

Secretary Kennedy Notifies Congress of Plans to Invest \$1.86 Billion in the Indian Health Service

Category: Policy Blog

written by Meredith Raimondi | October 7, 2026

On October 5, 2026, HHS Secretary Robert F. Kennedy Jr. notified Rosa DeLauro, Ranking Member of the House Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies, that the Department plans to use its Nonrecurring Expenses Fund (NEF) authority for infrastructure investments across HHS. The letter plans \$1.86 billion for the Indian Health Service (IHS) for critical information technology and facilities projects, including backlog items within the IHS Health Care Facility Construction Program.

What the Letter Says

NEF authority allows HHS to transfer unobligated balances of expired discretionary resources into a fund for capital acquisitions, including information technology procurements and facility investments. The letter states that the amounts are approximate, based on current estimates, and may vary during the year and in execution.

Facilities Construction Backlog and EHR Modernization

In its October 6, 2026 weekly update, the National Indian Health Board (NIHB) reported that the plan includes \$1.4 billion toward the 1993 Facilities Construction Backlog, exceeding the \$1 billion HHS announced earlier this year, and an additional \$410 million for Electronic Health Records (EHR) modernization at IHS.

NIHB called the commitment “historic” and attributed it to Tribal Nations’ advocacy and Tribal leaders’ push for the federal government to meet its trust and treaty obligations. NIHB said it will continue to monitor the item as the appropriations process develops.

NCUIH commends the Secretary’s commitment and recognizes the sustained advocacy of Tribal Nations, Tribal leaders, and the Indian health community that made it possible.

Next Steps for Urban Indian Organizations

The letter does not address Urban Indian Organizations (UIOs). NCUIH will monitor implementation, including how health information technology investments reach Indian Health Care Providers across the Indian health system, and the appropriations process as it develops.

Background

The NEF authority was provided by Section 223 of Division G of the Consolidated Appropriations Act, 2008 (42 U.S.C. 3514a; P.L. 110-161). In February 2026, HHS announced \$1 billion in existing departmental resources from the NEF for priority IHS health care facilities projects beginning in FY 2027, focused on the 1993 IHS Construction Priority List. The Continuing Appropriations and Extensions Act, 2027 (H.R. 6500) maintains federal funding at Fiscal Year 2026 levels through December 11, 2026, and Congress will continue to negotiate full-year Fiscal Year 2027

appropriations.

[NCUIH, HHS Secretary Kennedy Jr. Announces \\$1 Billion in Infrastructure Investment for IHS](#)

[NCUIH, Congress Extends Government Funding Through December](#)

[NCUIH March Policy Update: Congressional Testimony, Medicaid Guidance, and IHS Policy Developments](#)

[IHS Vertical Status Report](#)