

INDIAN HEALTH SERVICE BUDGET

A Plain-English Five-Year Review

Fiscal Years 2021–2025

Facilities • Contract Support Costs • Purchased/Referred Care • Section 105(l) Tribal Leases

The main message

This report compares four important parts of Indian health financing. Facilities supports buildings and infrastructure; Contract Support Costs helps Tribes cover eligible administrative costs; Purchased/Referred Care helps pay for eligible outside care; and Section 105(l) leases compensate Tribes for eligible use and operating costs of facilities used to carry out federal health programs.

How to read the figures

The tables use approved/enacted historical figures, not the President's budget request. FY2026 proposed amounts are not included as approved funding. Section 105(l) lease funding is shown for FY2022–FY2025 because the FY2026 IHS Congressional Justification provides those comparable annual figures; earlier values need to be checked in earlier official justifications before being added.

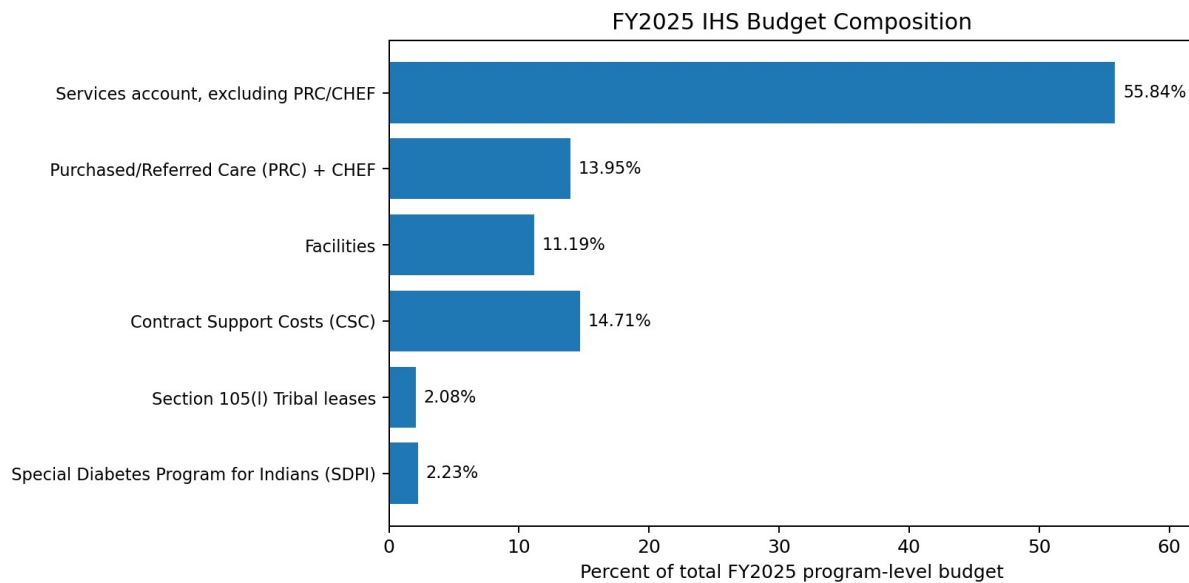
At a glance: approved funding

Funding area	FY2021	FY2025	Change / note
Facilities	\$916.0m	\$800.1m	Down \$115.9m (12.7%)
Contract Support Costs	\$916.0m	\$1,051.0m	Up \$135.0m (14.7%)
PRC + CHEF	\$975.9m	\$996.8m	Up \$20.9m (2.1%)
Section 105(l) leases	Not shown here	\$149m enacted	FY2025 actual payments later reported at \$543m; see explanation

These are not four equal parts of one account. Facilities and CSC are account-level figures; PRC is a program within Clinical Services; Section 105(l) leases are a separate indefinite discretionary account. Do not add these numbers together as a single IHS total.

FY2025 budget composition: separating PRC from the Services account

This added comparison shows how the FY2025 approved program-level budget is distributed across mutually exclusive categories. PRC and CHEF are separated from the Services account so they are not counted twice. The percentages use the \$7.146883 billion FY2025 program-level total as the denominator.



