



2025 February Legislative Report

Executive Summary

The year has started with major challenges for Urban Indian health, from funding threats to policy changes that could impact care. CCUIH is actively engaged in advocacy, tracking key legislation, and preparing for critical discussions at the February 24 budget hearing. Now is the time for action—your voice and engagement are crucial to protecting Urban Indian health services.

Legislative Priorities	Status
1. Budget Hearing on Health 2. Budget Hearing Human Services	February 24, 2025, at 2:30 p.m. (State Capitol, Room 127) February 26, 2025, at 1:30 p.m. (State Capitol, Room 444)
Medicaid & CHIP Policy Changes	Monitoring potential work requirements and 1115 waiver changes
Traditional Health Care Practices Benefit	Awaiting final BHIN release; opt-in templates provided
Workforce Recruitment & Retention	Legislative proposals include incentive programs and loan repayment
Legislative Engagement	Testimonies, legislative visits, and training sessions planned
State Bill Tracking	76 bills in committee process, covering health policy, workforce, Medicaid, and AI/AN health

Indian Health Service (IHS) Updates

- **Potential Cuts to UIO Programs Under IHS:** Recent federal budget discussions have raised concerns over potential **50% cuts to UIO funding** under the Indian Health Service (IHS). Additionally, IHS is reviewing UIO contracts, which could impact financial stability and service continuity.
 - *Potential Impact to UIOs:* If enacted, these cuts could significantly reduce resources for UIOs, affecting staffing, services, and overall capacity to meet community needs. CCUIH is monitoring developments and coordinating advocacy efforts with NCUIH.
- **New IHS Leadership Appointments:** IHS has recently appointed key leadership positions, including **Dr. Beverly Cotton as Deputy Director for Field Operations** and

Dr. Christopher Poole as Bemidji Area Director. These changes may signal new priorities and strategic direction within IHS.

- *Potential Impact to UIOs:* Leadership transitions may influence policy decisions affecting UIO funding, collaborations, and program implementation. UIOs should monitor any shifts in IHS priorities and engage with leadership as needed.
 - **IHS Health Information Technology (HIT) Modernization Sessions:** IHS is conducting Tribal Consultation and Urban Confer sessions throughout 2025 on the HIT Modernization Program. The next session, scheduled for May 9, 2025, will focus on deployment and cohort planning.
 - *Potential Impact to UIOs:* UIOs have an opportunity to provide input on the modernization process to ensure the new HIT system meets urban Indian healthcare needs, including data integration and billing processes.
 - **Rescission of IHS Layoffs:** Nearly 1,000 IHS layoffs were rescinded on February 14, 2025, after strong advocacy from Tribal and urban Indian health organizations. The layoffs would have significantly impacted service delivery at IHS facilities nationwide.
 - *Potential Impact to UIOs:* Avoiding staff reductions at IHS ensures continued federal support for AI/AN health programs. However, concerns remain about long-term funding stability, and UIOs should stay engaged in federal budget advocacy.
 - **[NCUIH Report on Federal Funding Disruptions:](#)** The National Council of Urban Indian Health (NCUIH) released a report on February 11, 2025, warning that potential federal funding disruptions pose serious risks to Urban Indian Organization (UIO) services and financial stability.
 - *Potential Impact to UIOs:* This report underscores the importance of securing long-term, mandatory UIO funding. UIOs should use this data to inform local, state, and federal advocacy efforts.
 - **Upcoming IHS Comment Opportunities:** IHS will release additional Tribal Consultation and Urban Confer opportunities in March and April 2025 regarding key issues such as Medicaid reimbursement, workforce challenges, and public health funding allocations.
 - *Potential Impact to UIOs:* Engaging in these discussions will be critical to ensuring UIO priorities are included in federal funding and policy decisions. CCUIH will track and share updates as they become available.
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California State Updates

- SPA Comments are due March 9, 2025 **[Public Provider Ground Emergency Medical Transportation \(PP-GEMT\) Intergovernmental Transfer \(IGT\) program](#)** for 2025, providing increased Medi-Cal reimbursement for eligible GEMT providers. Tribally owned and operated providers may opt in for the updated add-on rate.
 - Key Dates:
 - Comments due: ~March 9, 2025 (30 days from notice).
 - Discussion: Next DHCS Medi-Cal Indian Health webinar (TBD).
 - *Potential Impact to UIOs:* Minimal direct impact expected. Tribal GEMT providers may benefit from increased reimbursement but remain ineligible for the GEMT Quality Assurance Fee (QAF) program.
- TH/NH BHIN Finalization: DHCS is finalizing the Traditional Health/Natural Helper (TH/NH) Behavioral Health Information Notice (BHIN), which is expected to be released

this week or next. This guidance will provide direct information on the implementation details for integrating TH/NH services into Medi-Cal.

