Senate releases FY 2027 Interior Bill with Increases for IHS and Advance Appropriations for FY 2028

Category: Policy Blog
written by Jeremy Grabiner | November 16, 2026

On November 12, 2026, the Senate Appropriations Full Committee released its Fiscal Year (FY) 2027 appropriations bill for Interior, Environment, and Related Agencies. The bill provides $8.40 billion for the Indian Health Service (IHS), a $353 million increase over the FY 2026 enacted level, including $5.39 billion in advance appropriations for FY 2028. The bill maintains urban Indian health at $95.42 million, equal to the FY 2026 enacted level and $10.57 million below the House-proposed level of $105.99 million.

The Committee states it "is committed to improving the health and well-being of AI/AN living in urban Indian communities" and reminds IHS of the directive to explore the formation of an interagency working group to identify where federal funding for Urban Indian Organizations (UIOs) should be increased or programs amended to allow greater access by UIOs.

Background

On June 3, 2026, the House Appropriations Full Committee passed the FY 2027 appropriations bill for Interior, Environment, and Related Agencies. The House bill provides $8.69 billion for IHS, including $6.06 billion in advance appropriations for FY 2028, and $105.99 million for urban Indian health, a $10.57 million increase over the FY 2026 enacted level.

On March 11, 2026, NCUIH submitted written testimony to the House Appropriations Subcommittee on Interior, Environment, and Related Agencies requesting $106 million for urban Indian health and the continuation of advance appropriations for IHS. On March 17, 2026, NCUIH CEO Francys Crevier testified before the Subcommittee, urging full funding for urban Indian health and the Indian Health System.

On March 20, 2026, 59 Congressional leaders joined Representative Leger Fernandez in a bipartisan letter to Chairman Simpson and Ranking Member Pingree of the House Interior Appropriations Subcommittee requesting support for urban Indian health, maintaining advance appropriations for IHS, and protecting IHS from sequestration.

On April 15, 2026, 20 Senators joined Senator Tina Smith (D-MN) in a letter to Chair Lisa Murkowski (R-AK) and Ranking Member Jeff Merkley (D-OR) of the Senate Interior Appropriations Subcommittee requesting funding for urban Indian health at the highest level possible, up to the Tribal Budget Formulation Workgroup's request of $1,093,999,000, and retaining advance appropriations for IHS.

Next Steps

The Senate released the bill text, explanatory statement, and bill summary. The bill is not expected to become law in its current form; House and Senate negotiators must agree on final FY 2027 text.

The federal government is currently operating under the Continuing Appropriations and Extensions Act, 2027 (H.R. 6500), signed into law on September 2, 2026, which maintains FY 2026 funding levels through December 11, 2026. If Congress does not reach a final agreement by that date, it will need to pass another Continuing Resolution to avoid a lapse in funding. If a shutdown does occur, UIOs and parts of IHS will be protected by advance appropriations.

- Senate Interior Appropriations bill
- Bill Report with Urban Indian Line Item
- Bill Summary

Bill Highlights

Line Item	FY 26 Enacted	FY 27 Tribal Request	FY 27 President's Budget	FY 27 House Proposed	FY 27 Senate Proposed
Urban Indian Health	$95.42 million	$1.09 billion	$95 million	$ 105.99 million	$95.42 million
Indian Health Service	$8.05 billion	$73 billion	$9.1 billion	$8.69 billion	$8.4 billion
Advance Appropriations	$5.31 billion	_____	$5.6 billion	$6.06 billion	$5.39 billion
Hospital and Clinics	$2.63 billion	$18.5 billion	$2.84 billion	$2.87 billion	$2.70 billion
Tribal Epidemiology Centers	$39.4 million	_____	$39.4 million	$ 45 million	_____
Mental Health	$133.69 million	$5.41 billion	$139 million	$144.95 million	$135.39 million

Additional Key Provisions:

UIO Interagency Workgroup

The Committee recommends $95,419,000 for the Urban Indian Health program and notes that, despite the excellent efforts of UIOs, AI/AN populations continue to be left out of many federal initiatives. The Committee reminds IHS of the directive to explore the formation of an interagency working group to identify existing federal funding supporting UIOs and determine where increases are needed or what programs should be amended to allow for greater access by UIOs; to develop a federal funding strategy to build out and coordinate the infrastructure necessary to pilot and scale innovative programs that address the needs of urban AI/ANs holistically; to develop a wellness-centered framework to inform health services; and to meet quarterly with UIOs. In addition to IHS, the working group should include HHS, HUD, USDA, DOJ, the Department of Education, VA, the Department of Labor, the Small Business Administration, the Economic Development Agency, FEMA, the U.S. Conference of Mayors, and others as identified by UIOs. (Explanatory Statement, pgs. 142–143)

