

CSC Workgroup briefing on IHS Contract Support Cost Policy

California Area Tribal
Consultation Meeting
March 8, 2016



What is the policy?

- Indian Health Service (IHS) policy document which governs the calculation and payment of contract support costs (CSC)
- The policy is a work in progress, and the Workgroup seeks input from tribes on how to make it better

Why is the Policy Being Revised?

- To provide full funding of CSC
- The current IHS CSC policy is a product of the “cap” or “shortfall” era
- Tribes will benefit from having a policy in place to implement the full-funding mandate

Who has helped Developed the New Draft Policy?

- The draft is the product of the IHS CSC Workgroup, which consists of IHS officials and staff as well as tribal representatives from all of the IHS Areas. California area representatives of the CSC Workgroup are listed below:

California Tribal Representatives:

Chris Devers, Vice Chairman – Pauma Band of Luiseno Indians

Preston Pete, Finance Director, Consolidated Tribal Health

Tribal Technical Representative:

Bill Gallagher, CFO, Indian Health Council

I.H.S. Representative:

Beverly Miller, Director, California Area

How Was the Draft Policy Developed?

- Over the last three years, tribal representatives had sought to revise the policy to reflect the full-funding mandate
- Last fall, IHS placed Deputy Director Mary Smith in charge of CSC policy development and committed to finalizing a new policy before the end of the Obama Administration
- The draft is the result of some very difficult discussions, with many redline drafts exchanged back and forth

What Were Some of the Most Challenging Issues?

➤ *Costs Incurred*

The parties were able to achieve a workable compromise on the issues arising from IHS's costs-incurred methodology, both in estimating CSC needs at the beginning of the year and in reconciliation at the end

➤ *Duplication*

The parties were not as successful in resolving this issue. IHS and tribes agree that the ISDEAA prohibits duplication of costs but the parties differ in how the non-duplication provision should be applied based on different readings of the statute

What Are Some of the Key Specific Provisions of the Draft Policy?

6-3.1. B: Guiding Principles: They reflect aspirations that may help to guide the interpretation and implementation of the policy once finalized

6-3.1.C: Supremacy of the ISDEAA: Both parties reserve their rights under the ISDEAA

6-3.2. D: Direct CSC (DCSC): Tribes have proposed that IHS use the medical inflation rate for the annual DCSC adjustment rather than the non-medical rate

6-3.2. E: Indirect Costs: This is probably the section that required/requires the most negotiation

What's Next for the Policy?

- The draft policy is preliminary and must ultimately go through tribal consultation as well as the Department's approval process
- The draft policy has been discussed at the 2/22/16 IHS CSC Policy briefing and emailed out by TribalSelf Gov.org
- The Workgroup is currently working on exhibits to the policy, as well as the Annual CSC Calculation (ACC) spreadsheet.
- Please feel free to contact your Area's tribal representative on the IHS CSC Workgroup with questions or input