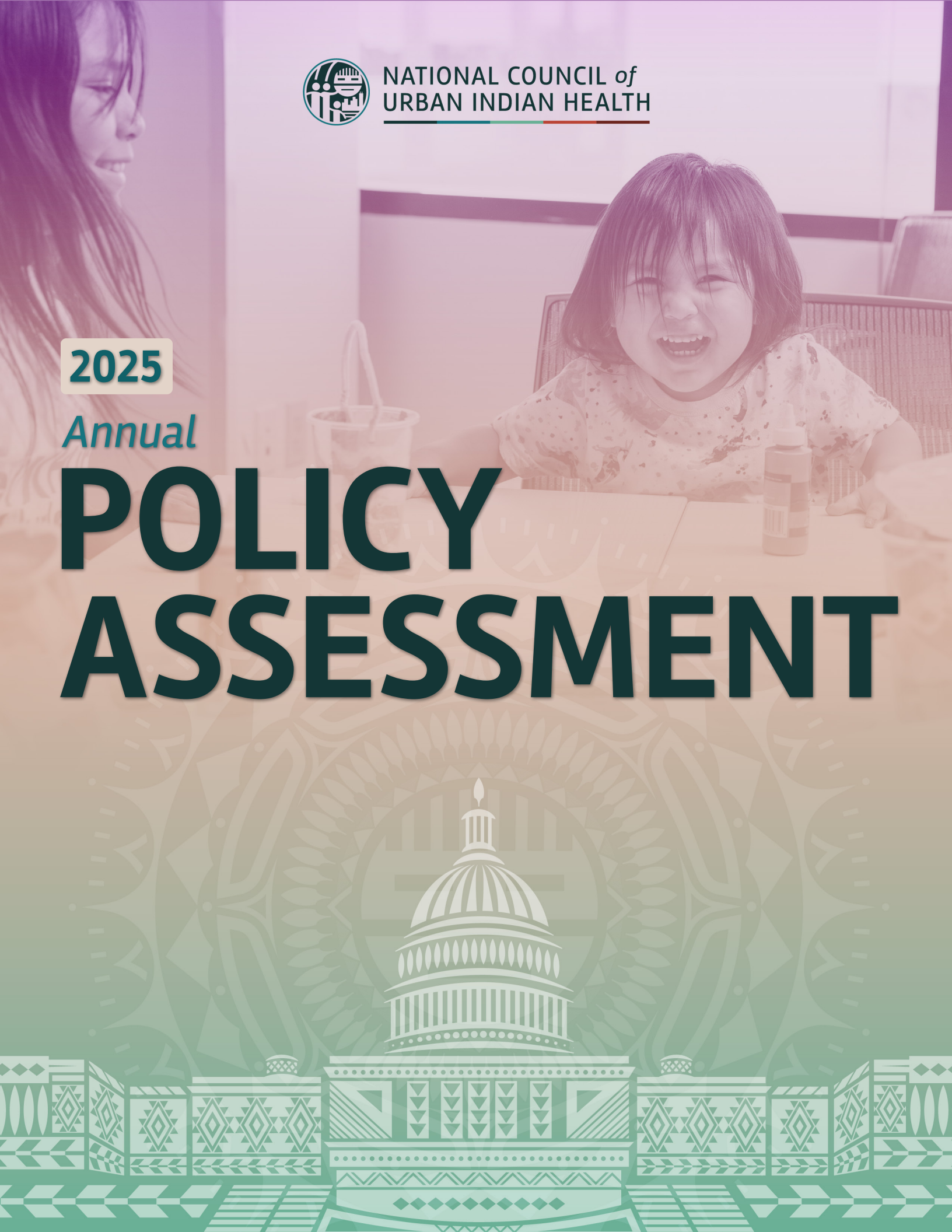

NATIONAL COUNCIL *of*
URBAN INDIAN HEALTH

2025

Annual

POLICY ASSESSMENT

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INTRODUCTION

At the National Council of Urban Indian (NCUIH), we are devoted to the support and development of quality, accessible, and culturally competent health services for the over 70% of American Indian and Alaska Native (AI/AN) people living in urban areas.[1] For over 25 years, NCUIH has served as a national representative of the 41 Urban Indian Organizations (UIOs) contracting with the Indian Health Service (IHS) under the Indian Health Care Improvement Act (IHCIA) and the AI/AN patients they serve. As an organization, we exist to ensure that the federal trust responsibility to provide health care to AI/AN people in urban areas is honored, and that urban AI/AN people are appropriately cared for now and for generations to come.

