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FISCAL IMPACT REPORT

ORIGINAL DATE 1/30/06

SPONSOR Madalena **LAST UPDATED** _____ **HB** HJM 7

SHORT TITLE REAUTHORIZE INDIAN HEALTH CARE IMPROVEMENT **SB** _____

ANALYST Weber

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Indian Affairs Department(IAD)

Human Services Department(HSD)

Department of Health(DOH)

SUMMARY

House Joint Memorial 7 (HJM 7) urges the U.S. Congress and the President to prioritize the reauthorization of the Indian Health Care Improvement Act (IHCIA) in the second session of the 109th Congress; supports adding Albuquerque to the demonstration projects list to support health care services for urban Native Americans; recommends amendments to provide eligibility workers in rural areas; and supports providing access to residential treatment centers for Native American youth.

SIGNIFICANT ISSUES

Indian Affairs notes:

The Indian Health System is severely under funded, receiving only fifty seven percent of the level of funding required to provide services. Approximately one-fourth of the Indian Health Service (IHS) Clinical Services budget is in a Contract Health Services (CHS) line item which pays for services not directly provided at the IHS or tribal site. Because CHS funding is unable to meet all the needs, IHS has a priority system to ration care.

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Congress appropriates funds annually for the IHS. Unlike Medicaid and Medicare, the IHS is not considered an entitlement program in the federal budgetary process. Because the IHS is in the discretionary part of the federal budget, it is subject to funding limitations when Congress imposes budgetary constraints on the discretionary budget. Thus, the IHS budget has not kept pace with medical inflation and the growth in the population served.

The reauthorization of the IHCIA would provide needed funding and services to enhance, improve and advance the health status of Native Americans throughout the state and the country. NM's tribal leaders and community members have worked diligently on drafting the language and supporting the passage of the IHCIA reauthorization bill. Most recently, at the Health and Human Services Tribal Consultation Meeting (Nov. 17-18, 2005), tribal leaders requested that Governor Richardson and the state agencies support the reauthorization of the IHCIA.

The Department of Health adds.

Due to severe federal budgetary cuts, the Albuquerque Area Indian Health Service had to decrease health services at Albuquerque Indian Health Center for approximately 47,000 eligible Native Americans, many of whom are urban Indians. By amending the IHCIA 2005 to include the city of Albuquerque as a demonstration project would provide vital health services and, 1) be a permanent program within the Service direct care program, 2) be treated as a Service Unit in allocation of resources and coordination of care, and 3) continue to meet requirements and definitions of urban Indian organization not subject to Indian Self-Determination and Education Assistance. All of this would allow for more federal reoccurring funds.

MW/mt