

Fiscal Year 2015 Report to Congress on
Administration of the
Tribal Self-Governance Program

In Response to:
Section 458aaa-13 of the Indian Self-Determination and
Education Assistance Act, as amended

Prepared by the
Department of Health and Human Services
Indian Health Service

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One Attachment:

Exhibit A – Funds Transferred to Each Self-Governance Tribe

Report to Congress on the Administration of the Tribal Self-Governance Program

A. Introduction

The fiscal year (FY) 2015 Report to Congress on the Administration of the Indian Health Service (IHS or Agency) Tribal Self-Governance Program is prepared as required in section 458aaa-13 of the Indian Self-Determination and Education Assistance Act (ISDEAA), 25 U.S.C. § 450 et seq. The report addresses the Agency's administration of the Tribal Self-Governance Program and provides an accounting of the level of need being funded for each Indian tribe under Self-Governance compacts¹ and funding agreements² authorized under Title V of the ISDEAA.

B. Background

Title V of the ISDEAA allows tribes to assume operation of federal programs and to receive at least the funding amount that the Secretary, Department of Health and Human Services (Secretary) would have otherwise provided for the direct operation of the programs. Approximately one-third of the Agency's appropriation is compacted through Title V of the ISDEAA.

The following are specific elements of the annual report as required by statute (25 U.S.C. § 458aaa-13(b)):

- The relative costs and benefits of Self-Governance;
- Funds specifically or functionally related to the provision by the Secretary of services and benefits to Self-Governance participants;
- Funds transferred to each Self-Governance Indian tribe and the corresponding reduction in the federal bureaucracy;
- The funding formula for individual tribal shares of all Headquarters funds, together with the comments of affected Indian tribes or tribal organizations;
- Amounts expended in the preceding fiscal year (FY) to carry out inherent federal functions by type and location; and
- Comments on this report received from Indian tribes and tribal organizations.

¹ A Self-Governance compact is a legally binding and mutually enforceable written agreement that affirms the government-to-government relationship between a Self-Governance tribe and the United States. A compact shall include general terms setting forth the government-to-government relationship consistent with the federal government's trust responsibility and statutory and treaty obligations to Indian tribes and such other terms as the parties intend to control from year to year (25 U.S.C. § 458aaa-3; 42 C.F.R. §§ 137.30-31).

² A funding agreement is a legally binding and mutually enforceable written agreement that identifies the programs, services, functions, or activities (PSFAs), or portions thereof, that the Self-Governance tribe will carry out, the funds being transferred from service unit, area, and Headquarters levels in support of those PSFAs, and such other terms as are required or may be agreed upon pursuant to Title V (25 U.S.C. § 458aaa-4; 42 C.F.R. § 137.40).

This report has been compiled using information contained in funding agreements, annual audit reports, and data from the Secretary regarding the disposition of federal funds. No reporting requirements have been imposed on participating Indian tribes or tribal organizations related to this report, as required by section 458aaa-13(a)(2) of the ISDEAA.

C. Linkage with other reports to Congress

None.

D. The relative costs and benefits of Self-Governance

The Tribal Self-Governance Program strengthens the nation-to-nation relationship between the United States and Indian tribes by enabling each Indian tribe to choose the extent of its participation in Self-Governance and by transferring full control and funding of federal programs, services, functions, or activities (PSFAs), or portions thereof, to tribal governments.

Under Title V of the ISDEAA, tribes have the discretion to plan, conduct, redesign, and administer the PSFAs, or portions thereof, that they have assumed. As a result, significant variation exists among tribally administered health programs. These benefits can include:

- Creation of a comprehensive approach to health services;
- Increased community engagement;
- Program design driven by the needs and priorities of each tribal community;
- Improvement in communication and coordination between tribal programs, resulting in the elimination of service duplication and improving efficiency;
- The ability to leverage Self-Governance funding, maximize resources, and provide more comprehensive community-wide services; and
- Development of innovative health programs and services.

The costs associated with the Tribal Self-Governance Program are detailed in the subsequent section, *Funds Related to the Provision of Services and Benefits to Self-Governance Tribes*.

E. Funds related to the provision of services and benefits to Self-Governance tribes

The funds specifically or functionally related to the provision by the Secretary of services and benefits to Self-Governance participants include the IHS budget for administration of the Tribal Self-Governance Program and the funds available to the Secretary to provide health care for each Indian tribe (as reflected by the amount eligible to each tribe in a Self-Governance funding agreement).

- (1) **IHS, Office of the Director, Office of Tribal Self-Governance line item, FY 2015 appropriation** \$5,727,000
- (2) **IHS, Area Offices, total of FY 2015 budgets for Self-Governance activities** \$0
- (3) **Amount available for current Self-Governance tribes** \$1,958,521,184

IHS Area Office	All Funds
Alaska	\$770,848,877
Albuquerque	\$19,861,070
Bemidji	\$89,675,833
Billings	\$28,533,938
California	\$110,208,129
Nashville	\$100,975,071
Navajo	\$105,568,865
Oklahoma City	\$501,591,104
Phoenix	\$89,496,820
Portland	\$141,761,477
Total	\$1,958,521,184

Note:

Contract support costs are not included in this report but are identified and reported in the Report to Congress on Funding Needs for Contract Support Costs (CSC) of Self-Determination Awards.

