inherently governmental function involves, among other things, the interpretation and execution of the laws of the United States so as to:

- (a) bind the United States to take or not to take some action by contract, policy, regulation, authorization, order, or otherwise;
- (b) determine, protect, and advance its economic, political, territorial, property, or other interests by military or diplomatic action, civil or criminal judicial proceedings, contract management, or otherwise;
- (c) significantly affect the life, liberty, or property of private persons;
- (d) commission, appoint, direct, or control officers or employees of the United States; or
- (e) exert ultimate control over the acquisition, use, or disposition of the property, real or personal, tangible or intangible, of the United States, including the collection, control, or disbursement of appropriated and other Federal funds.

Inherently governmental functions do not normally include gathering information for or providing advice, opinions, recommendations, or ideas to Government officials. They also do not include functions that are primarily ministerial and internal in nature, such as building security; mail operations; operation of cafeterias; housekeeping; facilities operations and maintenance, warehouse operations, motor vehicle fleet management and operations, or other routine electrical or mechanical services.

The detailed list of examples of commercial activities found as an attachment to Office of Management and Budget (OMB) Circular No. A-76 is an authoritative, nonexclusive list of functions that are not inherently governmental functions. These functions therefore may be contracted.

#### **6. Policy.**

(a) Accountability. It is the policy of the Executive Branch to ensure that Government action is taken as a result of informed, independent judgments made by Government officials who are ultimately accountable to the President. When the Government uses service contracts, such informed, independent judgment is ensured by:

(1) prohibiting the use of service contracts for the performance of inherently governmental functions (See Appendix A);

(2) providing greater scrutiny and an appropriate enhanced degree of management oversight (see subsection 7(f)) when contracting for functions that are not inherently governmental but closely support the performance of inherently governmental functions (see Appendix B);

(3) ensuring, in using the products of those contracts, that any final agency action complies with the laws and policies of the United States and reflects the independent conclusions of agency officials and not those of contractors who may have interests that are not in concert with the public interest, and who may be beyond the reach of management controls otherwise applicable to public employees; and

(4) ensuring that reasonable identification of contractors and contractor work products is made whenever there is a risk that the public, Congress, or other persons outside of the Government might confuse them with Government officials or with Government work products, respectively.

(b) OMB Circular No. A-76. This policy letter does not purport to supersede or otherwise effect any change in OMB Circular No. A-76, Performance of Commercial Activities.

(c) Drafting of congressional testimony, responses to congressional correspondence, and agency responses to audit reports from an Inspector General, the General Accounting Office, or other Federal audit entity. While the approval of a Government document is an inherently governmental function, its drafting is not necessarily such a function. Accordingly, in most situations the drafting of a document, or portions thereof, may be contracted, and the agency should review and revise the draft document, to the extent necessary, to ensure that the final document expresses the agency's views and advances the public interest. However, even though the drafting function is not necessarily an inherently governmental function, it may be inappropriate, for various reasons, for a private party to draft a document in particular circumstances. Because of the appearance of private influence with respect to documents that are prepared for Congress or for law enforcement or oversight agencies and that may be particularly sensitive, contractors are not to be used for the drafting of congressional testimony; responses to congressional correspondence; or agency responses to audit reports from an Inspector General, the General Accounting Office, or other Federal audit entity.

**7. Guidelines.** If a function proposed for contract performance is not found in

Appendix A, the following guidelines will assist agencies in understanding the application of this policy letter, determining whether the function is, as a matter of policy, inherently governmental and forestalling potential problems.

(a) The exercise of discretion. While inherently governmental functions necessarily involve the exercise of substantial discretion, not every exercise of discretion is evidence that such a function is involved. Rather, the use of discretion must have the effect of committing the Federal Government to a course of action when two or more alternative courses of action exist (e.g., purchasing a minicomputer rather than a mainframe computer, hiring a statistician rather than an economist, supporting proposed legislation rather than opposing it, devoting more resources to prosecuting one type of criminal case than another, awarding a contract to one firm rather than another, adopting one policy rather than another, and so forth).

A contract may thus properly be awarded where the contractor does not have the authority to decide on the course of action to be pursued but is rather tasked to develop options to inform an agency decision maker, or to develop or expand decisions already made by Federal officials. Moreover, the mere fact that decisions are made by the contractor in performing his or her duties (e.g., how to allocate the contractor's own or subcontract resources, what techniques and procedures to employ, whether and whom to consult, what research alternatives to explore given the scope of the contract, what conclusions to emphasize, how frequently to test) is not determinative of whether he or she is performing an inherently governmental function.

(b) Totality of the circumstances. Determining whether a function is an inherently governmental function often is difficult and depends upon an analysis of the facts of the case. Such analysis involves consideration of a number of factors, and the presence or absence of any one is not in itself determinative of the issue. Nor will the same emphasis necessarily be placed on any one factor at different times, due to the changing nature of the Government's requirements.

The following factors should be considered when deciding whether award of a contract might effect, or the performance of a contract has effected, a transfer of official responsibility:

(1) Congressional legislative restrictions or authorizations.

(2) The degree to which official discretion is or would be limited, i.e., whether the contractor's involvement in agency functions is or would be so extensive or his or her work product is so far advanced toward completion that the agency's ability to develop and consider options other than those provided by the contractor is restricted.

(3) In claims adjudication and related services, (i) the finality of any contractor's action affecting individual claimants or applicants, and whether or not review of the contractor's own is de novo (i.e., to be effected without the appellate body's being bound by prior legal rulings or factual determinations) on appeal of his or

her decision to an agency official;

(ii) the degree to which contractor activities may involve wide-ranging interpretations of complex, ambiguous case law and other legal authorities, as opposed to being circumscribed by detailed laws, regulations, and procedures;

(iii) the degree to which matters for decision by the contractor involve recurring fact patterns or unique fact patterns; and

(iv) The contractor's discretion to determine an appropriate award or penalty.

(4) The contractor's ability to take action that will significantly and directly affect the life, liberty, or property of individual members of the public, including the likelihood of the contractor's need to resort to force in support of a police or judicial function; whether force, especially deadly force, is more likely to be initiated by the contractor or by some other person; and the degree to which force may have to be exercised in public or relatively uncontrolled areas. (Note that contracting for guard, convoy security, and plant protection services, armed or unarmed, is not proscribed by these policies.)

(5) The availability of special agency authorities and the appropriateness of their application to the situation at hand, such as the power to deputize private persons.

(6) Whether the function in question is already being performed by private persons, and the circumstances under which it is being performed by them.

(c) Finality of agency determinations. Whether or not a function is an inherently governmental function, for purposes of this policy letter, is a matter for agency determination. However, agency decisions that a function is or is not an inherently governmental function may be reviewed, and, if necessary, modified by appropriate OMB officials.

(d) Preaward responsibilities. Whether a function being considered for performance by contract is an inherently governmental function is an issue to be addressed prior to issuance of the solicitation.

