

MEMORANDUM

January 3, 2018

TO:  CONTRACT SUPPORT COST CLIENTS  
FROM: HOBBS, STRAUS, DEAN & WALKER, LLP  
RE: ***Tribal CSC Workgroup Members Submit Letter Objecting to IHS's  
Unilateral Change in CSC Policy***

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Last week we reported on the unilateral decision of the Indian Health Service (IHS) to rescind a key provision of its contract support cost (CSC) Policy.<sup>1</sup> The policy allows IHS, under certain circumstances, to review a tribe's funding to ensure no duplication exists between indirect CSC and the Secretarial or program amount for service unit shares. The rescinded provision gave tribes the right to opt for a default "97/3" split in which 97% of the service unit shares is deemed program funding and 3% indirect-cost funding duplicative of CSC.

Earlier today, tribal representatives on the IHS CSC Workgroup submitted written objections to IHS's abrupt withdrawal of the 97/3 option. In the attached letter to the Acting Director of IHS, Workgroup Co-Chair Andy Joseph points out that the policy itself says it can only be amended after tribal consultation, which has yet to take place. The letter calls on IHS to share relevant data, convene the Workgroup for analysis and discussion, and hold tribal consultation on any proposed change.

If you have any questions about this memorandum, please do not hesitate to contact Joe Webster ([jwebster@hobbsstrauss.com](mailto:jwebster@hobbsstrauss.com) or 202-822-8282), Geoff Strommer ([gstrommer@hobbsstrauss.com](mailto:gstrommer@hobbsstrauss.com) or 503-242-1745), or Steve Osborne ([sosborne@hobbsstrauss.com](mailto:sosborne@hobbsstrauss.com) or 503-242-1745).

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<sup>1</sup> See our memorandum of December 27, 2017.