

February 11, 2025

# IMPACT OF FEDERAL FUNDING PAUSES ON URBAN INDIAN ORGANIZATIONS

## What are Indian Health Service funded Urban Indian Organizations?

Urban Indian Organizations (UIOs) were created by urban American Indian and Alaska Native people, with the support of Tribal leaders, starting in the 1950s in response to severe problems with health, education, employment, and housing caused by the federal government's forced relocation policies.

Congress formally incorporated UIOs into the Indian Health System in 1976 with the passage of the *Indian Health Care Improvement Act* (IHCIA).<sup>1</sup> UIOs are an integral part of the Indian health system, comprised of the Indian Health Service, Tribes, and UIOs.

UIOs are required by law to have a Native-controlled Board of Directors and provide for the maximum participation of Native groups and individuals.

There are four different UIO facility types, including full ambulatory, limited ambulatory, outreach and referral, and outpatient and residential alcohol and substance abuse treatment. The forty-one (41) UIOs receiving grants under the IHCIA operate over eighty-five (85) facilities in thirty-eight (38) urban areas in eleven (11) of twelve (12) Indian Health Service (IHS) areas. UIOs serve patients from over 500 federally recognized Tribes<sup>2</sup> and provide critically needed primary care, behavioral health, traditional medicine, and social and community services to American Indians and Alaska Natives living in urban areas.

## About this Data

The National Council of Urban Indian Health (NCUIH) conducted a survey to assess the impact of large-scale federal funding disruptions on UIOs. This survey was originally designed and distributed to determine the potential effect of the Office of Management and Budget's (OMB's) now rescinded Memorandum M-25-13.<sup>3</sup> UIO leaders were invited to participate, providing insights into the expected consequences of large-scale federal funding disruptions on their organizations' operations and services. The survey, distributed on January 29, 2025, employed a mixed-method approach using Qualtrics and email submissions. It included open-ended and multiple-choice questions to gather data on operational impacts, financial status, and payment system access. NCUIH received survey responses from twenty (20) of the forty-one (41) UIOs.

1. Indian Health Care Improvement Act, Pub. L. No. 94-437, 90 Stat. 1400.
2. IHS National Budget Formulation Data Reports for Urban Indian Organizations Calendar Year 2021, INDIAN HEALTH SERVICE (2023), [https://www.ihs.gov/sites/urban/themes/responsive2017/display\\_objects/documents/IHS\\_National\\_Budget\\_Formulation\\_Reports\\_Calendar\\_Year\\_2021.pdf](https://www.ihs.gov/sites/urban/themes/responsive2017/display_objects/documents/IHS_National_Budget_Formulation_Reports_Calendar_Year_2021.pdf).
3. Memorandum from Matthew J. Vaeth, Acting Dir., Off. of Mgmt. & Budget to Heads of Exec. Dep't & Agencies (Jan. 27, 2025), <https://acrobat.adobe.com/id/urn:aaid:sc:va6c2:916d4e83-d460-40c3-aaf4-8745b170b4f1>.