(e) Post-award responsibilities. After award, even when a contract does not involve performance of an inherently governmental function, agencies must take steps to protect the public interest by playing an active, informed role in contract administration. This ensures that contractors comply with the terms of the contract and that Government policies, rather than private ones, are implemented. Such participation should be appropriate to the nature of the contract, and should leave no doubt that the contract is under the control of Government officials. This does not relieve contractors of their performance responsibilities under the contract. Nor does this responsibility to administer the contract require Government officials to exercise such control over contractor activities as to convert the contract, or portion thereof, to a personal service contract.

In deciding whether Government officials have lost or might lose control of the



administration of a contract, the following are relevant considerations: the degree to which agencies have effective management procedures and policies that enable meaningful oversight of contractor performance, the resources available for such oversight, the actual practice of the agency regarding oversight, the duration of the contract, and the complexity of the tasks to be performed.

(f) Management controls. When functions described in Appendix B are involved, additional management attention to the terms of the contract and the manner of performance is necessary. How close the scrutiny or how extensive or stringent the management controls need to be is for agencies to determine. Examples of additional control measures that might be employed are:

- (1) developing carefully crafted statements of work and quality assurance plans, as described in OFPP Policy Letter 91-2, Service Contracting, that focus on the issue of Government oversight and measurement of contractor performance;
- (2) establishing audit plans for periodic review of contracts by Government auditors;
- (3) conducting preaward conflict of interest reviews to ensure contract performance in accordance with objective standards and contract specifications;
- (4) physically separating contractor personnel from Government personnel at the worksite; and
- (5) requiring contractors to (a) submit reports that contain recommendations and that explain and rank policy or action alternatives, if any, (b) describe what procedures they used to arrive at their recommendations, summarize the substance of their deliberations, (d) report any dissenting views, (e) list sources relied upon, and/or (f) otherwise make clear the methods and considerations upon which their recommendations are based.

(g) Identification of contractor personnel and acknowledgment of contractor participation. Contractor personnel attending meetings, answering Government telephones, and working in other situations where their contractor status is not obvious to third parties must be required to identify themselves as such to avoid creating an impression in the minds of members of the public or the Congress that they are Government officials, unless, in the judgment of the agency, no harm can come from failing to identify themselves. All documents or reports produced by contractors are to be suitably marked as contractor products.

(h) Degree of reliance. The extent of reliance on service contractors is not by itself a cause for concern. Agencies must, however, have a sufficient number of trained and experienced staff to manage Government programs properly. The greater the degree of reliance on contractors the greater the need for oversight by agencies. What number of Government officials is needed to oversee a particular contract is a management decision to be made after analysis of a number of factors. These include, among others, the scope of the activity in question; the technical complexity of the project or its components; the technical capability,

numbers, and workloads of Federal oversight officials; the inspection techniques available; and the importance of the activity. Current contract administration resources shall not be determinative. The most efficient and cost effective approach shall be utilized.

(I) Exercise of approving or signature authority. Official responsibility to approve the work of contractors is a power reserved to Government officials. It should be exercised with a thorough knowledge and understanding of the contents of documents submitted by contractors and a recognition of the need to apply independent judgment in the use of these work products.

#### **8. Responsibilities.**

(a) Heads of agencies. Heads of departments and agencies are responsible for implementing this policy letter. While these policies must be implemented in the Federal Acquisition Regulation (FAR), it is expected that agencies will take all appropriate actions in the interim to develop implementation strategies and initiate staff training to ensure effective implementation of these policies.

(b) Federal Acquisition Regulatory Council. Pursuant to subsections 6(a) and 25 (f) of the OFPP Act, as amended, 41 U.S.C. 405(a) and 421(f), the Federal Acquisition Regulatory Council shall ensure that the policies established herein are incorporated in the FAR within 210 days from the date this policy letter is published in the Federal Register. Issuance of final regulations within this 210-day period shall be considered issuance "in a timely manner" as prescribed in 41 U.S.C. 405(b).

(c) Contracting officers. When requirements are developed, when solicitations are drafted, and when contracts are being performed, contracting officers are to ensure:

(1) that functions to be contracted are not among those listed in Appendix A of this letter and do not closely resemble any functions listed there;

(2) that functions to be contracted that are not listed in Appendix A, and that do not closely resemble them, are not inherently governmental functions according to the totality of the circumstances test in subsection 7(b), above;

(3) that the terms and the manner of performance of any contract involving functions listed in Appendix B of this letter are subject to adequate scrutiny and oversight in accordance with subsection 7(f), above; and

(4) that all other contractible functions are properly managed in accordance with subsection 7(e), above.

(d) All officials. When they are aware that contractor advice, opinions, recommendations, ideas, reports, analyses, and other work products are to be considered in the course of their official duties, all Federal Government officials are to ensure that, they exercise independent judgment and critically examine

these products.

**9. Judicial review.** This policy letter is not intended to provide a constitutional or statutory interpretation of any kind and it is not intended, and should not be construed, to create any right or benefit, substantive or procedural, enforceable at law by a party against the United States, its agencies, its officers, or any person. It is intended only to provide policy guidance to agencies in the exercise of their discretion concerning Federal contracting. Thus, this policy letter is not intended, and should not be construed, to create any substantive or procedural basis on which to challenge any agency action or inaction on the ground that such action or inaction was not in accordance with this policy letter.

**10. Information contact.** For information regarding this policy letter contact Richard A. Ong, Deputy Associate Administrator, the Office of Federal Procurement Policy, 725 17th Street, N.W., Washington, DC 20503. Telephone (202) 395-7209. (UPDATED 8/1995--contact the Budget Analysis and Systems Division, Office of Management and Budget, 725 17th Street, N.W., Washington, DC 20503. Telephone (202) 395-6104.)

**11. Effective date.** This policy letter is effective 30 days after the date of publication.

Signed by

ALLAN V. BURMAN  
*Administrator*

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#### Appendix A to OFFP Policy Letter 92-1

The following is an illustrative list of functions considered to be inherently governmental functions:<sup>(M)</sup>

1. The direct conduct of criminal investigations.
2. The control of prosecutions and performance of adjudicatory functions (other than those relating to arbitration or other methods of alternative dispute resolution).
3. The command of military forces, especially the leadership of military personnel who are members of the combat, combat support or combat service support role.
4. The conduct of foreign relations and the determination of foreign policy.
5. The determination of agency policy, such as determining the content and application of regulations, among other things.
6. The determination of Federal program priorities or budget requests.

