

PAYMENT PARITY FOR INDIAN HEALTH CARE PROVIDERS

Clarifying facts and challenging
misconceptions of 100% FMAP for Urban
Indian Health Programs

What is FMAP?

Federal Medical Assistance Percentages (FMAP) are reimbursement rates set by the Federal Government for state and some tribal expenditures on certain programs including Medicaid—an income-based public health insurance program. FMAP rates are determined by formulas set in the Social Security Act (SSA) 1905(b) and updated periodically through statute or annual review.

Are Medicaid encounters at Indian Health Service and tribal facilities eligible for 100% FMAP?

Yes. Since 1976, Congress has authorized 100% FMAP for American Indian and Alaska Native Medicaid encounters at Indian Health Service (IHS) and tribal facilities to supplement the chronic underfunding of trust and treaty health care obligations to American Indian and Alaska Native citizens.

Do Urban Indian Health Programs receive 100% FMAP?

No. Despite being Indian Health Care Providers stipulated in section IV of the Indian Health Care Improvement Act (IHCA), today, Urban Indian Health Program (UIHP) facilities are the only part of the Indian healthcare system that are not eligible for 100% FMAP payment.

Does 100% FMAP for Urban Indian Health Programs impact IHS and tribal funding?

No. FMAP is administered by Centers for Medicare and Medicaid (CMS). FMAP eligibility is not a factor in formulating the IHS budget or existing mandatory spending for Medicaid encounters at IHS and tribal facilities.

Does this require a legislative change?

Yes. In 2017, CMS stated that they would not attempt an administrative fix because the SSA is a statute requiring a legislative fix. This means that SSA 1905(b) would have to be amended by Congress and signed by the President into law.

Is extending 100% FMAP to Urban Indian Health Programs part of Medicaid Expansion?

No. In fact, 100% FMAP would help *fulfill* the federal trust and treaty obligations to pay for health services for *all* American Indians and Alaska Natives regardless of where they reside. Medicaid Expansion is a separate program for states authorized under the Affordable Care Act (ACA).

Would extending 100% FMAP to Urban Indian Health Programs benefit states?

Yes. Extending 100% FMAP will benefit states by assisting with stabilizing the healthcare economy during the COVID-19 pandemic, generating savings for the state general fund, and encouraging innovation with CMS. For example, Washington State recently passed legislation to create a tribal reinvestment account that ensures state savings are directed to tribally driven health improvement activities. This effort will save the State of Washington an estimated \$16 million by FY 2025 in general fund expenses and improve the Indian healthcare system.

How would extending 100% FMAP benefit the Urban Indian Health Program?

The average UIHP grant or contract from IHS is only \$281,128, but the need is far greater. As a result, many UIHPs rely on third-party reimbursements from Medicaid, Medicare, and private health insurance and grants to provide basic services. 100% FMAP would allow UIHPs to better address the health needs of American Indian and Alaska Native citizens living in urban areas.

What is a Federally Qualified Health Center?

Federally Qualified Health Centers (FQHC) are community-based health care providers authorized by Section 330 of the Public Health Service (PHS) Act and designated by Health Resources and Services Administration (HRSA). There are over 1,400 FQHCs serving more than 29 million people in rural and urban communities. Numerous tribes, tribal organizations, and urban Indian organizations are HRSA designated FQHCs.

Do FQHCs receive IHS funding?

No. IHS funding is restricted to the American Indian and Alaska Native entities and programs authorized in IHCA and awarded through IHS. Funding for FQHCs is authorized in PHS and awarded through HRSA. Entities can be funded by the IHS and HRSA for separate activities.

How underfunded is the Indian healthcare system?

Despite legislative intent in the IHCA, Congress has only funded the Indian healthcare system at roughly 40 percent of the need. With over 70% of American Indians and Alaska Natives living in urban areas and ongoing chronic underfunding, UIHPs often receive less than one 1% of the IHS budget. As a result, the average per capita spending for an IHS patient is \$4,078 compared to the national average of \$9,726.



About the Indian healthcare system

The Indian healthcare system refers to the hundreds of Indian Health Care Providers at IHS Direct, Tribal 638, and Urban Indian Health Program facilities providing healthcare to 2.5 million American Indian and Alaska Native citizens nationwide.

About the Urban Indian Health Program

The Urban Indian Health Program (UIHP) consists of 41 urban Indian organizations authorized by Title V of IHCA as amended and designated by IHS. UIHPs operate 74 health facilities in 22 states and approximately 45% receive Medicaid reimbursement as Federally Qualified Health Centers (FQHC).



Seattle Indian Health Board
For the Love of Native People