UIOs were created by urban AI/AN 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.[2] Congress formally incorporated UIOs into the Indian Health System in 1976 with the passage of Indian Health Care Improvement Act. UIOs are an integral part of the Indian health system, which is comprised of IHS, Tribal, and UIO facilities (collectively referred to as the I/T/U system). UIOs provide essential health care services, including primary care, behavioral health, and social and community services, to patients from over 500 Tribes in 38 urban areas across the United States.[2] There are four different UIO facility types, including full ambulatory, limited ambulatory, outreach and referral, and outpatient and residential alcohol and substance abuse treatment.

To achieve our mission in ensuring urban AI/AN people receive the highest quality of care, NCUIH collects qualitative and quantitative feedback from UIO leaders. We are pleased to share the 2025 *Policy Assessment.* This assessment was developed based on the 5 focus groups by UIO facility type between October 7-9, 2025, as well as a written survey sent out via email to all 41 UIO leaders. The focus groups and survey provided an invaluable opportunity to reflect on the achievements and challenges of 2025, fostering a deeper understanding of the progress made and the areas that require further attention.

Through this *Policy Assessment*, we will share the reflections from UIO leaders and how their needs affect their patients, staff, and broader community. These stories will serve as the catalyst for the development of the 2026 Policy Priorities, which will guide NCUIH's policy efforts for the next year.

We are thankful for the UIO leaders, congressional offices, federal agencies, coalitions, and corporate partners that continue to work tirelessly to achieve the goal of the federal government fulfilling its trust responsibility to maintain and improve the health of AI/AN people. With the annual *Policy Assessment* and *Policy Priorities*, we can urge Congress and federal agencies to take this obligation seriously and provide the resources necessary to protect the lives of all AI/AN people, regardless of where they live.

[1]Urban Indian Health Program | Fact Sheets, Newsroom, https://www.ihs.gov/newsroom/factsheets/uihp/ (last visited Oct 15, 2024).
[2] Indian Health Service, IHS National Budget Formulation Data Reports for Urban Indian Organizations (2023), https://www.ihs.gov/sites/urban/themes/responsive2017/display_objects/documents/IHS_National_Budget_Formul

Assessment of Key Needs

Advance Appropriations for the Indian Health Service Prove Critical to Maintaining Services in the Shutdown

The focus group sessions and the written survey took place during the record-breaking government shutdown that lasted from October 1, 2025, to November 12, 2025. As such, this was the first stress test on how advance appropriations for IHS would be implemented. Prior to the inclusion of advance appropriations for IHS in the FY23 appropriations bill, the I/T/U system was the only major federal health care provider funded through annual appropriations. Because of this, in previous shutdowns, clinic staff had to go without pay, some UIOs reduced services, while others had to shut down completely. These impacts were severe and long lasting in the communities served by UIOs.

The assessment process provided the opportunity to ask UIO leaders about how the government shutdown was impacting their services and whether there were delays in funding disbursement. What we gathered from UIOs was that because IHS received advance appropriations, funding was able to flow to UIOs without delay during the current shutdown, ensuring that services were maintained for the community. As one UIO leader said, “The last government shutdown impacted our ability to provide full services, which resulted in 10 members of our community losing their lives. Advance Appropriations has allowed us to stay open and continue serving our people, and that stability has truly saved lives.” Advance appropriations proved to be a crucial step towards ensuring long-term, stable funding for IHS, which improves accountability and increases staff recruitment and retention at IHS.

Stability in Federal Funding for Urban Indian Organizations

UIOs are primarily funded through a single line item in the IHS budget, the Urban Indian Health line item, and the chronic underfunding of this line item limits the ability of UIOs to fully address the needs of their patients. In fact, IHS estimates that to fully support UIOs and the urban AI/AN population, funding would need to increase by $1.37 billion annually.[3] Since current Congressional appropriations fall short of UIO needs, many UIOs depend on other federal grants and third-party funding to maintain critical services.

Impacts of Federal Policy Changes on UIO Funding

Whenever there is a transition between administrations, shifts in federal priorities are expected. However, many UIOs reported that this transition has brought a combination of new reporting requirements, unpredictable grant processes, and lapses in federal communication that have made navigating an already tight funding landscape increasingly difficult.

[3] *Id.*

One of the new reporting procedures implemented by the administration is the "Defend the Spend" initiative to review payments processed through the Payment Management Services (PMS) system. UIO leaders have reported both delayed payments and unexpected interruptions driven by shifting federal requirements. One limited ambulatory UIO reported, "our drawdowns are delayed, they are scrutinized..., they've been held up, but eventually we do get them, like two, three weeks later." Another UIO reported they had "a few [requests] that were denied just asking for more details." While all UIOs eventually received their drawdowns, the delays create operational uncertainty, with the additional bureaucracy increasing staff workload.