Category	FY2025 amount	% of total
Services account, excluding PRC/CHEF	\$3,990.685 million	55.84%
Purchased/Referred Care (PRC) + CHEF	\$996.755 million	13.95%
Facilities	\$800.080 million	11.19%
Contract Support Costs (CSC)	\$1,051.000 million	14.71%
Section 105(l) Tribal leases	\$149.000 million	2.08%
Special Diabetes Program for Indians (SDPI)	\$159.363 million	2.23%

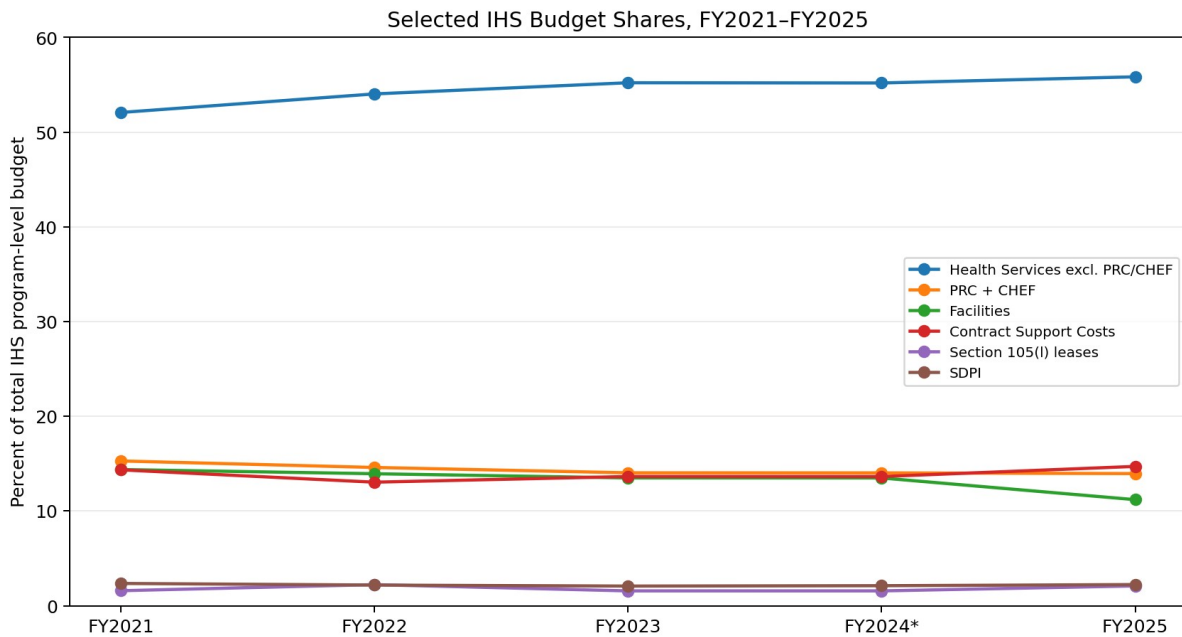
Reconciliation: these six categories total \$7.146883 billion, or 100% of the FY2025 program-level budget (differences in displayed percentages may occur if rounded to one decimal place). The Services account excluding PRC/CHEF is calculated as total Services (\$4,987.440 million) minus PRC + CHEF (\$996.755 million), leaving \$3,990.685 million.

Source: IHS FY2026 Congressional Justification, FY2025 enacted/program-level table and program account histories. The justification notes that the FY2025 operating plan later used updated estimated scores of \$1.708 billion for CSC and \$413 million for Section 105(l) leases; those later figures are not substituted here because this comparison consistently uses the FY2025 enacted/account-comparison basis.

https://www.ihs.gov/sites/ofa/themes/responsive2017/display_objects/documents/FY_2026_IHS_Congressional_Justification_Plan.pdf

Five-year trend: did each category's share of the IHS budget change?

Yes. Comparing each category with the total IHS program-level budget shows changes in relative share as well as changes in dollar amounts. The percentages below separate PRC/CHEF from the rest of Health Services to avoid double-counting. Amounts are nominal and are not adjusted for inflation.