7. The direction and control of Federal employees.
8. The direction and control of intelligence and counter-intelligence operations.
9. The selection or nonselection of individuals for Federal Government employment.
10. The approval of position descriptions and performance standards for Federal employees.
11. The determination of what Government property is to be disposed of and on what terms (although an agency may give contractors authority to dispose of property at prices within specified ranges and subject to other reasonable conditions deemed appropriate by the agency).<sup>12</sup> In Federal procurement activities with respect to prime contracts,
  - (a) determining what supplies or services are to be acquired by the Government (although an agency may give contractors authority to acquire supplies at prices within specified ranges and subject to other reasonable conditions deemed appropriate by the agency);
  - (b) participating as a voting member on any source selection boards;
  - (c) approval of any contractual documents, to include documents defining requirements, incentive plans, and evaluation criteria;
  - (d) awarding contracts;
  - (e) administering contracts (including ordering changes in contract performance or contract quantities, taking action based on evaluations of contractor performance, and accepting or rejecting contractor products or services);
  - (f) terminating contracts; and (g) determining whether contract costs are reasonable, allocable, and allowable.
13. The approval of agency responses to Freedom of Information Act requests (other than routine responses that, because of statute, regulation, or agency policy, do not require the exercise of judgment in determining whether documents are to be released or withheld), and the approval of agency responses to the administrative appeals of denials of Freedom of Information Act requests.
14. The conduct of administrative hearings to determine the eligibility of any person for a security clearance, or involving actions that affect matters of personal reputation or eligibility to participate in Government programs.
15. The approval of Federal licensing actions and inspections.
16. The determination of budget policy, guidance, and strategy.

17. The collection, control, and disbursement of fees, royalties, duties, fines, taxes and other public funds, unless authorized by statute, such as title 31 U.S.C. 952 (relating to private collection contractors) and title 31 U.S.C. 3718 (relating to private attorney collection services), but not including:

(a) collection of fees, fines, penalties, costs or other charges from visitors to or patrons of mess halls, post or base exchange concessions, national parks, and similar entities or activities, or from other persons, where the amount to be collected is easily calculated or predetermined and the funds collected can be easily controlled using standard cash management techniques, and

(b) routine voucher and invoice examination.

18. The control of the treasury accounts.

19. The administration of public trusts.

With respect to the actual drafting of congressional testimony, of responses to congressional correspondence, and of agency responses to audit reports from an Inspector General, the General Accounting Office, or other Federal audit entity, please see special provisions in subsection 6.c of the text of the policy letter, above.

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#### Appendix B to OFFP Policy Letter 92-1

The following list is of services and actions that are not considered to be inherently governmental functions. However, they may approach being in that category because of the way in which the contractor performs the contract or the manner in which the Government administers contractor performance. When contracting for such services and actions, agencies should be fully aware of the terms of the contract, contractor performance, and contract administration to ensure that appropriate agency control is preserved.

This is an illustrative listing, and is not intended to promote or discourage the use of the following types of contractor services:

1. Services that involve or relate to budget preparation, including workload modeling, fact finding, efficiency studies, and should-cost analyses, etc.
2. Services that involve or relate to reorganization and planning activities.
3. Services that involve or relate to analyses, feasibility studies, and strategy options to be used by agency personnel in developing policy.
4. Services that involve or relate to the development of regulations.
5. Services that involve or relate to the evaluation of another contractor's performance.

6. Services in support of acquisition planning.
7. Contractors' providing assistance in contract management (such as where the contractor might influence official evaluations of other contractors).
8. Contractors' providing technical evaluation of contract proposals.
9. Contractors' providing assistance in the development of statements of work.
10. Contractors' providing support in preparing responses to Freedom of Information Act requests.
11. Contractors' working in any situation that permits or might permit them to gain access to confidential business information and/or any other sensitive information (other than situations covered by the Defense Industrial Security Program described in FAR 4.402(b)).
12. Contractors' providing information regarding agency policies or regulations, such as attending conferences on behalf of an agency, conducting community relations campaigns, or conducting agency training courses.
13. Contractors' participating in any situation where it might be assumed that they are agency employees or representatives.
14. Contractors' participating as technical advisors to a source selection board or participating as voting or nonvoting members of a source evaluation board.
15. Contractors' serving as arbitrators or providing alternative methods of dispute resolution.
16. Contractors' constructing buildings or structures intended to be secure from electronic eavesdropping or other penetration by foreign governments.
17. Contractors' providing inspection services.
18. Contractors' providing legal advice and interpretations of regulations and statutes to Government officials.
19. Contractors' providing special non-law enforcement, security activities that do not directly involve criminal investigations, such as prisoner detention or transport and non-military national security details.

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<http://www.whitehouse.gov/omb/circulars/a076/a076sa5.html>

Senator Ben Nighthorse Campbell  
Chairman  
U.S. Senate Committee On Indian Affairs  
Hearing on IHCA Reauthorization  
April 2, 2003

Questions for Dr. Charles W. Grim  
Interim Director  
Indian Health Service

**1. "One-HHS Initiative".** The ideas behind Secretary Thompson's idea to create "One-HHS" are to reduce waste and create a more efficient HHS to better serve the American people. Yet the idea has not been warmly received by Capitol Hill or by the Tribal Restructuring Initiative Workgroup (RIW) that you appointed.

**Q:** Could you explain the specifics of the initiative to the Committee – especially as it would apply to the IHS?

**Answer:** The "One-HHS" is Secretary Thompson's goal to ensure that the Department functions as a single entity rather than a collection of independent agencies with separate and often duplicative administrative systems. While each of the HHS agencies have separate and specific missions, the over-arching HHS mission enables collaboration and coordination among the agencies that provide a sharing of ideas and in some cases resources.

The IHS as an Operating Division of the DHHS supports the Secretary's goal and has enjoyed the benefits of the "One-HHS" goal in annual budget requests. The DHHS has been supportive and sensitive to the special needs the IHS has in its field operations. This is most evident by the recent decisions by the Department to ensure that the IHS's human resource management staff can remain in the field, and yet be part of the HHS overall HR consolidation that will result in increased efficiency and effectiveness of the entire system.

**Q:** After a rough start, is the initiative still on track, i.e. has the plan been revised to reflect the comments and recommendations of the RIW?

**Answer:** Yes. As noted above, the Department has addressed the concerns about administrative services to the rural and remote field sites in the IHS.

**2. FY 2004 Budget.** The "One-HHS" plan would involve the transfer 8 FTEs (\$838,000) from IHS to HHS. The Tribal concern is that transfer of IHS functions to HHS would lose its "tribal shares" distinction, and, if not tracked properly, could hinder tribal contacting of those functions.

**Q:** How does the department propose to preserve or track tribal shares related to those functions that are moved to the Office of the Secretary? Could these functions and associated dollars be potentially contractible under P.L. 93-638 once they are consolidated under HHS?

**Answer:** Recent decisions by the HHS leave all resources in the IHS and the IHS will pay for consolidated services through the HHS Service and Supply Fund. This will enable the IHS to continue to track tribal shares related to those administrative functions affected by the "One-HHS" consolidations. In the case of the Human Resources' consolidation, the service-level agreement between the HHS and IHS, the IHS will stipulate to the continued tracking of tribal shares in the event such are affected by payments to the HHS Service and Supply Fund.

