

GAO Highlights

Highlights of [GAO-18-652](#), a report to congressional committees

Why GAO Did This Study

IHS, an agency within the Department of Health and Human Services (HHS), receives an annual appropriation from Congress to provide health care services to over 2 million American Indians and Alaska Natives (AI/AN) who are members of 573 tribes. IHS generally provides services through direct care at facilities such as hospitals and health centers. Some tribes receive IHS funding to operate their own health care facilities. Tribal representatives have sought legislative approval to provide IHS advance appropriation authority stating that it would facilitate planning and more efficient spending. Experts have reported that agencies can use the authority to prevent funding gaps, and avoid uncertainties associated with receiving funds through CRs.

House Report 114-632 included a provision for GAO to review the use of advance appropriations authority and applications to IHS. Among other things, this report (1) describes advance appropriation authority considerations identified by stakeholders for providing IHS-funded health care services, and (2) identifies other considerations for policymakers related to providing the authority to IHS. GAO reviewed its prior reports related to IHS, VA, government shutdowns, and CRs, and interviewed officials from IHS, several tribes and other organizations representing AI/AN interests, the Office of Management and Budget, VA and other experts.

GAO provided a draft of this report to HHS, which had no comments; to VA, which provided general comments; and to tribal representatives, which provided technical comments that were incorporated as appropriate.

View [GAO-18-652](#). For more information, contact Jessica Farb at (202) 512-7114 or farbj@gao.gov.

September 2018

INDIAN HEALTH SERVICE

Considerations Related to Providing Advance Appropriation Authority

What GAO Found

The Indian Health Service (IHS), like most federal agencies, must use appropriations in the year for which they are enacted. However, there has been interest in providing IHS with advance appropriation authority, which would give the agency authority to spend a specific amount 1 or more fiscal years after the fiscal year for which the appropriation providing it is enacted. Currently, the Department of Veterans Affairs (VA) is the only federal provider of health care services to have such authority.

Stakeholders interviewed by GAO, including IHS officials and tribal representatives, identified effects of budget uncertainty on the provision of IHS-funded health care as considerations for providing IHS with advance appropriation authority. Budget uncertainty arises during continuing resolutions (CR)—temporary funding periods during which the federal government has not passed a budget—and during government shutdowns. Officials said that advance appropriation authority could mitigate the effects of this uncertainty. IHS officials and tribal representatives specifically described several effects of budget uncertainty on their health care programs and operations, including the following:

- **Provider recruitment and retention.** Existing challenges related to the recruitment and retention of health care providers—such as difficulty recruiting providers in rural locations—are exacerbated by funding uncertainty. For example, CRs and government shutdowns can disrupt recruitment activities like application reviews and interviews.
- **Administrative burden and costs.** Both IHS and tribes incur additional administrative burden and costs as IHS staff calculate proportional allocations for each tribally operated health care program and modify hundreds of tribal contracts each time a new CR is enacted by Congress to conform to limits on available funding.
- **Financial effects on tribes.** Funding uncertainty resulting from recurring CRs and from government shutdowns has led to adverse financial effects on tribes and their health care programs. For instance, one tribe incurred higher interest on loans when the uncertainty of the availability of federal funds led to a downgraded credit rating, as it was financing construction of a health care facility.

GAO identified various considerations for policymakers to take into account for any proposal to change the availability of the appropriations that IHS receives. These considerations include operational considerations, such as what proportion of the agency's budget would be provided in the advance appropriation and under what conditions changes to the funding provided through advance appropriations would be permitted in the following year. Additionally, congressional flexibility considerations arise because advance appropriation authority reduces what is left for the overall budget for the rest of the government. Another consideration is agency capacity and leadership, including whether IHS has the processes in place to develop and manage an advance appropriation. GAO has reported that proposals to change the availability of appropriations deserve careful scrutiny, an issue underscored by concerns raised when GAO added IHS to its High-Risk List in 2017.