Category	FY2021	FY2022	FY2023	FY2024*	FY2025	FY2021–FY2025 change
Health Services excl. PRC/CHEF	52.07%	54.03%	55.21%	55.19%	55.84%	+3.76 percentage points
PRC + CHEF	15.28%	14.59%	14.03%	14.02%	13.95%	-1.33 percentage points
Facilities	14.37%	13.93%	13.49%	13.49%	11.19%	-3.18 percentage points
Contract Support Costs	14.34%	13.04%	13.64%	13.63%	14.71%	+0.36 percentage points
Section 105(l) leases	1.58%	2.22%	1.56%	1.56%	2.08%	+0.50 percentage points
SDPI	2.35%	2.18%	2.07%	2.11%	2.23%	-0.12 percentage points

What changed over the five years

Health Services excluding PRC/CHEF rose from 52.07% to 55.84% of the total budget (+3.76 percentage points). Its share grew as the Services account increased in dollars faster than the overall program-level total over the full period.

Facilities fell from 14.37% to 11.19% (–3.18 percentage points). This is the clearest decline in relative share among the categories shown. The FY2025 Facilities account was also lower in nominal dollars than in FY2021.

PRC/CHEF fell from 15.28% to 13.95% (–1.33 percentage points). PRC/CHEF funding rose slightly in nominal dollars, but its share of the total budget declined because the overall budget grew faster.

Contract Support Costs increased from 14.34% to 14.71% (+0.36 percentage points). CSC's share was lower in FY2022, then increased again. The endpoint share is only modestly higher, even though the enacted/account-comparison dollar amount rose 14.7%.

Section 105(l) leases rose from 1.58% to 2.08% (+0.50 percentage points) on the enacted/account-comparison basis. This understates the share of actual FY2025 lease costs: the FY2027 draft IHS justification later reports \$543 million in FY2025 actuals, compared with \$149 million in the enacted comparison figure.

SDPI was broadly stable, moving from 2.35% to 2.23% (–0.12 percentage points). Its share fluctuated slightly around two percent of the program-level total.

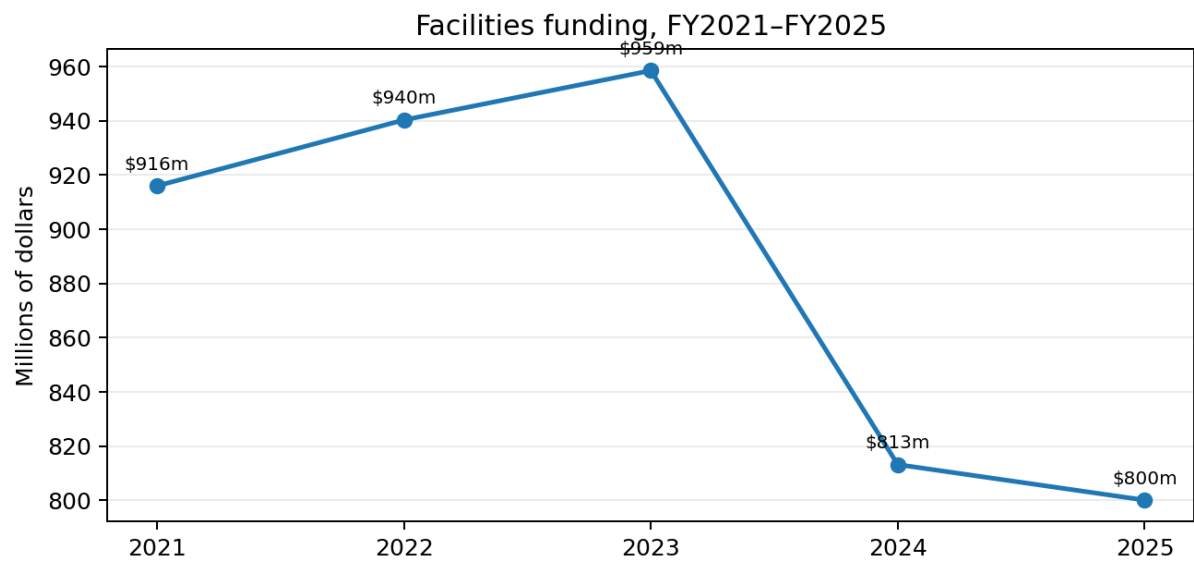
Interpretation and comparability note

*FY2024 uses the FY2024 continuing-resolution comparison in the FY2025 IHS Congressional Justification so the five-year series follows a consistent published budget table. FY2025 uses the FY2025 enacted/account-comparison amounts in the FY2026 IHS Congressional Justification. The later FY2025 operating-plan estimates and actual lease costs are different measures and are described separately in the paper. The FY2021 program-level total is \$6.386279 billion; FY2022 \$6.748598 billion; FY2023 \$7.105223 billion; FY2024 CR \$7.108223 billion; FY2025 \$7.146883 billion.

