

# Native Americans Pay High Cost for Health Care

By Houkje Ross

Closing the Gap, The Problem of Accessing Health Care • August/September 1999

One of the largest barriers to health care for American Indian and Alaska Natives (AI/ANs) has been a lack of adequate federal funding, according to the National Indian Health Board (NIHB). “Despite new technological advances, Indian people are suffering and dying premature deaths, due in large part to under funding of the Indian Health Service,” said Buford L. Rolin, Chairman of NIHB, before the U.S. Senate Committee on Indian Affairs this past summer. Rolin spoke in support of S. 299, a bill that would elevate the Director of Indian Health Service (IHS) to Assistant Secretary for Indian Health.

A federal agency within HHS, the IHS provides health services to roughly 1.5 million AI/ANs who belong to more than 557 federally recognized tribes and live on reservations in 34 states. For many AI/ANs, the Indian health care system—a partnership of federal, tribal, and urban Indian operated health care programs—is their only source of health care services.

The federal funding that is provided for the Indian health care system fulfills the government’s treaty obligations to the tribes.

## Estimating level of need

The Indian health care system depends on annual discretionary appropriations. A defined package of health care services is not assured to eligible Indians who need services. The level of services provided by the Indian health care system varies depending on funding. According to part one of a Congressionally mandated study, Level of Need Funded Cost Model — Indian Health Service, the IHS appropriation provides only 59 percent of the necessary funding for the Indian health system. Raising that percentage one point would cost \$30 million. The cost to raise the level of needed funds to 100 percent for the IHS/Tribal user population is \$1.2 billion.

The study looked at what it would cost

to provide the AI/AN population with adequate health care based on typical health benefits, such as doctors and hospital care, according to Cliff Wiggins, Senior Operations Research Officer at IHS.

“This does not include the larger health programs that are extremely important to Indian people, such as the sanitation, safe water, and public health programs,” Wiggins said.

The study found that it would cost approximately \$2,900 per person to provide Indian people with the health care services found in typical, mainstream health insurance plans. Researchers determined this number by starting with a benchmark figure of \$2,100 per person, determined by averaging a range of three independent sources of private health care premiums for the non-elderly. That figure was then adjusted for the cost of co-payments and deductibles, and for the costs associated with the elderly. The total cost was then \$3,391 per person. This is the total expected cost per person if the characteristics of Indian people were the same as for the U.S. general population.

The costs for Indians was then revised to account for the ways the Indian population differs from the general U.S. population. A younger and significantly rural Indian population lowered the costs, while a higher incidence of disease and medical conditions raised the cost.

## Other findings:

- A mainstream package of health care services for all 2.4 million AI/AN would cost \$7.4 billion.
- The cost for mainstream services for the IHS/tribal user population, 1.34 million AI/AN, would cost \$4 billion. Approximately 25 percent of this would be expected from third party payers such as Medicare, Medicaid, and private in-

surance. The cost for urban and all other Indians is \$3 billion, of which IHS appropriations provides less than \$30 million. No data exist to estimate the third party contributions for these populations. IHS is reviewing the report and will receive feedback from the Office of Management and Budget.

*For additional information about the report or the services of IHS, contact: IHS, Public Affairs Office, 301-443-3593, or visit their Web site at [www.ihs.gov](http://www.ihs.gov).*

## IHS SERVICES

The IHS administers health services in three ways: through IHS facilities, through tribally-operated facilities, and by contracting out for health services. IHS’s services include:

- preventive health services to help reduce the need for acute medical care;
- emergency medical services, where a community health representative responds within 15 minutes;
- environmental health and engineering services that address the environmental conditions that contribute to morbidity and mortality among AI/ANs;
- pharmacy services;
- health education program to help AI/ANs live healthier lifestyles;
- community-based programs to combine the principles of public health with traditional medicine;
- alcohol and substance abuse programs;
- diabetes and nutritional programs;
- school-based programs;
- mental health programs that take into account traditional Indian ways of life, philosophy, and languages;
- community health representative programs that train AI/ANs to become paraprofessionals through IHS, but they are employed and supervised by their tribes and communities;
- dental programs; and
- accident/ injury reduction programs.

