Appendix A: Summary of the FY 2024 President’s Budget IHS Mandatory Proposal

As you know, the fiscal year 2024 President's Budget proposes that beginning in FY 2025, the entire budget shift to mandatory funding. Under the proposed mandatory structure, IHS funding would grow automatically to address inflationary factors, key operational needs, and existing backlogs in both healthcare services and facilities.

As proposed, the mandatory formula culminates in a total funding level of approximately $44.0 billion in FY 2033. In total, the mandatory budget would provide nearly $288 billion for the IHS over ten-years.

Funding would automatically grow to account for the following factors:

- Inflationary factors including Consumer Price Index for All Consumers medical and non-medical inflation, population growth, and pay cost growth.
- Staffing increases for newly constructed or expanded health care facilities.
- Funding for new federally recognized tribes.

The proposal also includes the following:

- Increased funding to address the Level of Need Gap documented by the 2018 Indian Health Care Improvement Fund workgroup. The budget would continue growth for direct services once the 2018 gap is addressed.
- Recurring funding for long-COVID treatment and to sustain investments made in the American Rescue Plan Act for behavioral health and public health workforce activities.
- Increased funding from FY 2025 to FY 2029 to address the remaining projects on the 1993 Health Care Facilities Construction Priority List. Funding will continue to increase each year beginning in FY 2030 to begin addressing the full scope of Facilities needs as identified in the most recent IHS Facilities Needs Assessment Report to Congress.
- Increased funding for Sanitation Facilities Construction starting in FY 2027 due to the significant resources appropriated for this program in the Infrastructure Investment and Jobs Act (IIJA). FY 2027 is the first year IHS will not receive IIJA resources for this purpose.
- Increased funding from FY 2025 and FY 2026 for Maintenance and Improvement and Medical Equipment to address current backlogs. Once the backlogs are addressed, the budget ensures sufficient funding is maintained for ongoing maintenance and equipment needs.
- Increased funding for Facilities and Environmental Health Support proportional to growth in the other IHS facilities programs to ensure adequate staffing and operational capacity to carry out proposed facilities funding increases.
- Establishes a new dedicated funding stream to address public health capacity and infrastructure needs in Indian Country. This funding will support an innovative hub-and-spoke model to address local public health needs in partnership with tribes and urban Indian organizations. Establishing a new program to build public health capacity is a key
lesson learned from the COVID-19 pandemic, and a top recommendation shared by tribal leaders in consultation with HHS.

- Grows funding for Direct Operations to ensure IHS has adequate administrative capacity to implement and oversee significant proposed funding increases.
- Fully-funds the IHS Electronic Health Record modernization effort from FY 2024-FY 2029 and Once the EHR modernization effort is complete, the budget ensures sufficient recurring funding is maintained for ongoing maintenance of the new system.