ACTIVITY/MECHANISMS BUDGET SUMMARY
Department of Health and Human Services
Indian Health Services - 75-0390-0-1-551
Public and Private Collections

Program Authorization:

Program authorized by Economy Act of 31 U.S.C. 686 Section 301-P.L. 94-437, Title IV of Indian Health Care Improvement Act.

Collections	2000 Actual	2001 Appropriation	2002 Estimate	2002 Est. +/- 2000 Actual	20002 Est. +/- 2001
Medicare	$102,077,000	$107,742,000	$128,790,000	+$26,713,000	+$21,048,000
Tribal Medicare	6,986,000	6,986,000	6,986,000	0	0
Medicaid	261,060,000	293,896,000	302,032,000	+40,972,000	+8,136,000
Tribal Medicaid	22,217 000	22,217,000	22,217,000	0	0
Total	$392,340,000	430,841,000	$460,025,000	+$67,685,000	+$29,184,000
Private Insurance	39,354,000	39,960,000	39,960,000	0	0
Total	$431,694,000	$470,801,000	$499,985,000	+$67,685,000	+$29,184,000
FTE	3,339	3,339	3,339	0	0

Reimbursable Obligation:	FY 2000 Actual	FY 2001 Appropriation	FY 2002 Estimate	Increase or Decrease
Personnel Benefits & Compensation	$191,063,000	$202,048,000	$215,733,000	+$13,685,000
Travel & Trans.	3,458,000	4,181,000	4,398,000	+217,000
Trans. Of Things	941,000	1,217,000	1,258,000	+41,000
Comm./Util./Rents	3,147,000	4,106,000	4,218,000	+112,000
Printing & Repro.	158,000	192,000	199,000	+7,000
Other Contractual Services	62,533,000	78,889,000	81,616,000	+2,227,000
Supplies	50,530,000	64,771,000	67,396,000	+2,625,000
Equipment	5,429,000	6,922,000	7,175,000	+253,000
Land & Structures	893,000	893,000	893,000	0
Grants	113,446,000	107,469,000	116,966,000	+9,497,000
Insur./Indemnities	70,000	82,000	99,000	+7
Interest/Dividends	26,000	34,000	34,000	0
Total	$431,694,000	$470,801,000	$499,985,000	+$29,184,000

PURPOSE AND METHOD OF OPERATION

MEDICARE/MEDICAID

The FY 2001 and FY 2002 Medicare/Medicaid (M/M) estimates reflect the rate increases incorporated in FY 2001. Tribal collections are an estimate because there are no requirements for Tribes operating their own facilities to report this data to IHS. This estimate is based on HCFA data.

The FY 2002 President's Budget assumes that the current 2001 rates will continue into FY 2002. Future IHS rate adjustments and projections will be made based on the results of a complete analysis of current Medicare hospital cost reports.

We project medicare collections to increase in FY 2002 because of the new authority to bill for physician services beginning in July of 2001. We project medicaid collections to increase because of enhance billing systems.

In 2001 and 2002, the IHS will continue to focus on strengthening business office management practices including provider documentation training, procedural coding, processing claims and information systems improvements. In FY 2000, IHS wide efforts were initiated to improve each hospital's capability to identify patients who are eligible or may become eligible for third party reimbursement. A major part of this activity includes the identification of all children who may be eligible for participation in the Children's Health Insurance Program (CHIP). For 2001 and 2002, the IHS will continue working with HCFA and the State Medicaid Offices to help ensure the success of this effort. Other business management practices in progress, including automating Medicare and Medicaid billings and collections will assist IHS in its efforts to increase collections.

The use of the M/M reimbursements will be in accordance with approved JCAHO/HCFA survey plans of correction and with identified maintenance and repair projects. The IHS will continue to place the highest priority on maintaining JCAHO accreditation standards for its health facilities. Specific Service Unit plans will be developed to respond to these projects. These include projects on IHS' backlog of essential maintenance and repair list that effects JCAHO/HCFA standards, including health and safety.

PRIVATE THIRD PARTY COLLECTIONS

In FY 2002, private insurance collections have remained relatively stable due to managed care payment limitations and small numbers of our patients actually having private insurance. During FY 2001 and in FY 2002, IHS will continue its efforts to improve each health facility's capability to identify patients who have private insurance coverage and claims processing to increase private insurance billings and collections. Funds collected will be used by the local Service Units to improve services, including the purchase of medical supplies and equipment, and to improve local service unit's business management practice.