



June 13, 2024

Dear Tribal Leader:

I am writing to share with you the Agency's initial approach to Contract Support Costs (CSC) for expenditures of third-party reimbursements. On June 6, 2024, the United States Supreme Court decided *Becerra v. San Carlos Apache Tribe* and *Becerra v. Northern Arapaho Tribe*, holding that the Indian Health Service (IHS) must pay eligible CSC incurred by Tribes and Tribal organizations that expend program income, or third-party reimbursements, under their Indian Self-Determination and Education Assistance Act (ISDEAA) contracts and compacts.

The IHS is preparing to implement the decision and pay CSC on eligible expenditures of third-party reimbursements. My staff has been actively working on a plan of action, and we are prepared to review claims, if needed, for CSC related to expenditures of third-party reimbursements. However, we hope to complete Tribal Consultation first.

To that end, we will convene the CSC Advisory Group in July 2024 to have some initial dialogue with you on methodology. Once the recommended methodology is established, our plan is to engage in full Tribal Consultation by August 2024 to collect your feedback and recommendations to ensure that we are able to modify our current processes to implement the decision. With this unprecedented decision and the anticipated changes to the CSC methodology, we are seeking as much input from you as possible to ensure we are taking all viewpoints into consideration.

We are asking for Tribes' patience as we work to implement this decision. If you would like your request considered prior to completing Tribal Consultation and finalizing a plan, please see the enclosure, "The IHS Interim Guidance for CSC on Expenditures of Third-Party Reimbursements." This will serve as an initial guidance document to illustrate the interim methodology we will immediately employ to process claims for CSC related to expenditures of third-party reimbursements, if necessary.

In recognition of the potential budgetary impact of the Court's decision, we urge Congress to act on the fiscal year (FY) 2025 President's Budget proposal to shift the IHS budget from discretionary to mandatory funding starting in FY 2026 to protect the overall appropriation for the IHS and create more adequate and stable funding into the future.

I hope this letter serves to clarify the Agency's approach for the next few months as we work to consult with the Tribes to update our official CSC policy. The IHS supports Tribal Self-Governance and Self-Determination and seeks every opportunity to fund CSC and fully implement the ISDEAA. In doing this, the IHS must ensure that we implement the ISDEAA accurately and are good stewards of Federal resources and funds.

If you need additional information, please contact the Contract Support Costs Team by email at [IHSCDAClaims@ihs.gov](mailto:IHSCDAClaims@ihs.gov). I look forward to engaging with you throughout this process as we work to bring additional resources to our Tribal communities.

Sincerely,

Roselyn Tso  Digitally signed by  
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Roselyn Tso  
Director

Enclosure: The IHS Interim Guidance for CSC on Expenditures of Third-Party Reimbursements