



**From the Office of
Angie Gorn, NSHC President/CEO**

Exempt Indian Health Services from Sequestration

As you are well aware, the IHS was subject to a sequestration of roughly 5 percent of the IHS's overall budget, even though other health programs – notably the Veterans Administration, State Medicaid grants and most of Medicare - were exempted. For Norton Sound Health Corporation (NSHC), the only regional health system serving 10,000 residents living in Northwestern Alaska, a total of \$1,327,370 was cut from our FY13 annual Operating Budget. The system includes a regional hospital, which we own and operate under an Indian Self-Determination and Education Assistance Act (ISDEAA) agreement, a nursing home with 18 residents, and 15 village-based clinics.

The sequestration of IHS funds should not have taken place and a number of Members – including our delegation – are committed to protecting the IHS from future sequestration. We are grateful that Congress took action to avert a sequestration in FYs 2014 and 2015, but, of course, we are faced with the prospects of it in FY 2016 and beyond.

NSHC and the residents of the Bering Strait Region, were significantly impacted by the sequestration. In March of 2013, NSHC opened its new replacement hospital and ambulatory care center facility in Nome, the construction of which was funded by the Recovery Act. The IHS and NSHC worked together as government-to-government partners to construct and furnish the new facility. At the same time, NSHC opened a replacement nursing home, funded by the State of Alaska.

The replacement facility is nearly three times the size of the former Norton Sound Regional Hospital and has facilitated increased patient visits in the primary and acute care areas, including chronic disease prevention and management. It has provided enhanced trauma and emergency services. To staff the new replacement facility, NSHC was required to hire people for a significant number of new jobs.

NSHC was disheartened when we first learned that sequestration was a possibility. At the same time, NSHC was waiting to hear if our Staffing Package to fund the new facility would be fully approved. At the start of FY13, NSHC was only guaranteed half of the funding for the necessary 159 positions required to operate safely and optimally. As a result of this funding uncertainty, the approval of NSHC's FY13 Operating Budget was put on hold. Several new, required positions were also put on hold.

Both the Tribal and IHS programs suffered under this situation. We always strive to do the best job possible in planning, decision-making, and administering programs. During this difficult

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time, we were limited by not knowing how much funding would be available or when it would be available. It also required constant re-working of our budget, resources better devoted to providing health care services.

On April 12, 2013, NSHC received a memo informing our facility of the over \$1.3 Million Dollar sequestered funds. Even though NSHC had been able to open the facility, new positions were put on hold and existing programs and services were carried out in a limited capacity.

NSHC was greatly limited in its ability to recruit and hire medical professionals, instead having to focus primarily on hiring the core, essential operational staff. During FY13, NSHC was not able to expand the health care services provided, as intended and for which the new and larger facility was constructed.

We thus strongly urge the Congress to fully exempt the IHS from any future sequestration, just as the VA and other health programs are exempt.



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