



**Indian
HEALTH BOARD**

COMMUNITY TRADITION WELLNESS

MENAANDAWIWE WELLNESS CAMPUS

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THE IHB ASK

HF2267 (Keeler) / SF2197 (Kunesh) would direct DHS to establish an Alternate Payment Methodology via Medicaid State Plan Amendment, to provide reimbursement equivalent to the all-inclusive rate (AIR) for one medical and one dental service per day per patient, when provided by the Indian Health Board. Reimbursement rates would be much closer to IHS and Tribal Clinics. This change will allow more investment in the local urban AI community, with more and better services, as well as more capital for construction and building improvements. The new rate would take effect in January 2026 or upon federal approval, whichever is later.

Additionally, the bill language also appropriates a \$2.5M grant in FYs '24, '25, and '26 to the Indian Health Board to support improved access to quality care for urban American Indians, in anticipation of a more permanent, equitable solution achieved with the state plan amendment after the grant ends.

Importantly, the federal American Rescue Plan Act of 2021 (ARPA) allowed the State of Minnesota to accrue considerable budget savings as a result of enhanced federal matching payments on Indian Health Board/Urban Indian Organization-provided services over the last two years. These state savings, intended by Congress to provide relief to the IHB for care to underserved populations during the pandemic, has still not been passed on to the IHB. This grant appropriation would rectify that inequity for those served by the IHB.

EXPLANATION

The proposed state plan amendment to establish an APM at the AIR is important to the urban AI community and the state of MN for several reasons.

EQUITY: Reservation-based IHS and Tribal clinics receive the higher AIR plus support for construction & building improvements that IHB does not as an Urban IHS grantee. The higher APM at AIR would provide important reimbursement dollars for IHB to reinvest in our services & programming, and to support critical construction & infrastructure improvements that we do not get from IHS. Healthcare services are supported at a higher reimbursement rate for reservation-based clinics that serve 30% of the AI population, while urban-based clinics receive the lower rates to serve 70% of the AI population. The APM at AIR would bring equity to the urban AI Population of MN for healthcare investments.

PARITY: This issue is based on treaty rights, in that the financial responsibility for AI healthcare is with the government through treaties with tribal peoples. The differential reimbursement between the existing encounter rate for IHB and the AIR creates an unintended though almost automatic health disparity for those AI living in urban areas. The APM at AIR would correct this, provide parity to AI peoples across MN whether they receive care on their reservation or in the Twin Cities, and work to reduce health disparities for both settings from the higher rate of reimbursement and investment in our culturally aware health services.

Community investment. The APM at AIR is also a solid investment in healthcare outcomes for the state of MN. IHB employs a workforce of over 100 employees, has served the community since 1971, and continues to innovate culturally aware healthcare while welcoming all people through our doors. Whether through our award-winning diabetic care, cultural services, or piloting innovative care for elders and those with dementia, these are just a few examples of quality healthcare in action.

This is a win-win-win for IHB equitable sustainability, urban AI peoples' healthcare parity in the Twin Cities, and a positive community investment for the state of MN.