The shifting in administrative priorities has also led to the reduction in funding or cancellation of certain grants and programs. UIOs have been doing their best to navigate this new funding environment, but have reported a lack of communication or clarity, making it difficult to budget appropriately. One grant program that was reported as a challenge was the Native Connections grant, which is a five-year grant program that helps AI/AN communities identify and address the behavioral health needs of Native youth. UIO recipients of the grant reported that they were receiving no communication on whether they would be receiving funding for their next funding year, despite multiple months since the scheduled start date.

Recipients of the grant that participated in the focus groups expressed that they anticipated that the funding would be lost despite representing millions in funding for their programs. Fortunately, through communication by UIO leaders and NCUIH to the Health and Human Services (HHS) Secretary's office, this funding was able to be released to the grantees.

Overall, the experiences shared across the focus groups underscore that funding delays, reporting requirements, and inconsistent grant administration collectively strain UIO financial stability. These disruptions create uncertainty for budgeting and workforce planning, which impacts their ability to support the health needs of their communities. The disruptions underscore the need for protection of multiyear grant cycles from delays and timely access to obligated federal funds.

Impact of DEIA Executive Orders on Urban Indian Organizations:

In addition to the Defend the Spend initiative, the administration also implemented several executive orders (EOs) aimed at limiting and eliminating programs deemed to be supporting diversity, equity, inclusivity, and accessibility (DEIA). The response from Indian Country to these EOs was to emphasize that Tribal nations and their citizens hold a unique political and legal relationship with the United States, rooted in sovereignty and recognized by the Constitution, and many federal laws and policies. As such, AI/AN people have legal status as a political class rather than a racial class under the principles of constitutional legal analysis. After receiving the feedback, on February 25, 2025, HHS issued an advisory opinion[4] affirming

[4] U.S. Dep't of Health & Human Serv., Advisory Opinion 25-01, Application of DEI Executive Orders to the Department's Legal Obligations to Indian Tribes and Their Citizens (Feb. 25, 2025)

this unique relationship and stating that the EOs "do not apply to the Department's legal obligation to provide healthcare for Indian Tribes and their citizens or the government-to-government relationship that underlies those obligations, which are distinct from the DEI programs targeted in the EOs."[5]

Despite the advisory opinion, some UIOs have reported challenges navigating these directives and the impact on their grants and programs. For example, one full ambulatory UIO reported that they "had to change the language that we can't say we only serve the Native population." Another limited ambulatory UIO reported similar feedback in the grant application process. "Specifically, I remember we needed to remove the word Indigenous from the narrative, and they didn't want us to also have anything that specifically said only Native Americans, that the grant had to generalize."

While the HHS advisory opinion was a critical first step in acknowledging the unique political and legal relationship between AI/AN people and the United States, it remains evident that HHS must take immediate and more active steps to solidify this directive. Specifically, HHS should ensure staff are familiar with the government-to-government relationship and the advisory opinion directives. This systemic action is necessary to ensure Indian Health Care Providers are not needlessly caught up in administrative actions that do not legally apply to them, thus eliminating unnecessary bureaucracy and protecting the flow of critical services.

Achieving Parity: Extending 100% FMAP to Urban Indian Organizations

During the assessment process, UIO leaders emphasized the need for policy changes that would help increase third-party funding to their facilities. These changes include amending the Social Security Act to set the federal medical assistance percentage (FMAP) at 100 percent for Medicaid beneficiaries receiving services at UIOs. These changes are essential to ensuring UIOs can continue to provide comprehensive care to their communities.

FMAP is the percentage amount that the federal government reimburses to states for Medicaid-covered services. 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." Unfortunately, despite being an integral part of the Indian healthcare system, UIOs were overlooked in this amendment, meaning the federal government covers 100% of the cost of Medicaid services provided to AI/AN beneficiaries at Tribal and IHS facilities, but not at UIOs. The federal government, not the states, has a trust responsibility to provide for the healthcare of AI/AN people no matter where they live.[6] By failing to authorize 100% FMAP for Medicaid services

[5] Id.

[6] *S. Rep. No. 100-508, at 25 (1987) (stating that "The responsibility for the provision of health care . . . does not end at the borders of an Indian reservation. Rather, government relocation policies which designated certain urban areas as relocation centers for Indians, have in many instances forced Indian people who did not which to leave their reservations to relocate in urban areas, and the responsibility for the provision of health care services follows them there.").*

provided at UIOs (100% FMAP for UIOs), the federal government is not paying its fair share for Medicaid-IHS beneficiaries receiving care at UIOs and is skirting trust responsibility.