Sources: IHS FY2023 Congressional Justification, All Purpose Table (FY2021–FY2022); IHS FY2024 Congressional Justification, All Purpose Table (FY2022–FY2023); IHS FY2025 Congressional Justification, All Purpose Table (FY2023–FY2024 CR); IHS FY2026 Congressional Justification, FY2025 enacted/program-level table and program histories. Official archive: <https://www.ihs.gov/ofa/division-of-budget-formulation/congressional-justifications/>

1. Facilities: buildings, repairs, and sanitation

The Facilities account supports maintenance and improvement, sanitation facilities construction, health-care facilities construction, facilities and environmental health support, and equipment.



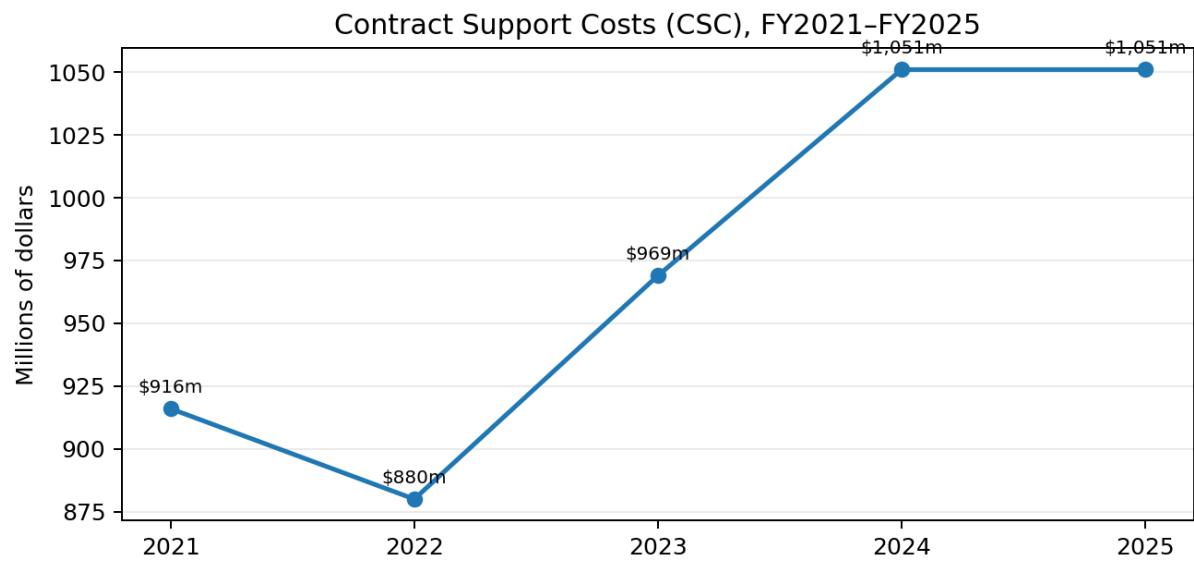
Fiscal year	Approved Facilities account
FY2021	\$916.000 million
FY2022	\$940.328 million
FY2023	\$958.553 million
FY2024	\$813.183 million
FY2025	\$800.080 million

Funding rose slightly from FY2021 to FY2023, then fell in FY2024 and FY2025. By FY2025, the annual Facilities account was about \$116 million lower than in FY2021. Separate multiyear sanitation funding from the Infrastructure Investment and Jobs Act (IIJA) should be reported separately.

Source: IHS FY2026 Congressional Justification, Facilities appropriation history, printed page 12.

2. Contract Support Costs (CSC)

CSC helps cover eligible administrative and overhead expenses when Tribes and Tribal organizations operate health programs under self-determination contracts or compacts.