**3. FY 2004 Budget.** According to the FY 2004 IHS budget request, IHS will realize a cost "savings" of \$21.3 from the reduction of 195 FTEs, and \$9.3 million from information technology; savings will come from IHS, Tribal, and Urban programs. The budget request states that, "every effort will be made to minimize the impact at the service delivery level of the organization, however, some impact on programs and services may occur."

**Q:** What specific impacts will there be to the Indian health care service delivery as a result of reduced FTEs and IHS restructuring? Will Indian patients receive even less health care services or will I/T/Us have to eliminate existing programs, e.g. disease prevention or health promotion activities?

**Answer:** The \$21.3 million in management savings will be achieved primarily by reducing administrative expenses in both IHS and tribally operated programs. IHS will reduce Federal staff use by 195 FTE, a 1.3% reduction compared to FY 2003 estimated usage. Staffing reductions will be targeted to administration (e.g., achieving the Department-wide staffing goal of 1 human resources employee for every 82 Agency employees) in order to minimize the impact on local service delivery. IHS will carefully review replacement of employees who leave and existing staff may be reassigned to ensure that critical positions remain filled. Other areas IHS will examine include more judicious control of: administrative travel, overtime and purchase of administrative supplies/equipment.

The \$9.3 million in IT savings will be achieved by reducing the use of maintenance contracts and by limiting enhancement of major systems including RPMS (the information system IHS use to manage patient care and administrative applications at all its IHS hospitals and clinics), telecommunications infrastructure, and the national database. Areas for examination include: reviewing maintenance contracts to see if it would be cheaper to pay for repairs and replacements on an as needed basis, limiting purchase of new hardware/software and limiting development of new applications for RPMS.



**4. IHS Consultation Policy.** IHS has succeeded in consulting with Tribes on issues small and major, with the RIW being the most recent case.

**Q:** If the “One-HHS” plan goes through, how will the consultation experience be transferred to HHS?

**Answer:** The IHS will continue to consult with Tribes on those “One-HHS” initiatives that impact the IHS organization, programs, and services.

**5. One-HHS and Self-Governance.** As of FY 2002, nearly 50% of all IHS funding and services is “out-sourced” to Tribes through 638 contracts and self-governance compacts.

**Q:** Does the One-HHS plan include incentives for Tribes to assume responsibility for additional programs and services?

**Answer:** The IHS will continue to respond to those Tribes who decide to Self-Determine by assuming responsibility for programs, functions, services, and activities. Equally, the IHS will continue to respond to those Tribes who decide to Self-Determine by requesting the IHS to continue to directly provide health care services to their members.

**Q:** Are you aware of any terms or conditions in 638 contracts or self-governance compacts that might be violated if the administrative reorganization is implemented?

**Answer:** It is our belief that there are no terms or conditions in 638 contracts, or self-governance compacts that will be violated by the administrative reorganization. The IHS is committed to ensuring that Tribal shares are made available to Tribes who exercise Self-Determination and assume health programs for the benefit of their members.

**6. Managerial Reform.** Over the years, the success of Tribes with 638 contracts and self-governance compacts has resulted in a reduction in IHS headquarters and area office staff.

**Q:** Are there administrative functions that are essentially Federal in nature, such that they cannot be contracted out by tribes? Can you describe what some of those functions might be?

**Answer:** Yes. The following are administrative functions that are inherently governmental: determination and formulation of agency policy; personnel management services; supervision and control of Federal employees; selection (or nonselection) of individuals for Federal government employment; property management; acquisition and grants management including awarding and terminating contracts and grants; administering responses to FOIA requests; determining budget policy, guidance, and strategy; determining the acquisition and disposal of Government property; determining what supplies or services are to be acquired by the Government; and, other official functions that mandate performance by Government employees and require either the

exercise of discretion in applying government authority or making decisions for the Government.

The IHS has determined its inherently governmental functions in consultation with Tribal governments and has assumed 100 percent contracting/compacting of the IHS program to determine the residual value of its inherently governmental functions. This determination has been performed at each of the twelve Area Offices and Headquarters.

**7. Human Resources.** I note that the Tribal report listed reasons why consolidating IHS Human Resources with HHS would not be advantageous.

**Q:** What are the primary functions of the Human Resources functions located in the 12 IHS Area offices?

**Answer:** The primary functions in the nine of the 12 IHS Area Offices (Bemidji and Nashville receive their personnel servicing from another Area Office) and Headquarters include: policy advisory; classification; recruitment; staffing; transactions; employee/ labor relations; awards and recognition; retirement counseling; benefits counseling; time and attendance; and, payroll liaison.

**Q:** Are there advantages to having those positions located in the area offices? Would there be advantages in relocating them to headquarters, or another, more central location?

**Answer:** There are advantages to having positions located in the area offices, primarily to support recruitment, management, and development of personnel in the field locations. This proximity enables timely support and processing of personnel actions. Another advantage is the need to support Tribal Self-Determination, particularly in the administrative processes related to Intergovernmental Assignments of civilians and Memoranda of Agreements for Commissioned Corps personnel.

The Tribal Restructuring Initiatives Workgroup (RIW) analyzed the advantages of realigning administrative functions into more central or regional locations. The RIW found that realigning functions which require specialized local expertise and are based on close working relationships with customers would be counter productive. Examples cited included self-determination contracts, employee relations, and budget formulation. However, commonplace administrative functions which are best carried out in an efficient standardized fashion are good candidates for regionalization or centralization. Examples cited included processing of personnel actions and supporting paperwork, human resources record keeping and retrieval, reporting and statistics, travel, payroll, claims processing, commercial acquisitions, auditing, and accounting.

**Q:** Will the costs of relocation offset any “managerial savings” that may be realized?

**Answer:** The decision point is that any “savings” must exceed the cost of relocation over a short period of time. Namely, there needs to be a “break even point” at which the “savings” will be realized and in accordance with the President’s Management Agenda be moved to program services.

**8. What to do with RIW Recommendations?** Now that the RIW final report is completed, what is your next step in meeting the One-HHS goal? Do you plan to have tribal consultations on any new plans that are developed as a result of the final report?

**Answer:** The IHS conducted two consultations on the work of the RIW. In June 2002, the preliminary report of the RIW was provided to Tribal Leaders for review and comment. All comments received were incorporated into the work of the RIW. In September 2002, Dr. Charles Grim, Interim Director, IHS, sent the final report of the RIW to Tribal Leaders for review and comment.

In anticipation that the RIW’s final report would not include recommendations specific to Headquarters, Dr. Charles Grim charged a group of Headquarters managers, staff and three representatives from the Area Offices, to propose an organization that incorporated the references from RIW and the goals contained in the President’s Management Agenda. In December 2002, Dr. Grim transmitted draft documents on the proposed Headquarters’ reorganization. Tribal Leaders that requested that additional comments be considered and the Headquarters Restructuring Group has continued (to this date) to receive and incorporate comments as the proposal to reorganization is being finalized for submission to Dr. Grim for his consideration and approval.

