

# ANALYSIS: President Trump Proposes Increase for Indian Health Service, Stable Funding for Urban Indian Health for FY 2026

Category: Policy Blog  
written by NCUIH | June 3, 2025

On May 30, 2025, the Department of Health and Human Services (HHS) published their [Fiscal Year \(FY\) 2026 Budget in Brief](#) and the Indian Health Service (IHS) published the [IHS Justification for Estimates for Appropriations Committees for FY 2026](#) (hereinafter Congressional Justification).

## **Proposed Funding for the Urban Indian Health Line Item and the Indian Health Service**

The President’s Budget includes a \$90.4 million for Urban Indian Health. This amount is flat with the FY 2025 enacted amount. The President’s proposal also requests \$8.1 billion for IHS which includes reauthorization for the Special Diabetes Program for Indians (SDPI) for \$159 million. HHS also proposes \$80 million for the newly funded Native American Behavioral Health and Substance Use Disorder program to be administered through the Administration for Healthy America (AHA).

## **Advance Appropriations**

HHS’ Budget in Brief and IHS Congressional Justification do not include advance appropriations for IHS, despite the inclusion of advance appropriations for FY2026 in the March 14 Continuing Resolution, which funded the government through the end of FY2025. Advance Appropriations are essential to provide stability and insulate to Indian health care providers from the effects of budgetary disagreements. Congress first included Advance Appropriations for IHS in the FY 2023 Omnibus and included Advance Appropriations in budgetary legislation for FY 2024 and FY 2025. Maintaining Advanced appropriations is a top priority for Indian Country, as they ensure that funding remains stable for Indian health care providers even in the event of a government shut down.

## **Mandatory Funding**

The HHS Budget in Brief and IHS Congressional Justification do not include a request to shift the IHS budget from discretionary to mandatory appropriations either in whole or in part. The shift from discretionary to mandatory funding for the IHS budget has been a long-term request from Indian Country to ensure stable and predictable funding for the Indian health system. The budget also does not include a request to shift CSC and Section 105(l) lease funding from discretionary to mandatory, which has become a high priority issue in Indian Country this past year due to the recent Supreme Court decision in [San Carlos Apache v. Becerra](#).

### **FY 2026 President’s Budget Highlights for IHS**

<b><u>Line Item</u></b>	<b><u>FY 23 Enacted</u></b>	<b><u>FY 25 Enacted</u></b>	<b><u>FY 26 Tribal Request</u></b>	<b><u>FY 26 President’s Budget</u></b>
Urban Indian Health	\$90.42 million	\$90.4 million	\$770.5 million	\$90.4 million
Indian Health Service	\$6.96 billion	\$7.1 billion	\$63 billion	\$8.1 billion

Hospital and Clinics	\$2.5 billion	\$2.58 billion	\$13.8 billion	\$2.65 billion
Tribal Epidemiology Centers	\$34.4 million	\$34.4 million	_____	\$34.4 million
Electronic Health Record System	\$218 million	\$190.56 million	\$659.4 million	\$190.5 million
Community Health Representatives	\$65.21 million	\$65.2 million	\$1.58 billion	\$65 million
Mental Health	\$127.1 million	\$130.1 million	\$4.76 billion	\$131 million

Note: While previous years' budgets included proposals for advance appropriations and funding for the IHS Cancer Moonshot Initiative and resources for HIV, hepatitis and syphilis prevention and treatment, this year's Budget in Brief and IHS Congressional Justification do not include these items. IHS continues to list targeting HIV, hepatitis and syphilis as services IHS offers in the IHS Congressional Justification.