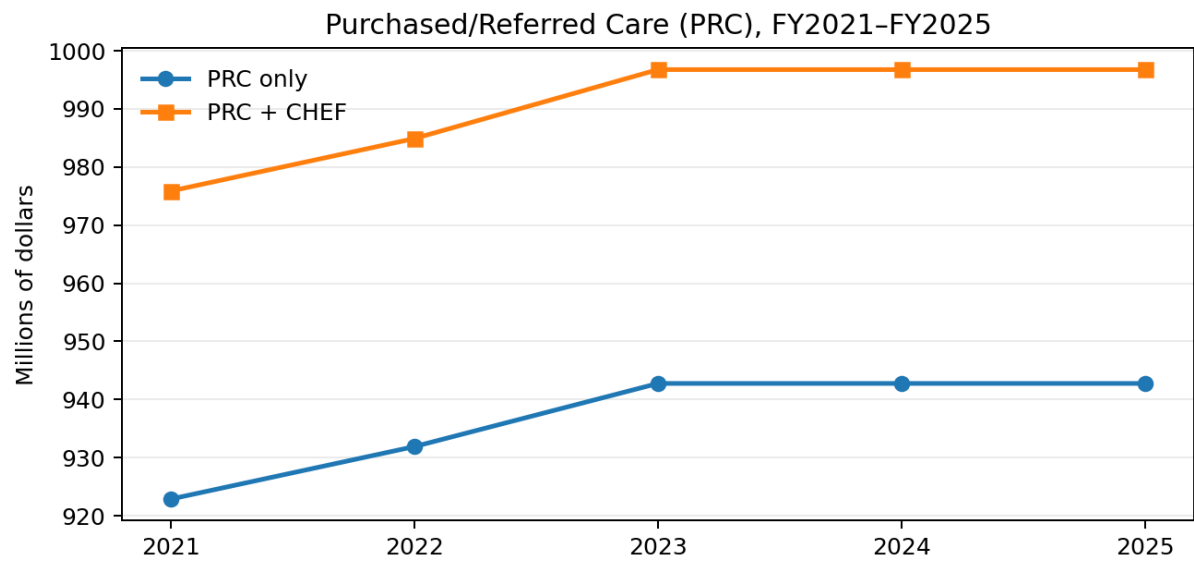
Fiscal year	Approved/account comparison amount
FY2021	\$917.888 million
FY2022	\$880 million
FY2023	\$969 million
FY2024	\$1,051 million
FY2025	\$1,051 million

The listed amount increased about 14.7% from FY2021 to FY2025. Important: the FY2026 IHS justification separately reports a later FY2025 operating-plan estimated score of \$1.708 billion. This is different from the \$1.051 billion enacted/account comparison amount shown above.

Source: IHS FY2026 Congressional Justification, CSC appropriation history and narrative, printed pages 13 and 151–152.

3. Purchased/Referred Care (PRC)

PRC helps pay for eligible care from outside providers when care is not available through an IHS or Tribal facility. PRC is a program within Clinical Services, not a separate top-level appropriation account.



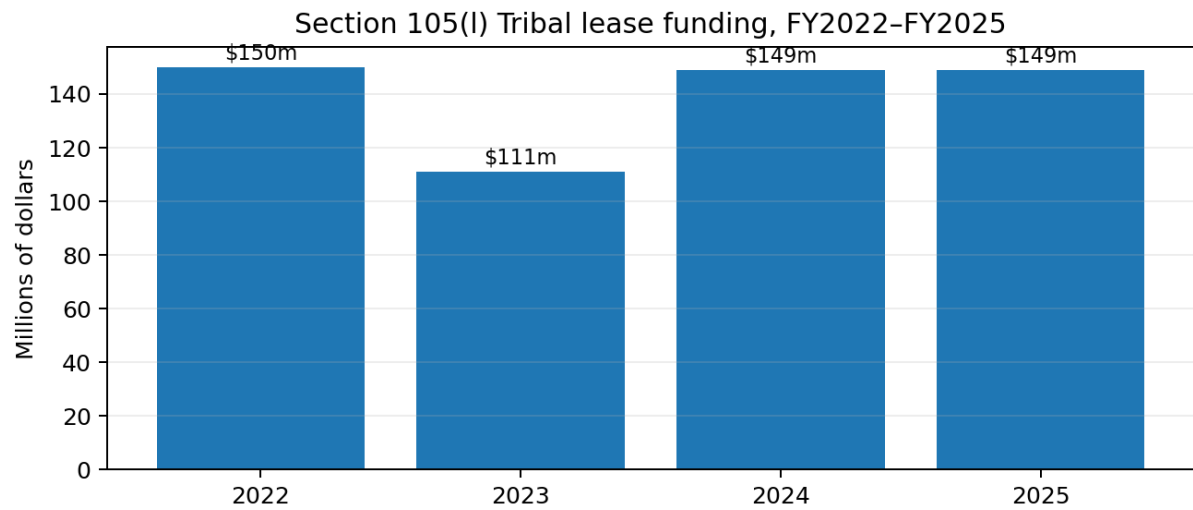
Fiscal year	PRC only	CHEF	PRC + CHEF
FY2021	\$922.856m	\$53m	\$975.856m
FY2022	\$931.887m	\$53m	\$984.887m
FY2023	\$942.755m	\$54m	\$996.755m
FY2024	\$942.755m	\$54m	\$996.755m
FY2025	\$942.755m	\$54m	\$996.755m

