



Nez Perce

TRIBAL EXECUTIVE COMMITTEE

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February 14, 2025

Senator Mike Crapo
239 Dirksen Senate
Office Building
Washington, D.C. 20510

Senator Jim Risch
483 Russell Senate
Office Building
Washington, D.C. 20510

Representative Mike Simpson
2084 Rayburn House
Office Building
Washington, D.C. 20515

Representative Russ Fulcher
1514 Longworth House
Office Building
Washington, D. C. 20515

RE: Protect IHS and Tribally-Operated Facilities from Harmful Health Care Reform-Medicaid Proposals in Budget Reconciliation Legislation

Dear Senators Crapo and Risch, Representatives Simpson and Fulcher

On behalf of the Nez Perce Tribe, we urgently request your support to protect Medicaid funding to IHS and Tribally operated facilities in any health care reform proposals in 2025 budget reconciliation legislation. Our Tribe is concerned with several Medicaid proposals in health care reform efforts because they do not uphold trust and treaty obligations to Tribal Nations. They will also impact services for our people, reduce revenue for IHS and Tribal clinics, and ultimately, increase the health disparities of our people. Our concerns and recommendations as to Medicaid reform proposals in budget reconciliation legislation are, as follows:

1. Protect Medicaid Funding to IHS and Tribally Operated Facilities

Medicaid is rooted in the Indian Health Care Improvement Act (IHCA) (P.L. 94-437, 25 U.S.C. § 1601) which recognizes the Federal trust responsibility for the provision of health care services to American Indian/Alaska Native (AI/AN) people. IHCA also provides the authorization for Indian Health Care Providers (IHCPs) to bill Medicare, Medicaid and private insurance; and amends section 1905(b) of the Social Security Act to provide 100% Federal Medical Assistance Payment (FMAP) for eligible AI/AN people receiving services through IHS or Tribally operated facilities.

Medicaid funding is critical to meeting our Tribal community's health care needs. Annual discretionary appropriations for IHS are significantly underfunded and consistently fall short of addressing the needs of our people. Medicaid provides the Nez Perce Tribe and the Indian health system with funding to provide basic health care services to our people. Medicaid also supplements IHS annual appropriations and allows facilities to increase services. For example, in FY 2023, Medicaid reimbursements at just IHS-operated facilities were \$1.2 billion, which was equal to 24% of the IHS Services budget in FY 2023.

Resources from Medicaid reimbursements have allowed our Tribe to maintain or expand access to care, make facility improvements, hire health care professionals, or meet accreditation and quality requirements). For many IHS and Tribally operated facilities, Medicaid represents approximately 30-60% of operating budgets. Any changes to Medicaid that would reduce services or eligibility for our AI/AN Medicaid beneficiaries would be devastating to our Tribe and the Indian health care system.

2. Retain 100% FMAP for Services Received through IHS or Tribally Operated Facilities

We know that Congress is initiating budget reconciliation to reduce Federal spending. Congress can control Federal Medicaid costs by retaining 100% FMAP for services received through IHS and Tribally operated facilities. Federal IHS Medicaid spending in FY 2025 represents only 0.213 percent of total Federal medical assistance payments forecasted in FY 2025. Clearly, preserving full federal funding for Medicaid services received through the Indian health system will not adversely affect the overall effort to cap and control Federal Medicaid spending.

Importantly, Medicaid serves as a key source of revenue for IHS, Tribal and urban Indian programs. For over 40 years, the Federal government has reimbursed States for 100% of the cost of providing Medicaid services to AI/AN beneficiaries under its trust responsibility.

There is a history of exemptions in past bills. The last time Congress considered Medicaid reform in the American Health Care Act of 2017 and the Better Care Reconciliation Act of 2017 it exempted reimbursement for services received through IHCP from counting towards per capita caps. **For these reasons, we request that 100% FMAP be preserved for services received through IHS and Tribally operated facilities to avoid shifting hundreds of millions in Medicaid costs from the Federal government to the States. This also ensures that the Federal government's trust responsibility is maintained.**

3. Exempt IHS and Tribally Operated Facilities from any State Limitations on Eligibility or Services that Congress or the States May Impose Due to Per Capita Caps or Block Grants.

