



December 20, 2024

Dear Tribal Leader:

I am writing to provide our decision on how the Indian Health Service (IHS) will calculate Contract Support Costs (CSC) on expenditures of third-party reimbursements and provide next steps.

This accomplishment would not be possible without the close collaboration and engagement of Tribal Leaders. Thank you for your patience while the Agency worked through these issues to establish a fair and equitable methodology for this process. The IHS appreciates your recommendations and willingness to share your valuable input.

By letter dated September 10, 2024, I wrote to update you on actions by the IHS to implement the United States Supreme Court's June 6, 2024, decision in *Becerra v. San Carlos Apache Tribe* (Becerra) and *Becerra v. Northern Arapaho Tribe*. At that time, I also initiated a series of Tribal Consultation sessions on ongoing issues of importance, which included feedback broadly on the expansion of the CSC policy, as well as necessary changes required to implement CSC calculations on expenditures of program income.

In total, the IHS convened five in-person and virtual Tribal Consultation sessions during September and October of this year. We received more than (70) written comments from Tribes and Tribal Organizations (T/TOs). Our efforts to advance the resolution of these issues were also bolstered by our close partnership with Federal and Tribal representatives of the Contract Support Costs Advisory Group (CSCAG). During this same general timeframe, (June 2024 through November 2024), the CSCAG met six times to identify and discuss relevant implementation issues. The CSCAG's recommendation was forwarded to my attention on November 15, 2024. I reviewed those recommendations and made a final Agency decision on December 10, 2024.

The enclosed template and certification form will be used to estimate eligible CSC for anticipated expenditures of program income (also referred to as third-party reimbursements) and will be immediately effective. Both the template and certification form will also be used in final reconciliations of the CSC incurred by T/TOs for the expenditure of program income, and may assist the IHS in the resolution of Contract Disputes Act claims. Enclosed I have provided additional guidance to explain these documents. Over the next several months, the IHS will be scheduling multiple opportunities to provide you with updates and CSC-specific training to assist you in using these tools.

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If you have any questions about this implementation, please contact Ms. Johnnita Tsabetsaye, Director, Contract Support Costs, Office of Direct Service and Contracting Tribes, IHS, by email at johnnita.tsabetsaye@ihs.gov.

I appreciate your contributions to this important work and thank you all for your ongoing support and partnership.

Sincerely,

Roselyn Tso
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Roselyn Tso -S
Date: 2024.12.20
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Roselyn Tso
Director

Enclosures: Indian Health Service Guidance for CSC on Expenditures of Third-Party Reimbursements
Indian Health Service CSC Certification of Program Income Expenditures Form
CSC Negotiation Template