- (4) **Total funds related to the provision of services and benefits to Self-Governance tribes** \$1,964,248,184

F. Funds transferred to each Self-Governance Indian tribe and the corresponding reduction in the federal bureaucracy

(1) **Funds transferred to tribes for PSFAs assumed under Title V of the ISDEAA for FY 2015** \$1,864,247,860

IHS Area Office	Funds Transferred
Alaska	\$700,278,446
Albuquerque	\$15,716,679
Bemidji	\$84,829,914
Billings	\$28,263,002
California	\$107,796,377
Nashville	\$97,570,885
Navajo	\$103,723,013
Oklahoma City	\$501,591,104
Phoenix	\$86,446,145
Portland	\$138,032,295
Total	\$1,864,247,860

Note: For amounts by tribe, please see Exhibit A.

(2) Corresponding reduction in the federal bureaucracy

Prior to FY 2000, the rate of reduction in federal bureaucracy was greater than subsequent years due to increased participation in the Tribal Self-Governance Program, increased assumption of tribal shares, and reduced IHS staffing levels. Some job transfers resulted in increased tribal employment, enabling tribal communities to address their own health care needs and priorities.

G. The funding formula for individual tribal shares of all Headquarters funds

Tribes may elect to assume responsibility for PSFAs formerly administered by the IHS. The tribe may negotiate a compact and funding agreement with the Secretary for its share of the funds associated with the PSFAs. The funds for each PSFA may be found in one or more budget line items.

(1) Funding formulas for individual tribal shares of all Headquarters funds

(a) Tribal Size Adjustment Formula

In FY 2015, \$28,041,535 was provided to Self-Governance tribes. For most IHS Headquarters programs, eligible shares for each tribe were determined using the Tribal Size Adjustment (TSA) Formula developed in the mid-1990s. The amount calculated by the TSA formula was originally determined in proportion to the aggregate user population of each tribe. A small supplemental amount was added for tribes with less than 2,500 users in partial compensation for inefficiencies related to small size. The amount determined by the TSA formula is termed the tribe's "base" HQ shares in subsequent years and is not increased or decreased based on fluctuations in user population.

Shares of Headquarters PSFAs were originally computed by the TSA formula in the mid-1990s for all federally recognized tribes (including tribes that had not entered into an ISDEAA Title I contract³ and annual funding agreement⁴ or ISDEAA Title V compact and funding agreement) and have been preserved ever since as base shares. This is because the ISDEAA prohibits reductions of recurring funding to tribes (Headquarters TSA shares are considered recurring) except as specifically provided in 25 U.S.C. § 458aaa-7(d)(1)(C). Annual fluctuations in user counts would cause the Headquarters TSA formula to unavoidably reduce shares to some tribes if recomputed annually. Over time, the base tribal shares have been adjusted proportionately for inflation or in response to congressional action.

Indian Health Service, Indian Health Manual, Special General Memorandum No. SGM 95-2, Policy Decisions for Self-Governance/Self-Determination Demonstration Project Negotiations-ACTION, Apr. 19, 1995, *available at* <http://www.ihs.gov/> (search for the full title of the memorandum).

(b) Special program formulas

Some IHS programs determine tribal shares based on special program formulas, including the following:

Purchased/Referred Care, Fiscal Intermediary

In FY 2015, \$2,484,135 was provided to Self-Governance tribes using the Purchased/Referred Care Fiscal Intermediary formula. The Fiscal Intermediary is an IHS contractor that calculates and pays purchased/referred care (health care purchased from private providers or private sector providers) claims.

³ Self-Determination contracts (25 U.S.C. § 450f).

⁴ Annual funding agreement means a document that represents the negotiated agreement of the Secretary to fund, on an annual basis, the programs, services, activities and functions transferred to an Indian tribe or tribal organization under the Act (25 C.F.R. § 900.6).

Tribal Share = A x B

Where

A = Tribal percent of 1993 Total Claims

B = Current Fiscal Intermediary Expenditures

Office of Environmental Health and Engineering (OEHE), OEHE Support

In FY 2015, \$939,399 was provided to Self-Governance tribes using the Office of Environmental Health and Engineering, OEHE Support formula.

Headquarters Program funds for OEHE Support are allocated to the tribes, when requested, based on their pro-rata share of the applicable Area Facilities and Environmental Health Support workload.

H. Total amounts identified in the preceding fiscal year (FY 2014) to carry out functions that the IHS must carry out as an integral part of its duties as a federal agency

(1) IHS Headquarters residual amount \$29,717,513

I. Comments on this report received from Indian tribes and tribal organizations

Reserved for Tribal Comments.