- *Potential Impact to UIOs:* UIOs will soon have final guidance to incorporate TH/NH services into their Medi-Cal behavioral health - SUD offerings, potentially expanding culturally responsive care options.
- Opt-In Package Availability: DHCS has developed an Opt-In Package for organizations looking to participate in the TH/NH benefit. CCUIH has template materials, including all required policies, to support organizations in this process.
 - *Potential Impact to UIOs:* UIOs interested in opting in can leverage CCUIH's templates to streamline their application and implementation process, reducing administrative burden. Please reach out to our policy team.
- [Governor's Budget](#) The 2025-26 budget invests in Medi-Cal and behavioral health but does not list IHP as a standalone item, consistent with past budgets. Funding may still be included within DHCS allocations, and we will continue to monitor this.
 - State Indian Health Program (IHP) Funding Status: The 2025-26 budget does not explicitly list IHP funding as a standalone item, but it may be included within broader DHCS allocations.
 - *Potential Impact to UIOs:* Without clear designation, there is uncertainty about continued direct funding for UIOs. Advocacy remains necessary to ensure these funds are protected.
 - Medi-Cal Funding and Enrollment: The budget increases Medi-Cal funding to \$188.1 billion (\$42.1 billion General Fund), but enrollment is projected to decline from 15 million to 14.5 million due to redeterminations.
 - *Potential Impact to UIOs:* While funding increases, the enrollment decline may disrupt AI/AN coverage. UIOs should continue outreach to assist with Medi-Cal renewals.
 - Managed Care Organization (MCO) Tax Revenue Decline: Projected MCO tax revenue is \$7.9 billion in 2024-25, but decreases to \$4.4 billion in 2025-26 and \$3.3 billion in 2026-27.
 - *Potential Impact to UIOs:* Reduced revenue may impact Medi-Cal provider reimbursements, potentially affecting UIO funding stability.
 - Behavioral Health Expansion – BH-CONNECT: The \$8 billion BH-CONNECT waiver expands behavioral health services, prioritizing children, justice-involved individuals, and those experiencing homelessness.
 - *Potential Impact to UIOs:* UIOs may benefit from new behavioral health funding opportunities and should engage in discussions on program implementation.
 - **Medi-Cal Redetermination Updates:** DHCS continues the Medi-Cal redetermination process, reinstating eligibility checks post-COVID-19. Many AI/AN beneficiaries face disenrollment risks due to administrative barriers and lack of outreach. With most renewals now completed, data shows ongoing coverage gaps, prompting state review of long-term impacts and potential policy changes in the 2025 budget cycle to address procedural terminations and improve retention efforts. For keytakeaways and data, see [here](#).
 - *Potential Impact to UIOs:* UIOs may see an increase in patients losing Medi-Cal coverage, impacting access to care. Outreach and assistance for patients navigating the renewal process remain critical.

Federal Updates

The Trump administration has introduced **significant policy changes** affecting healthcare access, federal funding, and agency operations. These shifts could have lasting impacts on Urban Indian Organizations (UIOs) and the AI/AN communities served.

- **[Federal Workforce Reductions](#)**: In February 2025, the administration announced major layoffs across federal agencies, including HHS and IHS. Nearly 1,000 IHS layoffs were rescinded after tribal organizations advocated for their reversal.
 - *Potential Impact to UIOs*: Workforce reductions could affect IHS service capacity and support for UIOs. While layoffs were rescinded, future cuts remain a concern. Continued advocacy is essential.
 - *Resource*: [Native News Online](#)
- **[Medicaid Funding and Work Requirements](#)**: The administration and congressional Republicans are considering Medicaid funding cuts and work requirements for eligibility. AI/AN communities rely heavily on Medicaid, and tribal leaders are urging exemptions for Native populations.
 - *Potential Impact to UIOs*: If enacted, work requirements could increase barriers to care for AI/AN populations. UIOs may face more administrative burdens assisting patients in maintaining coverage.
 - *Resource*: [Associated Press](#)
- **[Rescission of DEI Programs](#)**: Executive orders have eliminated Diversity, Equity, and Inclusion (DEI) programs across federal agencies, affecting funding, contracts, and health initiatives.
 - *Potential Impact to UIOs*: DEI rollbacks could reduce funding and resources for programs addressing AI/AN health disparities. UIOs may need alternative strategies to sustain culturally specific services.
 - *Resource*: [Morrison & Foerster](#)
- **[Communication Restrictions](#)**: A federal directive has paused public communications from IHS and other health agencies, limiting access to information for tribal and urban Indian health programs.
 - *Potential Impact to UIOs*: Restricted communication could delay critical health updates and policy guidance, making it harder for UIOs to stay informed and advocate effectively.
 - *Resource*: [Native News Online](#)

These policy shifts highlight the need for continued advocacy to ensure that AI/AN healthcare funding and services remain protected. CCUIH will monitor federal developments and provide updates on key impacts to UIOs.

Shaping AI/AN Health Policy: Where We've Been

The CCUIH policy team has been actively engaged in key spaces shaping AI/AN health policy, advocacy, and strategy.

- **Budget Subcommittees on Health and Human Services** – Ensuring UIO representation in state-level funding decisions.
- **DHCS TH/NH Guidance and Opt-In Finalization** – Supporting implementation of Traditional Health and Natural Helper services in Medi-Cal.
- **NCUIH Federal Advocacy and Proposals** – Tracking national policy developments affecting UIOs.

- **CPCA All Member and Board Meetings** – Engaging in statewide community health policy discussions.
- **HCC Regional Health Workforce Advisory** – Addressing workforce shortages for AI/AN health professionals.
- **CDPH Tribal Health Equity Advisory Group (THEAG)** – Providing input on health equity efforts within the California Department of Public Health.
- **Dental Therapy Steering Committee** – Advancing efforts to expand Dental Health Aide Therapists and increase access to oral health services for AI/AN populations.
- **Tribes and Indian Health Program Representative Meetings** – Strengthening collaboration between urban and tribal health programs.
- **Meetings with UIOs on TH/NH and Counties** – Engaging with Fresno American Indian Health Project, Bakersfield American Indian Health Project, and Sacramento Native American Health Center (SNAHC) to support TH/NH implementation, either in direct discussions with counties or preparing UIOs for county negotiations.