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October 6, 2005

Mark McClellan, M.D., Ph.D.
Administrator
Centers for Medicare and Medicaid Services
Hubert H. Humphrey Building
200 Independence Avenue, SW
Washington, DC 20201

Dear Dr. McClellan:

On Wednesday, August 31, 2005, the Northwest Portland Area Indian Health Board and the Urban Institute hosted "A National Roundtable on the Indian Health System & Medicaid Reform" in Washington, D.C. to assess the impact that current Medicaid reform proposals will have on the Indian health care delivery system. We are transmitting to you the recommendations from the Medicaid roundtable in light of the Medicaid Commission's September 1st report on how to achieve an estimated \$11 billion in scorable Medicaid savings over 5 years.

As the Administration and Congress deliberate the Medicaid Commission's recommendations on how to achieve savings over the next five years, we hope that they will take into consideration the effect these changes will have on the Indian health system. The Medicaid Commission was charged with making "recommendations on options to achieve \$10 billion in scorable Medicaid savings over five years while at the same time make progress toward meaningful longer-term program changes to better serve beneficiaries." The recommendations in the Medicaid Commission's Report (dated September 1, 2005) submitted to the Department and Congress contains proposals that would have adverse effects on Indian health programs and their ability to provide health services unless steps are taken now to prevent such harm.

The negative effects of the Commission's recommendations are avoidable and can be prevented with your support! In this regard, we respectfully request that as the Department deliberates the September 1st recommendations, as well as considers the Commission's longer-term proposals, that you will support the following Indian health recommendations on Medicaid Reform.

The audience at the Roundtable included a cross section of individuals from the entire spectrum of the health policy arena. The meeting included tribal representatives from each of the twelve Indian Health Service (IHS) areas, members of the National Indian Health Board and Tribal Technical Advisory Committee as well as congressional staff members, Medicaid Commission members, individuals from health policy foundations and representatives from the IHS and Centers for Medicare and Medicaid Services.

In preparation for the Roundtable, Indian health policy and Medicaid experts prepared policy papers on Medicaid reform issues that served as discussion pieces with the audience. The Roundtable provided a forum for a thorough discussion of Medicaid reform issues that allowed participants to develop recommendations to be considered in Medicaid reform proposals by the Medicaid Commission and National Governors Association. A summary of the recommendation is as follows:

1. **Full Funding:** 100% FMAP reimbursement to all Indian health programs for actual costs of Medicaid eligible services provided.
2. **Benefits Flexibility:** States should be prohibited from offering benefit packages that are less in amount, duration, or scope, to AI/AN Medicaid beneficiaries than the benefits packages they offer to any other group of Medicaid beneficiaries anywhere in the state. This “most favored nation” rule should apply with respect to all AI/AN Medicaid beneficiaries, regardless of whether they live on or near a reservation.
3. **Cost Sharing:** Eliminate or waive AI/AN beneficiaries of all cost sharing. Legislation and regulation must extend the current SCHIP premium and cost sharing exemptions to Medicaid.
4. **Estate Recovery:** Estate recovery inhibits AI/AN participation in the Medicaid programs and Indian people will simply not enroll if they are subject to any estate recovery claims in the Medicaid program. AI/AN must be exempt from estate recovery rules.
5. **Traditional Practices:** Respect for cultural beliefs, blending of traditional practices with a modern medical model and emphases on public health and community outreach. CMS should include access to traditional medicine as part of the services available to AI/AN people and fully recognize traditional medicine as an integral component of the Indian health care delivery system.
6. **Access to CMS Program Eligibility:** Simplify and improve AI/AN outreach, enrollment and eligibility determination. Provide funding to Indian health programs for conducting outreach and linkage activities. Simplify the application process by reducing required documents, providing “real time” determination, and allowing self-declaration for residency and income. Allow Tribes the option to provide program enrollment and eligibility determination on-site. ?MAM?
7. **Private Health Plans or Contractors:** If reform includes the use of private health plans or contractors, Indian programs and AI/AN people must have the following flexibility.
 - Choice: AI/AN individuals should be allowed to choose an Indian health program or a private plan provider, as they prefer.
 - Default Assignment to Indian Health Program: Individual AI/AN must NOT be involuntarily assigned to non-Indian providers or plans when an Indian health program is available.

- Out of Plan Service: Require private plans or contractors to pay the Indian health providers when providing services to AI/AN people, at in network rates, whether or not I/T/U providers have in network contracts.

As you are well aware, health services for Indian people are consonant with the Federal government's historical and unique legal relationship with, and resulting responsibility to, the American Indian people. We hope that any changes in the Medicaid program will support this fundamental and moral principle. Any savings in the Medicaid program should not come at the expense of shifting costs and reducing revenue to Indian health programs. Access to health care by Indian people is very limited due to the chronic underfunding of the Indian health system. Any changes in the Indian health revenue stream, including Medicaid, ultimately means cuts in health services for Indian people.

I urge you to consider and support the recommendations above so that there are not unintended consequences for the Indian health system in the course of Medicaid reform.

Sincerely,



Pearl Capoeman Baller
Chairperson of the Board, NPAIHB
President, Quinault Nation

cc: Leslie V. Norwalk, Esq., Deputy Administrator
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