



REIMBURSING TRADITIONAL HEALTH SERVICES

Centering Indigenous knowledge in an
integrated health care system

Recommendations

To increase access to traditional health services and facilitate their integration in Indian Health Service (IHS), Tribal, and urban Indian organization (UIO) clinics, the Seattle Indian Health Board recommends that the Centers for Medicare and Medicaid Services (CMS):

Work with States on the submission of 1115 demonstration waivers, to increase the number of states covering traditional health services under Medicaid.

Mandate that managed care organizations (MCOs) cover traditional health services to ensure all Medicaid beneficiaries have access to these services upon approval of a state's waiver request.

Provide guidance to clinics on the implementation of traditional health billing, including technical assistance with electronic health record systems.

Reimburse traditional pharmaceuticals, to allow relatives to continue their care at home.

What are traditional health services?

Traditional health services integrate traditional medicines, knowledge, and practices to promote an individual's mental, spiritual, and physical wellness. While specific practices vary by community, overall, traditional health services offer personalized and culturally attuned healthcare services to optimize holistic wellness for individuals.

Why is there a reemergence of traditional health services?

Cultural genocide jeopardized Indigenous knowledge and practices through forced relocation,¹ boarding schools, criminalization of Indigenous religion and cultural practices, tribal termination,² and other assimilation policies.^{3,4} Despite these efforts to erase American Indian and Alaska Native cultural systems, traditional healers and knowledge keepers have passed on traditional health practices for future generations.

How is access to traditional health services beneficial?

Indigenous people have maintained health and wellness through the empowerment of and access to traditional practices and knowledge. The implementation of traditional health practices meets the holistic needs of individuals and acknowledges the complementary value of cultural medicines within a Western healthcare framework.

Traditional health services address gaps in Western healthcare systems by providing culturally attuned services across medical, behavioral health, dental, and social services. Access to traditional health services within primary and preventative care can support and improve health outcomes for patients.^{5,6} This also increases health equity to support outcome-oriented, patient-centered, and trauma-informed care for American Indian and Alaska Native people.

What is the state of traditional health services reimbursement?

In early 2024, CMS published its first draft of a framework that would allow the reimbursement of traditional health services under Medicaid, through 1115 demonstration waivers.⁷ This version would have allowed for services provided at Indian Health Service and Tribal facilities, but not urban Indian organizations (UIOs), to be reimbursed. Following advocacy efforts and congressional support, a final framework was released in October 2024, which included UIOs. Currently, there are four states⁸ approved to bill Medicaid for these services through 1115 Medicaid waivers. As of late 2025, Washington state is in the process of amending its waiver so that it can also bill for these services.⁹



SIHB's Traditional Indian Medicine Pilot

At SIHB, we believe that integrating traditional health services into our holistic healthcare delivery system addresses cultural and service gaps that exist in Western healthcare. We have developed an innovative model, which the Indian healthcare system can replicate to expand equitable healthcare for American Indian and Alaska Native people.

In December 2021, SIHB launched the Traditional Indian Medicine (TIM) Reimbursement Pilot to develop a billing, coding, and reimbursement model for traditional health services. The pilot tracks our TIM encounters—delivered by our Traditional Practitioners and Apprentices—within our electronic health record system. To lay the groundwork for medical coding of traditional health services, SIHB is developing a first-of-its kind Traditional Indian Medicine Internal Use Codes to mirror existing Current Procedural Terminology (CPT) codes for billing purposes. These newly developed Internal Use Codes capture the various TIM services we offer and their associated fees.

From December 2021 to March 2024, our Traditional Practitioners and Apprentices provided 662 encounters through smudging, traditional medicines, counseling, and cultural classes. Our model demonstrates that traditional health services can be self-sustaining through billable services.

What will traditional health services look like under the approved 1115 demonstrations?

Traditional health services will be covered for all Medicaid beneficiaries. The federal government will match 100% of the cost for services provided to AI/AN people in Tribal or IHS facilities, and will reimburse states at their state matching rate for services offered to non-AI/AN beneficiaries or to any beneficiaries receiving services at a UIO. Practitioners offering traditional health services must be employed by or contracted with IHS, Tribal, or UIO facilities, and each facility is responsible for determining practitioner qualification. CMS will not formally credential practitioners, but may ask facilities for documentation of their methods for determining qualification.

What federal policies promote access to traditional health services?

The American Indian Religious Freedom Act required the Indian Health Service (IHS) to comply with requests by American Indian and Alaska Native patients seeking services by Native practitioners. In 1994, IHS issued a memorandum affirming it would facilitate access to traditional health services.¹⁰ It also recognized that traditional health services contributed to improved health outcomes for many patients.

Additionally, the Indian Health Care Improvement Act (IHCA) contains several sections noting the acceptance and respect for traditional health services. To uphold legislative acceptance of traditional health services, CMS will need to mandate the reimbursement of traditional health services even in the absence of 1115 waivers, and the American Medical Association will need to include coding for traditional health services. These measures uphold health sovereignty for American Indian and Alaska Natives.

References

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