**9. What to do with savings?** The RIW’s final report urges that cost “savings” from IHS restructuring be reinvested into additional health care services to Natives.

**Q:** Have you considered this recommendation or have you developed a plan to redistribute these savings throughout the I/T/U system?

**Answer:** Cost “savings” resulting from IHS restructuring will be used to enhance Indian health care programs.

**10.** The One-HHS initiative proposes the consolidation of IHS human resources functions to the full department level.

**Q:** Based on your study of the area-wide IHS human resources departments, would it be feasible to realign HR functions within IHS?

**Answer:** The Tribal RIW proposed realigning HR functions within IHS. Although it would be feasible to realign the HR function with IHS, we believe that an internal realignment would not provide the same benefits as being fully engaged in the HHS-wide HR consolidation.

**Q:** Do you think that it would be less expensive to make operational improvements than to physically transfer or eliminate IHS HR functions or positions?

**Answer:** IHS could make internal operational improvements in HR that would be less expensive in the short term. However, we believe that the benefits of being part of the HHS-wide HR consolidation are greater than the cost to IHS. For example, HHS-wide HR consolidation with common business practices across the Department will provide greater flexibility to allocate HR resources to meet critical needs. Consolidation will also allow HHS to deploy automated systems for HR that are beyond the reach of the individual components. For IHS this will mean having automated systems for hiring staff, classifying jobs, and maintaining personnel files. IHS's share of these costs will be more than offset by increases in productivity and improved servicing ratio, freeing up resources to be devoted to IHS mission jobs.

#### **11. Information Technology Consolidation.**

**Q:** What are some of the benefits that might be realized with the Information Technology consolidation?

**Answer:** The Information Technology (IT) consolidation is two-fold. First, the IHS is considered one of the five "large OPDIVs" and consolidation will occur internally. The IHS has a modest IT program and is already predominantly centralized. All national IHS IT programs are supported and administered out of its Information Technology Support Center in Albuquerque, New Mexico. However, there are some independent activities occurring at the Area Office level that need to be reviewed for the feasibility of either centralization or regionalization. This would result in savings while not affecting local management or the delivery of patient care.

Second, the IHS, as an OPDIV in the DHHS, can realize benefits by the ability to move data and information to and from the Department electronically over more compatible systems. This reduces errors resulting from re-keying data and information from one system to another. The consolidation in this instance is actually standardization (to the extent practicable). Another emerging and critical benefit is information and data security. The IHS can benefit enormously (economies of scale) from the protection from a larger system.

**12. Alaskan Health Consolidation.** For years now health care in Alaska has been delivered under ONE compact and it seems to me that the Alaska Native health group is a step ahead of the One-HHS initiative because, in a sense, they have already consolidated into nearly one unified health system.

**Q:** Have you looked at how this consolidation was carried out in Alaska to see if there might be lessons learned for other IHS regions?

**Answer:**

**Background.** The concept of one compact and several funding agreements is an innovative method for providing health care in Alaska. The operation of the Alaska Native Medical Center, located in Anchorage, is the responsibility of the Alaska Native Tribal Health Consortium, representing all tribes in Alaska, and is under the direction of a tribally directed joint operating board. The individual funding agreements have accommodated the remoteness and isolation of the Alaska tribal governments by providing a mechanism to tailor funding agreements to meet the unique needs of each individual tribal entity. This further supports the government to government relationship that each Tribe has with the United States.

The Alaska compact began with thirteen original funding agreements that included ten regional health entities and three tribes/villages. The funding agreements in Alaska have now grown to a total of twenty-one, all under one compact. The Alaska Tribes initially provided health services through their compact under the authority of the Self-Governance Demonstration Project. Subsequently, the Alaska compactors, in concert with many other Tribes in the lower 48 states, helped to frame the language for P.L. 106-260, the Tribal Self Governance Amendments of 2000 which made Self-Governance a permanent Tribal compacting option within the Indian Health Service.

**Alaska as a Model Compact.** Alaska has been looked at by many Tribal Governments in the lower 48 states as a mechanism for the provision of health care. The All Indian Pueblo Council in Albuquerque, New Mexico and the Northeastern Tribal Health System (NTHS) in Miami, Oklahoma are examples of groups of Tribes that have looked at the Alaska compact as a model. While the All Indian Pueblo Council has, to date, elected not to compact; the Northeastern Tribal Health System, a consortia of ten (10) Oklahoma Tribal Governments, became a Self-Governance Compactor in 2002.

Under the NTHS, three of the Tribes maintain individual funding agreements as well as participating in the NTHS compact while the remaining six (6) tribes have elected to receive their health services through the NTHS Compact exclusively. The three Tribes that maintain individual funding agreements are not located in close proximity of the NTHS but do have tribal interests, as well as tribal members, residing there. Therefore these three Tribes provide direct services for those tribal members living closest to the tribal headquarters through individual funding agreements as well as providing services for tribal members living in their northeastern Oklahoma districts through the NTHS compact. The IHS accommodates the Tribes by distributing the amounts designated by each tribe to their individual funding agreements and to the NTHS through the NTHS funding agreement.

The Office of Tribal Self-Governance at IHS continues to receive inquiries about Alaska. Most recently a group of eight California Tribes have indicated their interest in compacting and using Alaska as a model.

**In summary.** The provision of health services in Alaska has proven to be a model for the consolidation of the delivery of health care by Tribal Governments in the lower 48 states. It continues to serve as an example of how tribal governments might consider consolidation of limited resources to provide health services to their tribal members. Key to the consortium concept is that each tribal government must individually meet the requirements to enter Self-Governance as stated by P.L. 106-260

**Testimony of  
Don Kashevaroff  
Tribal Self-Governance Advisory Committee Representative  
to the IHCIA Reauthorization National Steering Committee  
President, Seldovia Village Tribe  
President and Chairman, Alaska Native Tribal Health Consortium**

**Senate Select Committee on Indian Affairs**

**April 2, 2003**

**Regarding  
Reauthorization of the Indian Health Care Improvement Act  
The Effects of HHS Consolidation On Narrowing the AI/AN Health Disparities Gap**

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**INTRODUCTION**

Mr. Chairman and members of the Committee, thank you for the opportunity to testify regarding the reauthorization of the Indian Health Care Improvement Act (IHCIA). I appear here today on behalf of the Tribes participating in the Self-Governance program. At the invitation of the Committee, I will also briefly touch upon the impact that Department of Health & Human Services (HHS) consolidation will have on the Indian Health Service and on tribes operating health programs trying to narrow the American Indian/Alaska Native health disparities gap.

