



STATES AGAIN SHOULDER THE COST OF THE UNMET FEDERAL TRUST RESPONSIBILITY

Congress Must Reauthorize 100% FMAP for Urban Indian Organizations

THE SITUATION

The Federal Medical Assistance Percentage (FMAP) is the percentage amount that federal government reimburses to states for Medicaid-covered services. As a baseline, FMAP cannot be less than 50% of the cost of services provided. In 1976, Congress amended section 1905(b) of the Social Security Act to set the FMAP at 100% for Medicaid services "received through an Indian Health Service facility whether operated by the Indian Health Service or by an Indian tribe or tribal organization." Despite being an integral part of the Indian healthcare system, Urban Indian Organizations (UIOs) were overlooked in the original legislation authorizing 100% FMAP for IHS and Tribal healthcare providers. As a result, the federal government is not paying its fair share for Medicaid-IHS beneficiaries receiving care at UIOs and is skirting its trust responsibility to provide health care services to all American Indian and Alaska Native (AI/AN) people no matter where they live.¹

Congress must amend the Social Security Act to extend 100% FMAP to Medicaid services provided at UIOs (100% FMAP for UIOs) to ensure parity in the Indian health care system.²

WHAT IS THE PROBLEM?

- ▶ In March 2021, Congress temporarily authorized eight quarters of 100% FMAP for UIOs.
- ▶ Unfortunately, this provision expired in March 2023, meaning that states once again are responsible for covering a portion of the cost of Medicaid services provided at UIOs.
- ▶ Without Congressional reauthorization, states will continue to bear the cost of the federal government's failure to fulfill the trust responsibility.

WHY SHOULD CONGRESS CARE?

- ▶ Medicaid plays a critical role in fulfilling the federal trust responsibility to AI/AN people.
- ▶ A 2020 report from the Medicaid and CHIP Payment Access Commission (MACPAC) found that, in 2018, over 1.8 million AI/AN people were enrolled in Medicaid, including 36% of AI/AN adults under the age of 65.³
- ▶ UIOs are critical to serving AI/AN Medicaid beneficiaries in urban areas, with Medicaid beneficiaries making up 46% of the UIO AI/AN patient population.⁴
- ▶ 100% FMAP for UIOs also presents significant savings for State Medicaid programs, according to a 2022 NCUIH report, continuing the 100% FMAP provision would shift over \$500 million from states to the federal government over 10 years.⁵

¹ 25 U.S.C. 1601.

² H.R. 94-1026 (1976)

³ Medicaid and CHIP Payment and Access Commission, Medicaid's Role in Health Care for American Indians and Alaska Natives 2 (Feb. 2021), available at: <https://www.macpac.gov/wp-content/uploads/2021/02/Medicoids-Role-in-Health-Care-for-American-Indians-and-Alaska-Natives.pdf>

⁴ Indian Health Service National Uniform Data System Summary Report Final – Calendar Year 2021, https://www.ihs.gov/sites/urban/themes/responsive2017/display_objects/documents/2021_UIO_UDS_Summary_Report_Final.pdf

⁵ Katweit, Andrew, Chandos Cullen, and Isaiah O'Rear. Recent Trends in Third-Party Billing at Urban Indian Organizations: Impact of the American Rescue Plan Act and 100% FMAP Provisions. National Council for Urban Indian Health. Washington DC, 2022.



NATIONAL COUNCIL of URBAN INDIAN HEALTH

State Success Stories from the Temporary Authorization 100% FMAP for UIOs



WASHINGTON
\$22 Million Reinvested
into Urban Indian Health



MONTANA
Over \$500 Thousand
In Additional Funding
Provided to UIOS

- ▶ The eight fiscal quarters of 100% FMAP for UIOs allowed some states to increase funding to their UIOs through increased reimbursement rates or a grant program to pass on the state-realized savings due to 100% FMAP. This, in turn, allowed those UIOs to utilize these increased financial resources to expand services for AI/AN Medicaid beneficiaries.
- ▶ Washington and Montana are just two examples of the nation-wide improvement to urban Indian healthcare that could be afforded by continuing 100% FMAP funding for Medicaid services provided at UIOs.
- ▶ Permanent 100% FMAP for UIOs gives states the necessary financial support and flexibility to support to work with UIOs to improve the Medicaid program for AI/AN people living in urban areas.
- ▶ Permanent 100% FMAP for UIOs will also save state financial resources, and allow states to shift Medicaid spending to other services and programs.

HOW DO WE MOVE FORWARD?

Legislative Action

- ▶ NCUIH requests your support for the Urban Indian Health Parity Act (H.R. 6533) to make 100% FMAP for UIOs permanent.

Legislative Text for the Urban Indian Health Parity Act (H.R. 6533)

- ▶ Section 1905(b) of the Social Security Act (42 U.S.C. 1396d(b)) is amended by inserting after "by an Indian tribe or tribal organization (as defined in section 4 of the Indian Health Care Improvement Act)" the following: ", or through an urban Indian organization (as defined in section 4 of such Act) pursuant to a grant or contract with the Indian Health Service under the Indian Health Care Improvement Act".

Support For 100% FMAP In Indian Country

- ▶ [National Indian Health Board \(NIHB\)](#)
- ▶ [National Congress of American Indians \(NCAI\)](#)
- ▶ [CMS Tribal Technical Advisory Group \(TTAG\)](#)
- ▶ [Albuquerque Area Indian Health Board](#)
- ▶ [California Rural Indian Health Board \(CRIHB\)](#)
- ▶ [Great Lakes Area Tribal Health Board](#)
- ▶ [National Council of Urban Indian Health \(NCUIH\)](#)
- ▶ [Northwest Portland Area Indian Health Board \(NPAIHB\)](#)
- ▶ [Self-Governance Communications and Education Tribal Consortium](#)
- ▶ [United South and Eastern Tribes Sovereignty Protection Fund \(USET SPF\)](#)
- ▶ [Rocky Mountain Tribal Leaders Council](#)