F I S C A L I M P A C T R E P O R T

SPONSOR Harrison **ORIGINAL DATE** 02/27/07 **LAST UPDATED** **HM** 29

SHORT TITLE Increase Indian Health Service Funding **SB**

ANALYST Weber

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	**FY08**		
	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

SOURCES OF INFORMATION
LFC Files

Responses Received From
Indian Affairs Department
Human Service Department (DOH)

SUMMARY

Synopsis of Bill

House Memorial 29 encourages the House of Representatives to adequately fund the Indian Health Service to ensure that Native Americans in New Mexico receive the health care to which they are entitled pursuant to treaty and other obligations.

FISCAL IMPLICATIONS

No direct fiscal implications identified. However, if the Indian Health Services were adequately funded there would be associated savings related to state programs and uncompensated care at both public and private health facilities.

SIGNIFICANT ISSUES

The Indian Affairs Department reports that the United States government has a federal trust responsibility established by treaties, legislation, executive orders and court rulings to provide health care services to members of federally recognized tribes and other qualified individuals. This obligation is executed primarily via the Indian Health Service ("IHS"), a subdivision of the

United States Department of Health and Human Services ("HHS.") Approximately 55% of Indians rely on IHS for healthcare.

As the memorial's opening statements illustrate, the IHS has not always provided the best possible care. This conclusion is not merely anecdotal, but is in fact, reinforced by in-depth and objective analysis of the issue. According to the July 2003 report, "A Quiet Crisis," released by the United States Commission on Civil Rights, IHS appears to fall short by a variety of measures. Some key points:

- Provision of Care: Health care facilities are inaccessible and obsolete. Preventative care and specialty services are not readily available.
- Prioritization: The federal government spends less per capita on Native American health care than on any other group for which it has this responsibility, including Medicaid recipients, prisoners, veterans, and military personnel.
- Closing the Gap: IHS currently operates with an estimated 59 percent of the amount necessary to stem the Native American healthcare crisis.
- The Trend: Despite current funding shortfalls – the situation appears to be getting worse. In 1998, the IHS total budget was 5.6 percent of HHS' discretionary budget, while in 2003 it was 4.4 percent.

TECHNICAL ISSUES

HSD offers the following observations.

The first full paragraph on page 2 referring to the impact of IHS funding cuts other providers likely intends to refer to the fact that the increased use of non-IHS facilities for care that should be funded through IHS has resulted in an additional burden of uncompensated care costs on other healthcare providers. If this is the intent, the legislature may wish to consider revision of the language.

The second full paragraph on page 2 refers to legal and moral basis for funding health care to Native Americans. It refers, among other things, to "treaty, statute, constitution, and ethics.
The NOW THEREFORE paragraph refers only to a request to receive health care to which Native Americans are entitled "by treat." This may dilute the impact of the second full paragraph and if the legislature agrees may wish to simply delete the words "by treat" in the NOW THERE section.

The third full paragraph refers to a cost of $1,920 per patient prior to cuts in IHS funding. It is recommended that the first sentence containing that number end with words such as "per year" or per "fiscal year."

If the cuts have been increasing proportionally over a significant number of years information on this effect will identify the problems described in a way that emphasizes an escalating crisis related to deferred health care. The only reference to time is in the first full paragraph on page one and it is rather general.

MW/mt