



APR 11 2016

Indian Health Service  
Rockville MD 20852

Dear Tribal Leader:

As announced in my letter dated April 1 and effective today, the Indian Health Service (IHS) opens a Tribal Consultation for a 60-day period to consult with American Indian and Alaska Native Tribes and Tribal Organizations on the IHS Contract Support Costs (CSC) Policy. The purpose of the IHS CSC Policy is to provide uniform and equitable guidance on the preparation and negotiation of requests for CSC funds for both new and ongoing awards authorized by the Indian Self-Determination and Education Assistance Act (ISDEAA), 25 U.S.C. § 450 et seq. I have enclosed a copy of the revised policy, including all of the associated exhibits.

Our goal is to finalize and implement the revised CSC policy this year. For easy comparison, you may access the current CSC Policy, located in the Indian Health Manual at Part 6, Chapter 3, online at: [https://www.ihs.gov/ihm/index.cfm?module=dsp\\_ihm\\_pc\\_p6c3](https://www.ihs.gov/ihm/index.cfm?module=dsp_ihm_pc_p6c3).

The IHS CSC Workgroup recommended improvements and clarifications that are incorporated in the revised policy for your review. I point your attention to the following significant changes:

- Introduction – includes Guiding Principles; expands on the definitions
- Process – section was renamed “Determining CSC Amounts”
  - Assumes full funding instead of addressing how to allocate a limited appropriation.
  - 6-3.2.E.1.b: Determination of Final Amount for Indirect CSC Need and Funding
    - Use the most current and up-to-date information to determine final CSC need at the end of the contract funding period.
    - For example, use indirect cost rate not older than two (2) years (note: IHS will use rates up to three (3) years old for FY 2014 – FY 2017; these years are considered transitional years).
  - 6-3.2.E.3: Similar to the 80/20 split that is used to determine indirect costs funded in Tribal Shares and avoid duplication, IHS provides an option to negotiate indirect costs funded in the Service Unit shares by using a 97/3 split. Tribes still have the option to use the current negotiation of indirect CSC.
- Throughout the IHS CSC Policy, the IHS and Tribal workgroup members used footnotes to outline differences in interpretation and application of the ISDEAA, including which costs are eligible for CSC under the statute.
- The Exhibits have been updated to support the changes in the Policy.

I look forward to hearing your input on the draft revised CSC policy. Please submit your input no later than 60 days from the date of this letter. You can submit your recommendations by e-mail to [consultation@ihs.gov](mailto:consultation@ihs.gov) or in writing to the address below.

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In addition, IHS will conduct three in-person sessions on the draft revised IHS CSC Policy scheduled over the next two months during the following events:

**2016 U.S. Department of Health & Human Services Region IX Tribal Consultation**

April 15 from 3:00 p.m. – 3:45 p.m.  
*Acacia Ballrooms B/C/D*  
 Wild Horse Pass Hotel and Casino  
 5040 Wild Horse Pass Blvd.  
 Chandler, Arizona 85226

**2016 Annual Tribal Self-Governance Consultation Conference**

April 26 from 2:30 p.m. – 4:30 p.m.  
*Great Hall North*  
 Buena Vista Palace and Resort  
 1900 E Buena Vista Drive  
 Lake Buena Vista, Florida 32830

**2016 U.S. Department of Health & Human Services Region X Tribal Consultation**

May 13 from 10:45am – 12:00pm - *Open Tribal Leader Comments* session  
*Salmon/Whale Room, 4<sup>th</sup> Floor Tower Building*  
 Suquamish Clearwater Casino Resort  
 15347 Suquamish Way NE  
 Suquamish, Washington 98392

Thank you for your support and partnership.

Sincerely,

/Mary Smith/  
 Mary Smith  
 Principal Deputy Director

Enclosures

Send input by e-mail to:	consultation@ihs.gov Subject line: IHS Contract Support Costs Policy
Send input by mail to:	Mary Smith, Principal Deputy Director Indian Health Service 5600 Fishers Lane Mail Stop: 08E86 Rockville, MD 20857 ATTN: IHS Contract Support Costs Policy Consultation