UIO leaders overwhelmingly agree that a legislative change to provide 100% FMAP for UIOs would provide a mechanism for them to significantly improve their funding and would help achieve parity within the Indian healthcare system. UIOs have consistently emphasized this as a long-standing priority, ranking it as a top three priority in every policy assessment since 2021.

The ongoing stability of this third-party revenue source is now further challenged by new federal policy. On July 4, 2025, the President signed H.R.1, the One Big Beautiful Bill Act (OBBBA), into law. The OBBBA is a major bill that delivers many elements of President Trump's legislative agenda, including new requirements for access to Medicaid. Medicaid is a key component to the financial stability of UIOs which is intrinsically linked to robust Medicaid enrollment. Fortunately, in recognition of the Federal Trust Responsibility, Indians, Urban Indians, California Indians, and individuals determined eligible as an Indian for IHS under regulations promulgated by the HHS Secretary are exempted from the Medicaid requirements in the OBBBA.[7]

To ensure compliance with the OBBBA, NCUIH requests the Centers for Medicare & Medicaid Services (CMS) provide formal guidance to states on implementing the OBBBA exemption for American Indian and Alaska Native beneficiaries from work requirements, 6-month eligibility redetermination and cost sharing that is inclusive of the entire Indian health care system. This guidance must prevent AI/AN beneficiaries from being improperly subject to administrative requirements that would jeopardize their coverage, ensuring UIOs can rely on this primary source of third-party revenue.

Strengthening the Workforce to Support Urban Indian Organizations

UIOs need a strong, culturally competent, and consistent workforce to be able to address the needs of their patients and communities. For the second year in a row, UIO leaders have highlighted the challenge of a lack of culturally competent providers. While the driving factors for workforce vacancies vary by region and facility type, a consistent concern among UIOs is the nationwide shortage of behavioral health therapists, which has been acutely felt at UIOs, even when providing competitive salaries. One full ambulatory UIO shared, "our biggest challenge is still behavioral health therapists, and it has been for probably the last five or six years…behavioral health therapists are very difficult for us to recruit."

However, one noticeable improvement for UIOs from last year's assessment has been the improvement in retention, with one UIO reporting a 100% retention rate for 2025. Multiple UIO leaders also emphasized the value of federal loan programs such as the IHS loan repayment program and the National Health Service

[7] One Big Beautiful Bill Act § 71119(a), 42 U.S.C. § 1396(a)(xx)

Corps loan repayment program. At one UIO, over 20 of their staff were beneficiaries of the National Health Service Corps loan repayment. These programs are essential to addressing work shortages and investment in them remains critical to recruiting and retaining culturally competent staff, which can significantly impact the health and wellness of urban AI/AN people.

Food is Medicine: Addressing Food Insecurity and Health

HHS Secretary Kennedy has made it a central tenet of his Make America Health Again agenda to address certain chronic diseases through healthy foods. UIO leaders have taken this call seriously and have begun implementing "food is medicine" programs at their facilities to help address dietary concerns in their community. One full ambulatory UIO opened a food resource center this year with only healthy food options. The facility hired a dietitian who labels the food items with its corresponding benefit, for example, adding a heart label if the food is heart healthy, or a saltshaker if the food is low sodium. Another UIO has implemented a prescription program that provides patients with a prefunded card that they can utilize to purchase fresh fruit and produce from participating supermarkets.

Another program has recently established a food is medicine health study designed to address both food insecurity and chronic disease outcomes in the urban Native community. The pilot is a six-month, dietitian-led program with 40 recipients. Participants undergo baseline labs, vitals, and biometric assessments, which are repeated throughout the program to measure health changes over time. During the duration of the program, the UIO provides all healthy foods for the participants. The UIO hopes to use this model to generate internal data for future grant applications and to determine the most effective strategies for improving health outcomes through culturally informed nutrition support.

Despite their level of innovation and commitment to addressing food insecurity health challenges in their communities, UIO leaders unanimously stressed the need for dedicated federal funding to fund these programs. Sustained direct federal investment is essential to ensure that UIOs can continue advancing nutrition-based interventions that improve the health of urban Native communities and carry out the Secretary's national initiative.

NCUIH ACTION

NCUIH is using the information and context obtained from the assessment process to create a policy strategy and determine NCUIH's federal and congressional policy priorities for 2026. NCUIH will also use this information to create informational resources, such as handouts, about major issues impacting UIOs and urban AI/AN health that will be distributed to relevant federal agencies and Congress as well as external partners.

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