

## **JAMESTOWN S'KLALLAM TRIBE v. AZAR et al**

### **Summary**

The Jamestown S'Klallam Tribe ("Jamestown") owns and operates the Jamestown Family Health Center in Sequim, Washington. Jamestown filed a suit to challenge the Indian Health Service's (IHS) rejection of its section 105(l) lease reimbursement request related to that facility.

The issue before the Court was whether the Jamestown's final offer of \$476,123 in 105(l) lease compensation "exceed[ed] the applicable funding level to which the [Tribe] is entitled under" Title V of the Indian Self-Determination and Education Assistance Act (Public Law 93-638).

The IHS asserted three arguments in its rejection letter to Jamestown. The Court determined that it only needed to focus on the second argument posed by the IHS. The second argument is based on the premise that supplying lease funds "for Health Center space that is not necessary or used to carry out services for IHS beneficiaries is unreasonable." The Court cited *Maniilaq II*, where it was decided that the IHS may decline to pay such compensation if the proposed amount is "not reasonable." The Government (HHS, IHS) argued that lease compensation based on the full allowable costs (interest, depreciation, etc.) of the near-35,000 square-foot Health Center would be unreasonably high when less than 3% of the population it treats is eligible for services under the Indian Health Care Improvement Act (IHCIA). The Court concurred with this argument and granted summary judgment to the Defendants (HHS, IHS).