PRC plus CHEF increased about 2.1% from FY2021 to FY2025, with the combined amount flat in FY2023–FY2025. CHEF means the Catastrophic Health Emergency Fund and is shown separately.

Sources: IHS FY2023 Congressional Justification, PRC history, printed page 128; IHS FY2026 Congressional Justification, PRC history, printed page 71.

4. Section 105(l) Tribal leases

Section 105(l) of the Indian Self-Determination and Education Assistance Act provides for lease agreements with Tribes and Tribal organizations for facilities used to carry out federal programs under self-determination contracts or compacts. In plain English, these payments help cover eligible costs of using Tribal facilities to deliver federal health services.



Fiscal year	Approved/enacted amount in FY2026 IHS history
FY2022	\$150 million
FY2023	\$111 million
FY2024	\$149 million
FY2025	\$149 million

Important distinction: the FY2026 IHS Congressional Justification lists FY2025 enacted funding at \$149 million. A later FY2027 draft justification reports FY2025 actuals of \$543 million. These figures are different measures: the enacted amount is the approved budget level, while actuals reflect the later amount needed/recorded under the indefinite appropriation. For this report’s approved-funding comparison, the table uses the enacted series and clearly flags the later actual figure.

The FY2026 budget request of \$413 million is not included as approved funding. The FY2027 draft justification later lists FY2026 enacted at \$413 million; this report’s five-year comparison stops at FY2025.

Sources: IHS FY2026 Congressional Justification, Section 105(l) Funding History, printed page 155; IHS FY2027 draft Congressional Justification, Payments for Tribal Leases table.

5. What these numbers tell us

Category	Plain-English meaning	Important caution
Facilities	Buildings, repairs, sanitation and equipment	IJA sanitation funds may be separate from the annual account
CSC	Eligible costs of Tribal program administration	Enacted account amounts differ from later scores and payments
PRC	Eligible care purchased from outside providers	Does not measure all unmet need or the total cost of care
105(l) leases	Eligible costs for Tribal facilities used to carry out federal programs	Enacted funding can differ from later actual costs under an indefinite appropriation

All changes described here are in nominal dollars, before inflation. These budget figures alone do not show how many people received care, how many referrals could not be funded, whether facilities are in good condition, or whether Tribal administrative costs were fully covered.

Sources

1. IHS FY2026 Congressional Justification: Facilities and CSC appropriation history, printed pages 12–13; PRC history, page 71; Section 105(l) leases, page 155; CSC discussion, pages 151–152.

https://www.ihs.gov/sites/ofa/themes/responsive2017/display_objects/documents/FY_2026_IHS_Congressional_Justification_Plan.pdf

2. IHS FY2027 draft Congressional Justification, Section 105(l) lease funding table (FY2025 actual and FY2026 enacted).

https://www.ihs.gov/sites/ofa/themes/responsive2017/display_objects/documents/IHS%20Draft%20CJ%20FY%202027.pdf

3. IHS Congressional Justifications archive: <https://www.ihs.gov/ofa/division-of-budget-formulation/congressional-justifications/>

4. Bureau of Indian Affairs, Section 105(l) leases overview: <https://www.bia.gov/as-ia/raca/regulations-development-andor-under-review/section-105l-leases>

Publication note

This report is a plain-English working paper. Before publication, verify every annual figure against the cited table and maintain the distinction between enacted amounts, operating-plan estimates, and actual payments.

