

**INDIAN HEALTH SERVICE**  
**Indian Health Care Improvement Fund Allocation – FY 2018**

FY18Q1. How much funding was appropriated for the IHCIF in FY 2018?

Answer: The IHS received \$72,280,000 for the IHCIF for FY 2018.

FY18Q2. When were the IHCIF funds allocated to the Areas?

Answer: IHS Headquarters issued allotments to the Areas on Friday, August 17.

FY18Q3. Did all Areas receive an allocation of IHCIF funds?

Answer: No, only sites with a Level of Need Funded (LNF) below 34.84% received an allocation. There were four Areas (Alaska, Albuquerque, Navajo, and Tucson) in which there were no sites with an LNF below 34.84%.

FY18Q4. How were the LNFs calculated for each site?

Answer: The LNFs are calculated using a formula that compares the resources available (IHS appropriations and alternate resources) to a target level of funding or benchmark (National Health Expenditure). The IHS established an IHS/Tribal workgroup to review and update the formula in January 2018. Please see the IHS IHCIF website at <https://www.ihs.gov/ihcif> for more detailed information about the formula and the Workgroup's recommendations.

FY18Q5. Did the IHS adopt all of the recommendations made by the Workgroup?

Answer: No. The IHS adopted two of the Workgroup's recommendations to change the benchmark from the Federal Employee Health Benefits Program to the National Health Expenditure with emphasis on categories 1-4 as well as the recommendation to revise the standard user population factor from regionally unduplicated users to nationally unduplicated users and adding in non-Purchased/Referred Care Delivery Area users. The IHS response to the recommendation regarding the alternate resource factor was a modification based on comments and concerns expressed through the tribal consultation process on the Workgroup's recommendations.

FY18Q6. How did the IHS modify the alternate resources factor?

Answer: The Workgroup recommended changing the 25 percent estimate used for alternate resources to a site-specific coverage percent based on IHS site-level enrollment data, adjusted for program weighting, coverage gaps, payment gaps, and program component enrollments. In addition, the Workgroup recommended that the State average would be used for sites with a coverage percent that exceeded the State average and for sites with missing or outdated data.

The comments and concerns about the alternate resources factor raised during the consultation process were mainly regarding the accuracy of the IHS enrollment data, the use of statewide averages for missing or outdated data, and the lack of a process for Tribes or Tribal organizations to validate the data. Therefore, the IHS determined that for the FY 2018 allocation, using American Community Survey (ACS) state average data addressed the Workgroup's recommendation for greater accuracy in the alternate resources percentage used, while also addressing the concerns about using IHS data as expressed during

consultation. The IHS is charging the Workgroup to address the concerns about the IHS data in their Phase II work.

FY18Q7. How does IHS reconcile its nationwide responsibility for health care for AI/ANs with the fact that four Areas did not receive any funds while one Area received nearly \$50 million or 69% of the total amount available?

Answer: The primary purpose of the IHICF is to eliminate resource deficiencies among IHS and Tribal sites. The formula is intended to calculate the LNF for IHS and Tribal sites in comparison to all other sites within the IHS in order to allocate funds to the sites with the greatest deficiency, as indicated by the lowest LNFs. The factors used in the formula address user population, health status, and the amount of resources available to the site, both IHS appropriated funds as well as alternate resources, Medicare and Medicaid. The results are consistent with these factors in that the one Area receiving 69% of the funds has the largest user population in the IHS and has less access to alternate resource coverage as compared to other Areas.

FY18Q8. Did IHS take into account the significant new staffing resources that are expected to be appropriated for certain sites within the next few years?

Answer: The new staffing funding increases anticipated to be appropriated in the next few years were not included as available resources in the calculation for the FY 2018 allocation. The funds have not been appropriated yet, therefore cannot be considered available.

FY18Q9. Were the funds allocated as recurring or non-recurring?

Answer: The funds are allocated as recurring.