

Budget Formulation Workgroup Releases FY25 IHS Funding Recommendations with \$965.3 Million for Urban Indian Health

Category: Policy Blog

written by Chelsea Gutierrez | June 12, 2023

In April, at the Department of Health and Human Services (HHS) Annual Tribal Budget Consultation, the Tribal Budget Formulation Workgroup (TBFWG) presented their budget [recommendations](#) for Fiscal Year (FY) 2025, entitled *Honor Trust and Treaty Obligations: A Tribal Budget Request to Address the Tribal Health Inequity Crisis*. The recommendation for Indian Health Service (IHS) is full mandatory funding at \$53.85 billion, a \$46.75 billion increase above the FY 2023 enacted amount of \$7.1 billion, and full funding for urban Indian health at \$965.3 million, a \$874.88 million increase above the FY 2023 enacted amount of \$90.42 million. American Indians and Alaska Natives (AI/ANs) experience major health disparities compared to the general U.S. populations, including lower life expectancy, infant and maternal mortality, and psychological or behavioral health issues. The federal government has a trust responsibility to provide federal health services to maintain and improve the health of AI/ANs. According to the TBFWG, fulfillment of this responsibility “remain[s] illusory due to chronically underfunded and woefully inadequate annual spending by Congress.”

The TBFWG recommends mandatory funding because “the only way to ensure resources are available to guarantee [the federal trust and treaty responsibility is fulfilled] is to provide complete, mandatory funding to the IHS.”

Additionally, the TBFWG’s recommendations emphasized the importance of full funding for UIOs:

“Full funding of the urban Indian health line item is necessary to address the growing American Indian and Alaska Native population in urban areas. Although more than 70% of AI/ANs reside in urban or suburban areas, historically only 1% of the underfunded IHS budget is spent on urban Indian health care. This growing population will require UIOs to increase access to care by hiring additional staff, expanding services, and opening new facilities to meet the growing need.”

The National Council of Urban Indian Health (NCUIH) [presented UIO budget priorities for FY 2025](#) at the IHS Area Report Presentations Webinar earlier this year. Several of these priorities are included in the TBFWG’s recommendations, including: permanent authorization of the Special Diabetes Program for Indians (SDPI); expansion of advance appropriations to include all IHS accounts until Congress fulfills their duty and it becomes a mandatory obligation; and establishing permanent Federal Medical Assistance Percentage (FMAP) for UIOs.

About the IHS Budget Process and the Tribal Budget Formulation Workgroup:

Each year, IHS works with HHS to submit an annual budget proposal for inclusion in the President’s budget. IHS is required by the Indian Health Care Improvement Act, E.O. 14053, and its urban confer and tribal consultation policies to consult with Tribes and UIOs during the budget formulation process. IHS fulfills this requirement by hosting budget formulation workgroups at the area and

national level and incorporating tribal and urban priorities into the final proposal.

The TBFWG consists of two Tribal representatives from each of the 12 IHS Areas. Additional representatives from Indian organizations, participate in the workgroup at the discretion of the Director of IHS. The workgroup provides input and guidance to the IHS Headquarters budget formulation team throughout the remainder of the budget formulation cycle for that fiscal year. The workgroup prepares the final set of tribal budget recommendations with an accompanying testimony on the results of the national budget work session and presents to the IHS Director as well as to the Department of Health and Human Services (HHS) senior officials at the annual HHS Tribal Consultation meeting.