Additional Analysis: IHS Budget Trends Excluding Facilities, FY2021–FY2025

This section removes the Facilities account from the comparison to focus on funding for health services and the financial obligations associated with Tribal program operations and leases. PRC and CHEF are separated from other Health Services to avoid double-counting. The analysis uses the same published comparison figures as the preceding five-year section; it does not substitute later operating-plan estimates or actual payments.

Shares of the budget after excluding Facilities

The denominator is the total program-level IHS budget less the Facilities account: \$5,468.391 million in FY2021 and \$6,346.803 million in FY2025. This is a recalculated comparison, not a separately appropriated budget.

Category	FY2021 share	FY2025 share	Change (points)
Health Services, excluding PRC/CHEF	60.81%	62.88%	+2.06
PRC + CHEF	17.85%	15.70%	-2.14
Contract Support Costs (CSC)	16.75%	16.56%	-0.19
Section 105(l) Tribal leases	1.85%	2.35%	+0.50
Special Diabetes Program for Indians	2.74%	2.51%	-0.23

What the change means

Health Services gained relative weight. Excluding Facilities, Health Services other than PRC/CHEF rose from about 60.8% to 62.9% of the remaining budget. The core services account therefore gained share even after removing the decline in Facilities from the comparison.

PRC/CHEF lost share despite a modest dollar increase. PRC/CHEF funding increased from approximately \$975.9 million to \$996.8 million, but its share of the non-Facilities budget fell from about 17.8% to 15.7%. This suggests purchased-care funding did not keep pace with overall growth in the other accounts. It does not, by itself, measure changes in referrals, prices, or unmet need.

Contract Support Costs increased in dollars but not necessarily in relative share. CSC increased from \$916 million to \$1,051 million. With Facilities excluded, its relative share changed only modestly. Its growth reflects a legally distinct funding obligation and should not be interpreted as a transfer of funds away from clinical services without further evidence.

Section 105(l) leases remained a small enacted share but grew. Lease amounts rose from \$101 million to \$149 million on the comparison basis used here. Later reported FY2025 actual lease costs were substantially higher, so an analysis of actual payments would produce a different result.

The broader funding question is about balance, not just growth. The composition suggests that direct Health Services gained relative weight while PRC/CHEF lost ground. The central policy question is whether funding for care outside IHS and Tribal facilities kept pace with demand, particularly where access to specialty care depends on PRC.

Interpretive caution

Percentage changes are changes in budget composition, not inflation-adjusted purchasing power or evidence of sufficient funding. The FY2024 comparison uses a continuing-resolution baseline. Contract Support Costs and Section 105(l) leases have later estimates and actual payment figures that should not be mixed with the enacted/account-comparison series. The FY2021 account figures in the preceding draft should be reconciled to the source Congressional Justification before publication; the figures in this section are presented as a provisional comparison using that draft's data series.

Source basis: IHS Congressional Justifications for FY2023–FY2026, using the FY2021 and FY2025 program-level and account comparison figures cited in the preceding analysis. <https://www.ihs.gov/ofa/division-of-budget-formulation/congressional-justifications/>

COVID-19 funding limitation

Important limitation: This five-year comparison does not separately identify or analyze temporary COVID-19 emergency appropriations, supplemental funding, or related pandemic-response funds. Accordingly, the percentages describe the selected categories relative to the published IHS program-level budget figures used in this analysis; they should not be read as a complete account of all pandemic-related resources available to Indian Health Programs during FY2021–FY2025. Because temporary COVID-19 funding may have affected annual totals and program resources, a fuller assessment of underlying funding trends would require a separate accounting of those funds and a consistent decision about whether to include or exclude them from each year's denominator.

What are Section 105(l) Tribal leases?

Section 105(l) of the Indian Self-Determination and Education Assistance Act allows a Tribe or Tribal organization operating an Indian Health Service program under a self-determination contract or compact to receive lease payments for qualifying facilities it owns or leases and uses to carry out that program. The payments help cover eligible facility-related costs, such as use of the space, operations, maintenance, and other allowable expenses under the law and implementing rules.