Produce Prescription Pilot Program: $7 million

The bill maintains funding for the Produce Prescription Pilot program at the FY 2026 enacted level. (Explanatory Statement, pg. 140)

Contract Support Costs: $1.7 billion and Tribal 105(l) Leases: $720 million

The bill continues the indefinite appropriation for contract support costs, estimated at $1.731 billion for FY 2027 (compared to $1.819 billion in FY 2026). Retaining an indefinite appropriation allows additional funds to be provided if the estimate proves lower than necessary to meet the legal obligation to pay the full amount due to Tribes. (Explanatory Statement, pg. 144)

The bill also includes an indefinite appropriation of an estimated $720 million for Tribal 105(l) leases (compared to $366 million in FY 2026) for operating costs of facilities leased or owned by Tribes and Tribal organizations carrying out health programs under ISDEAA contracts and compacts. (Explanatory Statement, pg. 144)

Purchased and Referred Care: $996.75 million

The bill provides $996,755,000 for Purchased/Referred Care, equal to the FY 2026 enacted level, including $54 million for the Indian Catastrophic Health Emergency Fund. Within these funds, IHS is directed to support the delivery of health care services for New Tribes. (Explanatory Statement, pg. 142; Bill Text, pg. 135)

Indian Health Professions: $84.56 million

The bill provides $84,568,000 for Indian Health Professions, equal to the FY 2026 enacted level, including up to $51 million for the IHS Loan Repayment Program. The Committee expects the funding will allow the Indians into Medicine program to expand to four sites and maintains funding for the Quentin N. Burdick American Indians into Nursing Program and the American Indians into Psychology Program at no less than enacted levels. (Explanatory Statement, pg. 143; Bill Text, pg. 135)

Rural Health Care Access

The Committee directs IHS to procure integrated rural health care delivery models that leverage mobile medical units, telehealth-enabled clinical services, and clinical staff augmentation to address workforce gaps in rural and remote Tribal communities. (Explanatory Statement, pg. 142)

Recruitment, Retention, and Hiring

The Committee directs IHS to work with the Office of Management and Budget to expedite market-specific pay scales, to establish measurements for tracking improvement in patient health, and to review and expedite its hiring and credentialing process for medical providers at direct service clinics, with an update requested in the FY 2028 Congressional Justification. The bill also provides $75,774,000 for staffing of newly opened health facilities. (Explanatory Statement, pgs. 139–140)

Electronic Health Record System: $190.56 million

The bill provides $190,564,000 for the IHS Electronic Health Record (EHR) system, equal to the FY 2026 enacted level. EHR funding is excluded from the FY 2028 advance appropriation. (Explanatory Statement, pg. 141)

Sanitation Facilities Construction: $109.9 million

The bill provides $109,943,000 for Sanitation Facilities Construction, a $2 million increase over FY 2026, including $22,406,000 for Congressionally Directed Spending projects. The Committee directs IHS to establish a pilot program providing technical assistance and workforce training on sanitation system operations and maintenance (O&M), and to submit a study within 180 days of enactment on

the need for dedicated O&M funding for Tribal sanitation systems. (Explanatory Statement, pgs. 144–145)

Health Care Facilities Construction: $184.7 million

The bill provides $184,679,000 for Health Care Facilities Construction, equal to the FY 2026 enacted level, and maintains FY 2026 funding for the small ambulatory clinic program. (Explanatory Statement, pg. 145)

Dental Health: $265.99 million

The bill provides $265,994,000 for dental health, a $5.63 million increase over FY 2026. IHS is encouraged to coordinate with the Bureau of Indian Education to integrate preventive dental care in BIE schools, and funding for the dental health therapy education program is maintained. (Explanatory Statement, pg. 141)

Alzheimer's Disease: FY 2026 Funding

The bill maintains funding for the Alzheimer's program at the FY 2026 enacted level. (Explanatory Statement, pg. 140)

Maternal Health: $1 million

The bill provides an additional $1 million for IHS maternal health initiatives. The Committee directs IHS to brief the Committee within 90 days of enactment on its plans for these funds and to coordinate with CDC, HRSA, and CMS, including on improved data collection. (Explanatory Statement, pg. 141)

Alcohol and Substance Abuse: $268 million

The bill provides $268,092,000 for alcohol and substance abuse programs, a $1.01 million increase over FY 2026, including $2.5 million for detoxification and related treatment services. The bill maintains funding for the Generation Indigenous initiative, the youth pilot project, and the Special Behavioral Health Pilot Program, and urges IHS to consider making opioid grant funds available to address all types of drug abuse. (Explanatory Statement, pgs. 141–142; Bill Text, pg. 134).