The Tribal Self-Governance Advisory Committee (TSGAC) is a committee of tribal leaders convened by the Indian Health Service to address the health care needs of all eligible American Indian/Alaska Natives (AI/AN), especially those served by tribal health programs operated through Self-Governance compacts authorized by Public Law 93-638, as amended. Self-Governance compacts:

?? Have been entered into by or on behalf of 279 Tribes;

?? Constitute 27.3% of the IHS budget; and

?? Serve 33% of the IHS user population.

My experience proves the versatility of Self-Governance. My own tribe, Seldovia Village Tribe, is relatively small – only 414 members. Since taking over the tiny contract health services program in 1991, we have been able to expand our services to the point that we were able to open a small direct service clinic through which we have expanded culturally appropriate services provided as efficiently and economically as one can for a small population.

I contrast this with my experience as President and Chairman of the Board of the Alaska Native Tribal Health Consortium, which is the largest Self-Governance program in America. ANTHC manages over \$125 million annually in IHS program and project funds. With another tribal organization we operate the only Level II Trauma Center in Alaska, the Alaska Native Medical Center, the premier tertiary care hospital in the Indian Health system. We also manage all of the statewide functions previously performed by the IHS Alaska Area Office, including construction of sanitation facilities throughout rural Alaska, operation of one of the three statewide Community Health Aide Training Programs, public health research, and a statewide telemedicine program to name just a few.

Since the formation of the Alaska Tribal Health Compact of which Seldovia Village Tribe and ANTHC are both signatories, the Alaska Area Office of the Indian Health Service has downsized from 350 to 40. While the remaining functions of the IHS Area Office are critical to our success, the transition we have experienced in Alaska, represented by these two extreme examples, proves the importance of the Self-Governance and of the Indian Health Care Improvement Act.

Thus we take very seriously both the reauthorization of the Indian Health Care Improvement Act, and also HHS consolidation, because both have a direct and significant impact on our operations.

#### **S. 556, INDIAN HEALTH CARE IMPROVEMENT ACT REAUTHORIZATION**

It has been over 25 years since the original enactment of the Indian Health Care Improvement Act. This latest effort at reauthorization, in which this Committee has taken a leadership role, truly proves how much has been accomplished. In 1999, tribes from around the country sent representatives to participate with the Indian Health Service and national Indian organizations, including representatives of the Urban Indian programs, in the National Steering Committee. Building on the strong base of existing law, these tribal leaders, supported by their staff and consultants, undertook to draft our own reauthorization bill – one that would reflect the changes wrought by self-determination and self-governance and the changes that have come about in health care delivery.

This product of an extraordinary effort in national consensus building was the base for S. 556, the bill you have before you. In the four intervening years, work has continued. We have had time to reflect on the 1999 National Steering Committee draft. We have had time to consider issues raised by this body and concerns expressed by the Administration. The National Steering Committee has met many times since 1999, and while we have not had perfect unanimity, we have maintained nearly complete consensus about how best to address these points of view and remain true to the principles that underlie the tribal draft of the reauthorization.

We have had the good fortune to have the opportunity to work closely with staff of both houses, with the support of the House Office of Legislative Counsel, to try to improve upon our initial efforts to produce the best legislation possible. We expect to have a clean draft bill reflecting our latest work available in early April and hope this Committee will consider substituting it for the pending bill. In

the meantime, we appreciate the Senate's leadership in conducting hearings on this critical legislation.

While there have been great achievements in improving the health status of American Indians and Alaska Natives, it is the disparities that still are most prominent. Prime among our considerations, is that it is no longer acceptable that the objectives for improvement be lower for American Indians and Alaska Natives than those for the rest of the nation. Thus, we have incorporated the *Healthy People 2010* objectives as our own. They set the benchmark for us, as they do for the nation.

We considered other principles as well. We recognized that while tribal health programs have the good fortune to be part of a national Indian health system, they also have increasingly assumed control of their own health delivery systems and been able to focus more specifically on local needs and demands. They prove the value of local control. Thus, we worked to ensure that tribal autonomy is respected in the bill.

We also approached this bill as the authorization bill that it is, not as an appropriation bill. The Indian health system is desperately under funded. While we deplore that fact, and urge that it be remedied, we cannot as tribal leaders sit back and wait for that day. Thus, we are frustrated by what we consider to be an inflated calculation of the cost of the legislation and are angered by suggestions that it must be pared down. We have never been fully funded and no matter how much we pare down the bill, we will not be fully funded.

For tribes to have the opportunity "to do the best that we can with what we have," however we cannot limit the authority to develop a model system to a few demonstration project sites. We must authorize a modern health care system and strive to achieve it. The experiences in one location will provide the base for improvements in another. Thus, we make the best use of our individual accomplishments and strengths and the entire system improves.

Among the criticisms we have heard is that we have been too aggressive in our pursuit of recovery from the Medicaid and Medicare programs. We have a somewhat different view. The Indian health system did not choose to be reliant on these funding sources. We believe American Indians and Alaska Natives have an absolute right to health care services paid for with the lives and lands of our ancestors. However, the payments have not been made through direct appropriations. Instead, the Congress chose to make us dependent on these other Federal programs to supplement the limited direct appropriations made available. We now merely seek the opportunity to maximize this recovery.

Our goals here have been three. First, that if there is a payment advantage or reimbursable activity available to any other provider, it should be equally available to the Indian health system. Secondly, the cost of recovery should be limited as much as possible so that limited resources are conserved for direct delivery of health care programs. And, finally, "managed care" and other innovations in delivery and payment models must not interfere with the right of American Indians and Alaska Natives to continue to receive care in the culturally competent health care programs operated by the Indian Health Service and by tribes and tribal organizations. To achieve these goals, we have



worked to form a closer relationship with the Centers for Medicare and Medicaid Services. However, in the end, new legislation is needed. It is embodied in our reauthorization proposals.

We have compromised though. Since the initial draft, the National Steering Committee has recentralized certain activities that we initially proposed for area allocation. We have scaled back our effort to authorize a unique Medicare and Medicaid provider type – the Qualified Indian Health Program, which still appears in S. 556 but which, in the updated proposal on which we are working, is reduced to a study of reimbursement in our new proposal.

Now, we need your support. We need your commitment to substitute our new bill as soon as it is available in April, to hold the necessary hearings, and to enact reauthorization this year. We appreciate the challenges facing the Administration and this Congress. We know that your work in support of our troops in Iraq and Afghanistan must take priority. American Indians and Alaska Natives have been disproportionately represented in every military conflict faced by this nation in the last century and this one.

The families of those fighting men and women belong to our communities; the veterans of past service are part of our communities; and these service people will come home, God willing, to our communities. They are fighting to ensure that the American way is preserved. That means progress on front lines other than those in Iraq cannot stop while they are gone. That means that important legislation reflecting America's commitment to its original residents cannot be shelved.

Self-Governance Tribes and the National Steering Committee look forward to working closely with this Committee this year to achieve enactment into law of the Indian Health Care Improvement Act Reauthorization.