Why it matters: These payments support the facilities Tribal health programs use to deliver care, but they are distinct from the IHS Facilities construction account and from Contract Support Costs. They are also demand-driven: amounts can change as more qualifying leases are established or lease costs are recognized. For that reason, a small percentage of the annual IHS budget does not, by itself, show whether Tribal facility needs are being met.

Section 105(l) Leases: Why Budget Estimates and Reported Costs Differ

Section 105(l) lease figures should not be treated as interchangeable. The IHS account is funded through an indefinite discretionary appropriation. Congress provides legal authority for IHS to meet qualifying lease obligations, while the annual budget documents display point-in-time estimates of the expected cost. The final amount can change as lease agreements are submitted, negotiated, renewed, and finalized.

FY2025 figures and what they mean

Figure	Amount	Interpretation
FY2025 enacted estimate shown in FY2026 IHS CJ	\$149 million	The amount displayed in the FY2025 enacted column. IHS notes that this account is indefinite and adjusts to align with the necessary funding level.
FY2025 operating-plan estimate shown in FY2026 IHS CJ	\$413 million	An updated estimate in the operating plan; it is not the same as the \$149 million enacted-column figure.
FY2025 final/actual level shown in FY2027 draft IHS CJ	\$543 million	The later IHS historical table labels FY2025 as actuals. It is not the original enacted estimate.

The \$543 million figure is supported by the FY2027 draft IHS Congressional Justification, which explicitly labels FY2025 levels as actuals. The FY2026 IHS Congressional Justification lists \$149 million in the FY2025 enacted column and explains that the displayed amount is an estimate within an indefinite appropriation account. These

figures therefore describe different stages or measures of the program, rather than three competing versions of a fixed capped appropriation.

What research says about the reporting problem

The National Indian Health Board's FY2025 Tribal Budget Formulation Workgroup material states that the IHS estimate for FY2025 lease costs was \$261 million and cautions that the estimate could change with the actual leases carrying obligations during the year. This is an additional example of how point-in-time estimates differ from later figures.

The Congressional Research Service's report, Tribal Self-Determination Authorities: Overview and Issues for Congress (R48256), explains the legal framework for 105(l) leases and notes that IHS does not report some useful operational information, including lease renewals and backlogs. CRS therefore helps establish the broader transparency problem, although it does not by itself reconcile the \$149 million and \$543 million FY2025 figures.

The IHS FY2025 Congressional Justification also describes its budget request as a point-in-time estimate of need, noting that costs change as lease agreements are finalized and new proposals are received. Together, these sources support treating the difference between estimates and later actuals as a budget-reporting and reconciliation question, not automatically as proof of a funding shortfall.

Interpretation for the five-year percentage analysis

For consistency, the five-year percentage comparison should continue to use one clearly defined series of enacted/account-comparison figures across categories. The \$543 million FY2025 actual figure should be presented separately as a later-reported actual cost, rather than substituted into the table while other categories remain on an enacted basis. A full reconciliation would require tracing budget authority, obligations, outlays, and any prior-year adjustments in the relevant IHS financial records.

Sources for further research

- IHS, FY2026 Congressional Justification, Section 105(l) Leases:
https://www.ihs.gov/sites/ofa/themes/responsive2017/display_objects/documents/FY_2026_IHS_Congressional_Justification_Plan.pdf
- IHS, FY2027 Draft Congressional Justification, Section 105(l) Leases:
https://www.ihs.gov/sites/ofa/themes/responsive2017/display_objects/documents/IHS%20Draft%20CJ%20FY%202027.pdf
- National Indian Health Board, FY2025 IHS National Tribal Budget Formulation Workgroup Requests:
<https://www.nihb.org/wp-content/uploads/2025/01/FY2025-IHS-National-Tribal-Budget-Formulation-Workgroup-Requests.pdf>
- Congressional Research Service, Tribal Self-Determination Authorities: Overview and Issues for Congress (R48256): <https://www.everycrsreport.com/reports/R48256.html>
- IHS, FY2025 Congressional Justification:
https://www.ihs.gov/sites/ofa/themes/responsive2017/display_objects/documents/FY-2025-IHS-CJ030824.pdf