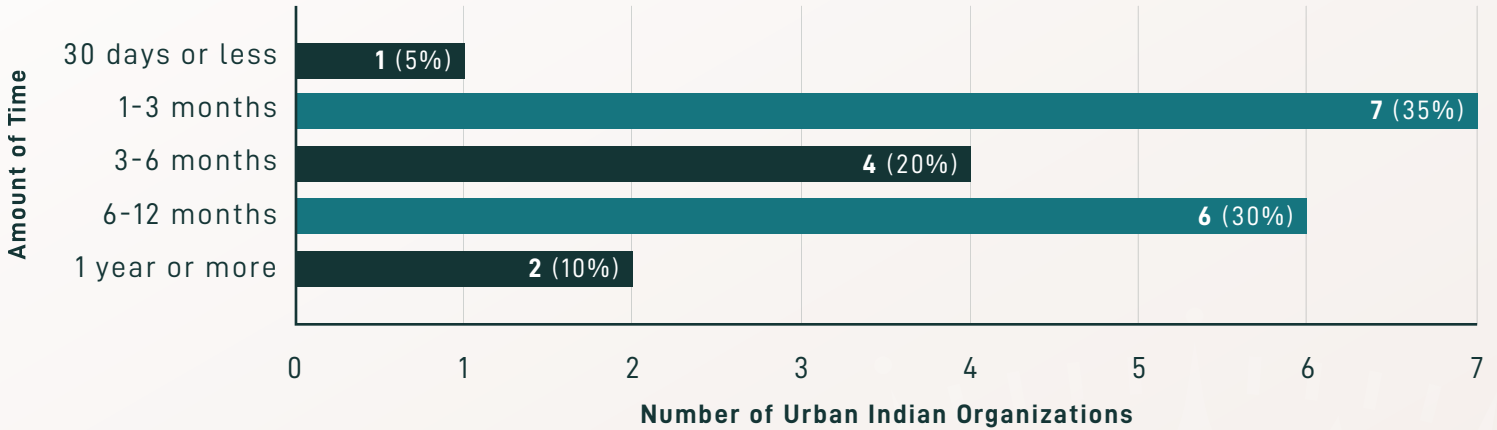
National Council of Urban Indian Health

# SURVEY RESULTS

## Operational Sustainability

Expected operational sustainability for UIOs in the absence of federal funding varied. Over half of UIOs would not be able to sustain operations beyond six months.

### How long can your organization sustain operations without drawing down on federal funds?



## SERVICE DISCONTINUATION

Over half of UIOs anticipated discontinuing critical services if federal funding disruptions were to persist. Potentially discontinued services include:

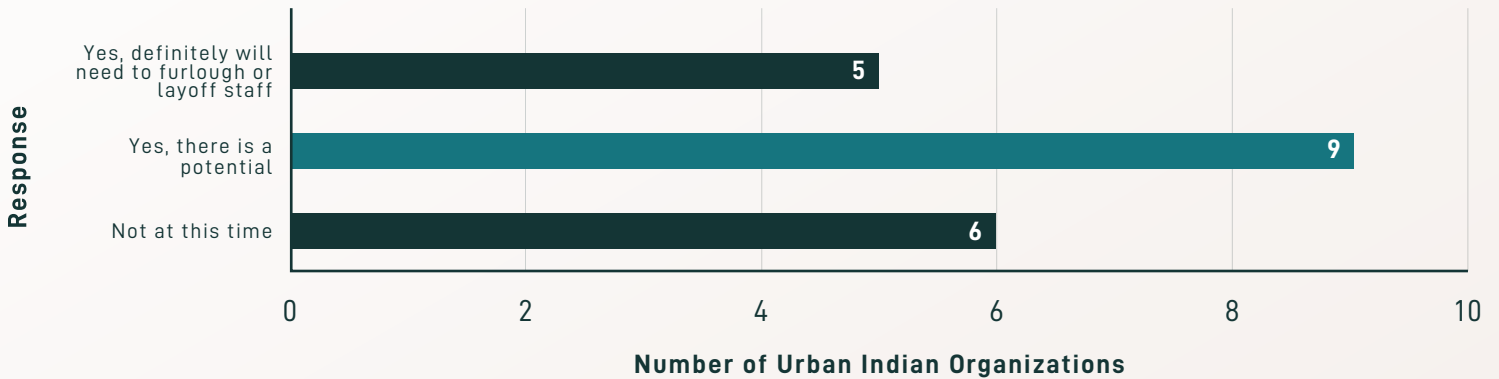
- Wellness Education Classes
- Medicaid Enrollment
- Behavioral Health Services
- Suicide Prevention Programs
- ICWA Services
- Homelessness Support
- Substance Use Disorder Counseling
- Special Diabetes Programs
- Community Wellness Initiatives
- Health Programs (vaccinations, testing, education)
- Cultural and Youth Programming



## STAFF LAYOFFS AND FURLOUGHS

Most UIOs anticipated staff reductions if funding federal funding disruptions were to persist:

### Anticipated Staff Reductions in Federal Funding Disruptions were to Persist



**25%**

of UIOs definitely will need to furlough or lay off staff

**45%**

indicate potential for staff reductions

Remaining organizations uncertain or not planning layoffs at this time.

## KEY CONCERNS

### IMMEDIATE IMPACT:

Some UIOs can only sustain operations for 30 days or less without federal funds.

### SERVICE DISRUPTION:

Essential health and social services are at risk of discontinuation.

### WORKFORCE INSTABILITY:

Over 60% of UIOs face potential staff reductions.