#### **THE EFFECTS OF HHS CONSOLIDATION ON THE INDIAN HEALTH SYSTEM**

I also appreciate the opportunity to comment briefly on the proposed reorganization of the Department of Health and Human Services and the effects it will have on the Indian health system.

There is little question that the sprawling Department of Health & Human Services is an organizational challenge; nor is there question about the stated objective – “One HHS.” I applaud the Secretary for working to improve service, reduce waste and create efficiencies in the Department, similar to what Self Governance Tribes have undertaken since “compacting.”

However, as much as we trust the Secretary's intentions, we have some concerns about the potential impact of several elements of the consolidation, that in actuality will not improve service or create efficiencies, including:

- (1) IHS Information Technology funding consolidation into the HHS;
- (2) IHS Legislative Affairs office consolidation into the HHS;

- (3) IHS Human Resource office consolidation into the HHS; and
- (4) IHS direct operation and tribal operation budget cuts for managerial reform.

I briefly outline each of these concerns below in the order listed:

#### 1. IHS HUMAN RESOURCE OFFICE CONSOLIDATION INTO HHS

While we believe that the concept of consolidation of Human Resources functions for some HHS operating divisions is sound at the macro-level, we believe the Department needs to acknowledge the unique status and functions of the Indian Health Service, and make exceptions to the consolidation plan in the case of the Indian Health Service because of this status.

Unlike the other HHS operating divisions, the operations of the Indian Health Service are widely-dispersed throughout the United States, primary in small communities and remote, isolated, rural areas. The IHS is unique within HHS in that it must provide direct medical care services and community-based health initiatives. The Indian Health Service is unique in its duty to exercise Indian Preference in hiring and contracting, and to ensure compliance with such legislation as the Indian Child Protection and Family Violence Act. The Indian Health Service is unique in its substantial relationships with tribes and tribal health organizations providing health care to Indian Health Service beneficiaries under self-determination and self-governance agreements.

ANTHC believes that centralizing all of the Indian Health Service Human Resources staffing from all twelve of its area offices and service units to one location in the Washington D.C. area will seriously compromise its ability to fulfill its mission nationwide. We do not believe that a Beltway-based Human Resources office will be able to comprehend, let alone respond adequately to the unique personnel requirements of federal offices and medical facilities located in places like Kotzebue, Alaska or on the Pine Ridge Reservation in South Dakota.

In Alaska, specifically, there are ten Human Resources staff remaining in the Alaska Area Office in Anchorage who will be displaced because of this initiative. Today these individuals work in the same building we do, giving us the opportunity to interact with them daily in the recruiting and support of the federal employees assigned to us and to the other tribal health organizations in Alaska. It is inconceivable that ANTHC would get the same level of service from a Washington-based office as we currently get from this office. E-mail and telephone encounters cannot replace what we have.

Furthermore, resolution of Human Resources issues often involves interaction with the Area Director, the Area Finance office, and other locally-based entities and individuals. Such interaction will be made unnecessarily complicated and ineffective by the proposed consolidation.

Many of these Area Human Resource staff are American Indians and Alaska Natives who are knowledgeable of the unique situations that exist in our state; we believe that the proposed consolidation will result in the loss of this valuable expertise when these employees elect not to

relocate and instead seek employment with other federal agencies here in Anchorage. We are certain that the voice on the other end of the phone will not be that of an American Indian or Alaska Native.

Finally, in the negotiation of the Alaska Tribal Health Compact, the unique self-governance agreement between the Indian Health Service and Alaska Native tribes and tribal organizations, we negotiated a written agreement that committed the Indian Health Service to maintain a specific level of such services at the Area Office here in Alaska. This agreement is one of the underpinnings of the overall Compact. The proposed consolidation will violate the fundamental understandings around which this agreement was negotiated.

Consequently, ANTHC believes that the Indian Health Service should be exempted from the proposed national consolidation of HHS Human Resources functions.

## 2. IHS INFORMATION TECHNOLOGY FUNDING CONSOLIDATION INTO HHS

With regard to information technology needs, IHS and IHS-funded facilities such as those in Alaska are unique within HHS because, unlike other agencies, we provide direct patient care, which requires unique patient data, billing, facility, provider, and management information systems. These are mission critical software systems not only for administrative systems, but for patient care systems which is unique in HHS.

So for IHS-funded Self-Governance Tribes, our ability to build and maintain sufficient IT infrastructure is a critical component to narrowing the health disparities gap. The IT infrastructure is required to help us record individual patient care, measure our health status, plan and manage services, and generate third party revenues to support vital health programs.

However, despite its unique and significant IT needs, IHS grossly under-invests in IT—IT constitutes only about 2% of its annual budget. By comparison, equivalent private sector IT investment typically constitutes 4-5% of a company's annual budget and that is independent of trying to maintain a truly integrated national health information system like RPMS.

Unfortunately, HHS consolidation efforts appear to be only compounding the effects of the IHS's chronic under-investment in IT. In the FY 2004 budget, the HHS reduced the IT budgets of all HHS agencies, including the IHS, expecting consolidation and "economy of scales" to cover the IT need. Although IHS information systems appear to be similar, it is sufficiently unique that consolidation will cost more than any realized savings.

The result: an IHS Information Technology budget in FY 2004 that is \$9 million (16%) less than in FY 2003. For Self-Governance Tribes, this leaves us with two options: (1) continue to let the lack of basic health care IT infrastructure hurt the quantity and quality of care we provide to our people; or (2), build and support the IT infrastructure that we need in the long-run by paying for it out of money we need in the short-term for direct patient care, which in turn will still result in a reduction in the quantity and quality of health care that we can provide to our people.

Our conclusion based on the day-to-day reality of running a health program, is that when it comes to the information technology needs of direct-service hospitals and clinics (including those of the IHS, Tribes and Urban Indian organizations), one size does not fit all.

We would strongly urge the Committee to ask HHS to exempt the IHS from HHS IT budget consolidation activities, because further “consolidating” the IHS IT budget would do great harm to our efforts to narrow the AI/AN health disparities gap.

### 3. IHS LEGISLATIVE AFFAIRS CONSOLIDATION INTO HHS

In its Report on the Fiscal Year 2003 Omnibus Appropriations Act (C.R. S585), The Senate Committee on Appropriations expressed its views on the Administration’s proposal to consolidate the IHS Legislative Affairs Office in a most erudite fashion:

...(T)he (Appropriations) Committee does not agree to the proposed transfer of \$838,000 for consolidation of the Legislative Affairs Office at IHS with that of the U.S. Department of Health and Human Services (DHHS). The complexity and variety of issues that surround the provision of health services to Native Americans and Alaska Natives demand an unusual degree of expertise and experience. It is the Committee’s view that Native American health issues merit greater emphasis and attention than would be gained in a consolidation at the Department’s headquarters level.

Self-Governance Tribes concur with this assessment, and urge the Committee to ask HHS, for the reasons stated by the Senate Committee on Appropriations, to exempt the IHS from HHS’ Legislative Affairs Office consolidation efforts. We note the same could be said about the other two consolidation efforts discussed above.