## Overview of HHS Budget

### Indian Health Service

The Budget in Brief and IHS Congressional Justification propose funding IHS for \$8.1 billion in FY 2026. The proposed funding amount includes \$90.4 million for Urban Indian Health and reauthorization of SDPI for one year for \$159 million. This represents an increase for IHS, flat funding for Urban Indian Health compared to FY 2025, and a decrease of \$363,000 for SDPI. IHS also estimates funding Contract Support Costs (CSCs) and Section 105(l) leases through an indefinite discretionary appropriation of \$1.7 billion and \$413 million, respectively. This represents a proposed 47% increase for CSCs and a proposed 93% increase for Section 105(l) leases. IHS proposes a significant decrease in Sanitation Facilities Construction from \$106.6 million enacted in FY 2025 to \$13.49 million proposed in the IHS Congressional Justification, a \$93.13 million decrease, and an increase to Clinical Service to account for \$6 million to support the delivery of healthcare services for the Lumbee Tribe. The increases for CSCs and Section 105(l) leases account for the proposed funding increase for IHS, leaving the majority of the IHS' line items flat funded.

IHS also included grants and other programming for which UIOs are eligible in the IHS Congressional Justification:

**Dementia Models of Care Grant:** For FY 2026, IHS is planning a new five-year Dementia Models of Care notice of funding opportunity and a five-year multi-service national clinical champions cooperative agreement.

**Indian Health Professions:** IHS also proposes flat funding of \$80.56 million for Indian Health Professions. This offers additional IHS Scholarship and Loan Repayment awards, bolstering recruitment and retention efforts through these two high demand programs.

### Other Agencies within HHS

Several agencies have received significant cuts within the Budget in Brief: National Institutes of Health (\$17 billion); Administration for Children, Families, and Communities (\$7 billion); and the Administration for a Healthy America (\$6 billion).

Programs previously funded through SAMHSA have now been consolidated into the AHA. These

include Mental Health (\$1.5 billion), Substance Abuse Prevention (\$89 million), and Substance Abuse Treatment (\$20 million). The proposed funding for these programs is at a decrease compared to the FY2025 amounts. The budget also proposes to consolidate three block grants into the Behavioral Health Innovation Block Grant (\$4 billion). These block grants, previously funded through SAMHSA, are the Community Mental Health Services Block Grant; Substance Use Prevention, Treatment and Recovery Support Services Block Grant; and State Opioid Response. Other agencies proposed to be consolidated into the AHA are the Health Resources and Services Administration (HRSA), Office of the Assistant Secretary for Health (OASH), National Institute for Environmental Health Sciences (NIEHS), and some programs previously funded through the Centers for Disease Control and Prevention (CDC).

Due to consolidation of programs, SAMHSA's Tribal Behavioral Health and Opioid Response Grant is facing cuts. However, the budget does include proposed funding for the Native American Behavioral Health and Substance Use Disorder program (\$80 million), which will be within AHA. This program was first authorized in 2022 and is intended to support tribes in providing culturally tailored services in addressing mental health and substance use. Additionally, within the AHA is another new program, the American Indian and Alaska Native Suicide Prevention Initiative (\$4 million).

Within the budget there is a proposal to consolidate programs within the Administration for Children and Families (ACF) and the Administration for Community Living (ACL) and create a new Administration for Children, Families, and Communities (ACFC). It proposes to continue funding Native American Programs, previously funded through ACF, at \$61 million. Other programs consolidated into ACFC from ACL are the Native American Nutrition and Supportive Services (\$38 million) and Native American Caregiver Support Services (\$12) million. In the CDC section of the Budget in Brief, there is no mention of the Healthy Tribes Program as that funding has been proposed to be cut.

In their [Congressional Justification](#), CMS has requested \$3 million to continue its American Indian and Alaska Native outreach efforts through Tribal Outreach and Education. The purpose of this program is to remove barriers for rural communities that cause disparities in health care. Funding for HHS Tribal Affairs was requested in the [HHS Congressional Justification](#), at \$730,000. This funding is used to support the Secretary's Tribal Advisory Committee (STAC). Additionally, the Congressional Justification and Budget in Brief also highlight that HHS will make an effort to support Tribal healthcare data sovereignty and Tribal public health infrastructure.

## Next Steps

The Appropriations Committees will review the President's Budget for consideration as they craft their bills for FY 2026. NCUIH will submit testimony and send letters to House and Senate Appropriators to request full funding for FY2026. NCUIH will continue to work with the Trump Administration and Congress to push for full funding of Urban Indian Health in FY 2026.

- [FY 26 Discretionary Budget Request](#)
- [HHS FY 26 Budget in Brief](#)