We understand that Congress or the States are interested in reducing eligibility or reducing optional services because they would have fewer dollars to spend under per capita cap or block grant funding mechanisms. Again, the provision of health care services to eligible AI/AN people is a Federal trust and treaty obligation which cannot be swept into State-based initiatives to reduce services or linked to State-based per capita caps or block grants. These options abrogate the Federal responsibility to Tribal Nations. Moreover, shifting the financial burden of

an inherently Federal government responsibility to State governments would be contrary to the legislative intent of the IHCA and disproportionately burden State coffers.

Any reforms should not impact services provided to AI/AN people, and IHS, Tribal, and urban Indian providers must be exempt from State-based per capita spending caps or block grants.

Again, Congress recognized the necessity of exemptions in the American Health Care Act (AHCA) in 2017, which would have exempted IHS eligible individuals from the definition of enrollees used to calculate per capita caps, and the Better Care Reconciliation Act (BRCA) in 2017 which would have taken the same approach. Although neither piece of legislation became law, both are indicative of legislative intent to maintain and preserve AI/AN protections from reductions in Medicaid services, state block grants, and state per capita caps.

4. Exempt American Indians/Alaska Natives from Medicaid Work Requirements.

We fully support work programs that encourage full employment, but doing so through Medicaid is ineffective and harmful for our people. Work requirements are likely to cause a large number of our people to lose their Medicaid coverage because of the burdensome procedural hurdles in their way (e.g., no permanent address, no broadband, transportation infrastructure, language barriers, or lack of documentation for work related to subsistence farming, fishing, hunting, etc.).

Any Medicaid disenrollment of AI/AN people would result in a loss of desperately needed income for IHS and Tribally operated programs and may force program to reduce the services currently offered. This would violate trust and treaty obligations to Tribal Nations.

Exemption of AI/AN Medicaid beneficiaries from Medicaid work requirements was previously approved in four states. In the first Trump Administration, CMS approved four state Section 1115 Demonstration waivers (namely, Arizona, Indiana, South Carolina, Utah) that imposed work requirements on State Medicaid programs but exempted American Indians/Alaska Natives. **If Congress is considering work requirements for the Medicaid program, we request that Congress protect IHS, Tribal, and Urban Indian programs by exempting American Indians/Alaska Natives from work requirements like the previous Trump Administration did through the Section 1115 waivers it approved.**

5. Preserve Medicaid Expansion

Medicaid expansion has provided critical third-party revenues to the Indian health system. For the Nez Perce Tribe and the community, it expanded the care available to our people. Medicaid expansion has significantly increased Medicaid revenues at Nimiipuu Health by covering many individuals who would have otherwise been ineligible. This increased revenue plays a vital role in our ability to provide comprehensive care, expand services, and address the diverse needs of our community. This not only enhances health outcomes, but also ensures the financial stability of our clinic, allowing us to serve individuals more effectively

Senator Crapo, et al.

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We request your support in preserving Medicaid expansion as an option for States.

6. Conclusion

On behalf of Nez Perce Tribe, we urge you to uphold trust and treaty obligations the United States has to Tribal Nations in the provision of health care services provided through Medicaid. Protecting 100% Federal Medical Assistance Payment (FMAP) for eligible AI/ANs receiving services through IHS or Tribally operated facilities and exempting eligible AI/AN people from State-based Medicaid service reductions, per capita caps, block grants, and work requirements is absolutely critical.

Thank you for your support in protecting the Indian health system and services to our people. If you have any questions about our request, please feel free to contact Roberta José-Bisbee, Executive Director, Nimiipuu Health, via telephone at 208-843-2271 or via email at robertab@nimiipuu.org.

Sincerely,



for Shannon F. Wheeler, Chairman
Nez Perce Tribal Executive Committee