



JUL 26 2012

Dear Tribal Leader:

I am writing today to provide an update on progress on our agency priorities and our efforts to change and improve the Indian Health Service (IHS). Specifically, I am providing an update on our agency response to the 2010 Senate Committee on Indian Affairs (SCIA) Investigation of the IHS Aberdeen Area, and our overall reform efforts to improve the way we do business. In 2010, the SCIA conducted an investigation of the IHS Aberdeen Area, and found serious deficiencies in management, employee accountability, financial integrity, and oversight of facilities. Specific findings included missing and stolen narcotics; misuse of Contract Health Service (CHS) funds; providers practicing with expired licenses; and excessive use of administrative leave. The SCIA requested comprehensive investigations of all IHS Areas to ensure that the same problems that were found in the IHS Aberdeen Area were not occurring elsewhere.

The IHS Aberdeen Area immediately implemented corrective actions in response to the investigation findings, and continues to report regularly to IHS Headquarters on their progress. Headquarters (HQ) Oversight Reviews were scheduled for all IHS Areas in 2011/2012 that include the following review objectives: pre-employment suitability; judicious use of administrative leave; health professional licensure; pharmacy control/security; CHS program; financial management; and accreditation of IHS facilities. To date, IHS has conducted investigations in eight IHS Areas. The HQ Oversight Reviews revealed that while policies are generally in place to address the issues under review, in some cases there is inconsistent implementation. When problems have been found, Areas were required to develop corrective action plans to ensure timely corrections. Measurable performance measures related to these issues have been added to all performance plans for senior leadership in IHS, and all federal IHS employees are required to help with progress on these issues in their performance plans. Stronger, more specific performance management plans that clearly set employee performance expectations with measurable goals and targets, aligned with clear agency priorities has helped IHS achieve improved outcomes.

Improvements across the agency have proactively addressed many of the issues identified by the SCIA and they have benefitted the IHS health care facilities within the Aberdeen Area. One of the findings of the SCIA investigation of the IHS Aberdeen Area was the hiring of a few individuals who appeared on the Office of Inspector General (OIG) Exclusion List and they should have been excluded from federal hire based on past offenses. I implemented a national requirement in October 2010 for all new hires to undergo a pre-employment security clearance. To date, significant improvements have been made across the agency. All new federal employees and contract employees must have a favorable fingerprint check and be confirmed to not be on the Office of Inspector General (OIG) Exclusion List before they are hired. While these required steps in the federal hiring process take time, they help assure our patients that we are hiring suitable and quality staff.

One of the findings of the SCIA investigation of the IHS Aberdeen Area was excessive use of administrative leave that was, in some cases, unreasonably or unjustifiably prolonged. Since the investigation, we implemented guidance IHS-wide that requires a written justification, approved

by senior management, for the use of administrative leave beyond an 8 hour period, and only where warranted to avoid loss of government information or property or for safety concerns.

In terms of health professional licensure, the IHS Aberdeen Area now more closely tracks the status of health professional licenses at the local and Area level to promptly identify expired licenses or privileges. Providers are held accountable for taking action immediately to renew their licenses. All IHS facilities are required to track credentialing and privileging of their health care providers.

Accreditation of health care facilities has been an issue in the IHS Aberdeen Area and IHS has worked to assist the local IHS health care facilities in their preparation for accreditation and certification reviews with mock surveys and training. Several IHS staffs have attended training on certification hosted by the Centers for Medicare & Medicaid Services, and all IHS health care facilities have maintained their certification and accreditation to date. The IHS has partnered with the USPHS Commissioned Corps to accomplish several internal deployments of personnel to help local IHS health care facilities address certification or accreditation review findings. Nationally, IHS is implementing a new “hospital consortium” to develop a consistent approach to accreditation and certification among its IHS hospitals through development and sharing of quality improvement strategies.

Pharmacy control and security has been improved within the IHS Aberdeen Area and system-wide with the ongoing installation of security measures such as cages and cameras, as well as the hiring of additional staff. In the IHS Aberdeen Area, discrepancies in counts of controlled substances have been reduced 96.5%, from approximately 3653 occurrences in September of 2010 to only 128 occurrences in August of 2011. Prescription drug abuse, diversion, reporting of controlled substances data to state Prescription Monitoring Programs, and chronic pain management strategies were central to the discussions and action plans at the IHS National Combined Councils meeting earlier this month. Results will be discussed at the upcoming IHS Tribal Consultation Summit.

Financial management improvements have also been implemented in the IHS Aberdeen Area and throughout IHS. All IHS operated facilities are required to balance their budgets at the end of the year so that there is no transfer of funding between IHS service units, and third party collections remain at the facility where they were received as required in the recent reauthorization of the Indian Health Care Improvement Act. Better tracking of key financial and accounting indicators has resulted in improvements in the day-to-day management and administrative control of funds. Third party collections have also increased, allowing for improvements in local IHS services.

Improvements in the CHS Program that are being implemented system-wide are also being implemented in the Aberdeen Area, and IHS is doing a better job of promptly paying bills to outside providers for referrals that are approved for payment by IHS. The IHS Aberdeen Area leadership is meeting with outside providers to educate them on the requirements and rules for payment of referrals to the private sector for health care. Due to agency increases in CHS funding in recent years, more referrals are being approved for payment, and in some IHS

and tribally operated CHS programs, IHS is paying for more than life or limb (priority 1) referrals. I sent the most recent recommendations of the CHS Tribal workgroup to all Tribal leaders in June, and we are already implementing many of the recommendations to improve the business of the CHS program. IHS developed and is implementing a corrective action plan in response to the recent GAO report on CHS unmet need.

As part of our internal IHS reform efforts, we have also made progress on improving human resource management. EEO complaints have been reduced and hiring, recruitment and retention processes have improved. Supervisor training is being conducted across all Areas to ensure that managers have the basic fundamentals needed to address day to day supervisory issues. Information has been provided to all employees to ensure they are familiar with available and appropriate channels to file complaints and grievances.

These system-wide management improvements have led to overall improvements in the way IHS conducts its business. Outcomes described above, and other internal IHS reform efforts, include system-wide pre-employment background and OIG exclusion list checks prior to hire, reduced EEO complaints, reduction in hiring time to 81 days from the previous 140 day average, system-wide supervisor training, improvements in pay disparities for certain health providers to improve recruitment efforts, better budget and financial management as evidenced by IHS' best performance on its annual audit last year, reduced unobligated balances for certain funds, better management of limited resources, reduced travel expenses, activities to improve customer services, and for the first time, IHS met all of its clinical Government Performance and Results Act (GPRA) measures in fiscal year 2011.

These improvements have changed the way IHS does business, and even though we have achieved significant improvements and outcomes, more work needs to be done. I appreciate your input and recommendations as we continue to make progress on our agency priorities. I have attached a summary of some of our agency accomplishments in 2011 that was developed for the Department of Health and Human Services Annual Tribal Budget Consultation in March, 2012. As you may know, we have received a 29 percent increase in the IHS budget over the past four years, and this increase in funding has allowed us to make improvements and increase access to care for the patients we serve. I appreciate your partnership, and look forward to continuing to make progress on changing and improving the IHS. If you have recommendations or suggestions for how we can continue to reform the IHS, please e-mail your comments to [consultation@ihs.gov](mailto:consultation@ihs.gov).

Sincerely,

/Yvette Roubideaux/

Yvette Roubideaux, M.D., M.P.H.  
Director

Enclosure