### 4. IHS DIRECT OPERATION AND TRIBAL OPERATION BUDGET CUTS FOR MANAGERIAL REFORM

In its Report on the Fiscal Year 2003 Omnibus Appropriations Act (C.R. S585), The Senate Committee on Appropriations expressed its views on the Administration’s proposal for administrative reductions or transfers in IHS direct operations and tribal operations budgets for managerial reform in a most erudite fashion:

...(T)he (Appropriations) Committee does not agree to the proposed reductions ... from tribal operations and ... from direct operations for managerial reforms. The budget estimate indicates that these reductions are to be taken from administrative positions and costs associated with travel, training, copying, and similar activities. In the time period from 1993-2001, the FTE levels at IHS headquarters were reduced by 60 percent. Regional program staffing levels were reduced by 58%. Given these statistics, as well as the vast need for improved services, the Committee cannot support these proposals.”

Self-Governance Tribes concur with this assessment, and urge the Committee to ask HHS, for reasons stated by the Senate Committee on Appropriations, to permanently abandon this proposed IHS budget consolidation proposal.

**CONCLUSION**

In conclusion, I thank Chairman Campbell and the Committee members for this opportunity to share our experiences from the “front lines,” and to have a say in legislative and agency policy-making that impacts our operations. I welcome your questions.

**For more information, contact:  
Don Kashevaroff, President & Chairman  
Alaska Native Tribal Health Consortium  
4141 Ambassador Drive  
Anchorage, Alaska 99508  
907-729-1900**

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Testimony for the Written Record

S. 556, Indian Health Care Improvement Act Reauthorization of 2003  
Committee on Indian Affairs  
United States Senate

April 2, 2003

Submitted by:

National Kidney Foundation, Inc.  
30 East 33rd Street  
New York, NY 10016

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The Burden of Chronic Kidney Disease Among American Indians

End Stage Renal Disease (ESRD) is a life-threatening illness. Individuals with chronic kidney disease that has progressed to ESRD need regular dialysis treatments for the rest of their lives or a kidney transplant in order to survive. Driven by an explosion in the incidence of type 2 diabetes among American Indians, the ESRD prevalence rate in the American Indian population is 3.5 times that of white Americans. There is significant regional variation, with some tribes experiencing ESRD rates over twenty times that of whites. In addition, the number of American Indians with ESRD continues to grow. According to the United States Renal Data System (USRDS), there were 5,861 Native Americans with ESRD as of December 31, 2000, up from 2,662 at year-end in 1991. (1) Most of them have their dialysis treatments covered by Medicare and/or Medicaid.

Since chronic kidney disease tends to worsen gradually over time, the size of the population at risk for ESRD is many times that of the dialysis and transplant community. A National Kidney Foundation Work Group was able to provide rough estimates of the extent of chronic kidney disease among adults in this country based on the Third National Health and Nutrition Examination Study (NHANES III). The Work Group calculated that, while there are approximately 300,000 Americans with ESRD, there could be as many as 19,200,000 Americans in the various stages of chronic kidney disease that precede it. (2) Similarly, it is possible to project that hundreds of thousands of American Indians may have chronic kidney disease. While only a fraction of these individuals will ultimately experience ESRD, many more will suffer from the complications of chronic kidney disease such as bone disease, anemia and cardiovascular disorders.

Interventions for Chronic Kidney Disease

The personal and economic toll of chronic kidney disease can often be prevented or delayed through early identification and treatment. Furthermore, early stages of chronic kidney disease can be detected through routine laboratory measurement. For these reasons, the National Kidney Foundation has developed the "Kidney Early Evaluation Program" (KEEP). KEEP is a community-based initiative designed to identify persons at risk for kidney disease.

Interventions to slow the progression of kidney disease and its complications should be considered for all patients with chronic kidney disease. These might include: strict glucose control in diabetes, strict blood pressure control, use of pharmacological agents such as angiotensin-converting enzyme inhibitors or angiotensin-2 receptor blockers, dietary protein restriction, lipid-lowering therapy, and correction of anemia by means of

- (1) United States Renal Data System, 2002 Annual Report, Atlas of End Stage Renal Disease in the United States, Table B.1, page 297.
  - (2) National Kidney Foundation, Kidney Disease Outcomes Quality Initiative, "Clinical Practice Guidelines for Chronic Kidney Disease: Evaluation, Classification and Stratification," *American Journal of Kidney Diseases*, February, 2002, Table 14.
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recombinant erythropoetin. (3) These interventions should be available to American Indians with chronic kidney disease through the Indian Health Service (IHS). Furthermore, there is reason to believe that disease management strategies could enhance the effectiveness of the interventions listed above. IHS should sponsor pilot projects to assess the benefit of disease management for American Indians with chronic kidney disease.

#### ESRD Care for American Indians

About 40% of American Indians live on reservations that are removed from population centers where health care facilities are located. Accordingly many tribes have sought the establishment of dialysis clinics on or near reservations so as to eliminate the need for ESRD patients to travel long distances three times a week for dialysis treatments. The need to open more dialysis units at or near reservations will increase as the number of American Indians with End Stage Renal Disease escalates. Unfortunately, it is difficult to recruit and retain qualified health care professionals to work in these remote facilities. This phenomenon is compounded by the fact that Medicare dialysis reimbursement rates are adjusted downward for rural providers and staffing costs are the largest single expense in operating a dialysis clinic. Consequently several dialysis clinics that serve American Indians have been forced to close in the last year. We respectfully request that the Committee explore approaches to assure the economic viability of dialysis clinics that serve American Indians. Secondly, pilot projects should be undertaken to test ways to make it easier for American Indians to choose the option of home dialysis. Not only does home dialysis eliminate the need for clinic visits but home dialysis patients tend to have better outcomes. Finally, we need to improve American Indian access to transplantation. At the end of 1999, only 22% of the American Indian ESRD population had functioning kidney transplants, compared with 36% of white US ESRD patients. American Indians are less likely than whites to be placed on the transplant waiting list, and those listed wait longer for a transplant. (4)

#### Summary

While American Indians bear a disproportionate burden of kidney disease, implementation of the National Kidney Foundation Kidney Disease Outcomes Quality Initiative (K/DOQI) guidelines should provide opportunities to improve the health and well being of American Indians with chronic kidney disease and End Stage Renal Disease. Additional resources for the Indian Health Service and the Health Resources and Services Administration and through the Centers for Medicare and Medicaid Services may be necessary to make these opportunities a reality.

We appreciate the opportunity to submit these comments for the written record.

(3) Ibid., Guideline 13.

(4) Andrew S. Narva, "The Spectrum of Kidney Disease in American Indians." Kidney International, Vol. 63, Supplement 83 (2003), p.3.



**Dialysis Units Serving AI/ANs, On- or Near Reservations.**

