

Indian Healthcare Improvement Fund (IHCIF) Workgroup

Updates

IHCIF Workgroup

- Tribal Representatives:
 - Primary: Chris Devers
 - Alternate: Mark LeBeau
- Federal Representative:
 - Christine Brennan
- Purpose: The IHCIF Workgroup has been tasked with determining if the formula for calculating IHCIF used in previous distributions should be updated, and if so, how.
 - Workgroup recommendations on IHCIF formula must be presented to the IHS Director by the end of June 2018
- Meetings (In addition, subworkgroups have been meeting via phone):
 - #1: January 30, 2018 – February 1, 2018 Washington DC
 - #2: March 13-14, 2018 Phoenix, AZ
 - #3: April 12-13, 2018 Denver, CO
 - #4: May 17-18, 2018 Denver, CO

LNF/IHCIF Introduction

- LNF: Level of Need Funded
 - Methodology to calculate health care resource deficiencies specified in 25 U.S. Code § 1621
- IHCIF: Indian Health Care Improvement Fund
 - Resources expressly authorized to eliminate resource deficiencies specified in 25 U.S. Code § 1621 and allocated by formula

LEVEL OF NEED FUNDING – WHAT IS IT?

- Calculates resource needs compared to cost of insuring the IHS user population with a health cost benchmark
- LNF scores are calculated for 3 levels
 - Individually for 263 local level health care sites (service delivery areas)
 - Statistical total and average by IHS Area (no affect on formula allocations)
 - Statistical total and average for the whole IHS/Tribal system (no affect on formula allocations)
- Two primary purposes:
 - A benchmark to help justify IHS budget requests
 - Use to assist in allocation of certain IHCIF funding to local level service delivery areas

History of the IHCIF: FY 2000 – FY 2017

Fiscal Year	Enacted Amount
FY 2000	\$10,000,000
FY 2001	\$30,000,000
FY 2002	\$23,000,000
FY 2003	\$26,212,000
FY 2004	\$0
FY 2005	\$11,094,000
FY 2006	\$0
FY 2007	\$0
FY 2008	\$13,782,000
FY 2009	\$15,000,000
FY 2010	\$45,543,000
FY 2011	\$0
FY 2012	\$11,981,000
FY 2013	\$0
FY 2014	\$0
FY 2015	\$0
FY 2016	\$0
FY 2017	\$0
Total	\$186,612,000

LNF: Level of Need Funded Methodology

A set of data, resourcing goals, and calculations to measure health care resource deficiency (specified in § 1621) for all health care sites within the IHS/Tribal system

a. Calculate resources **NEEDED**

- (User Population) X (Per Person Cost Standards)

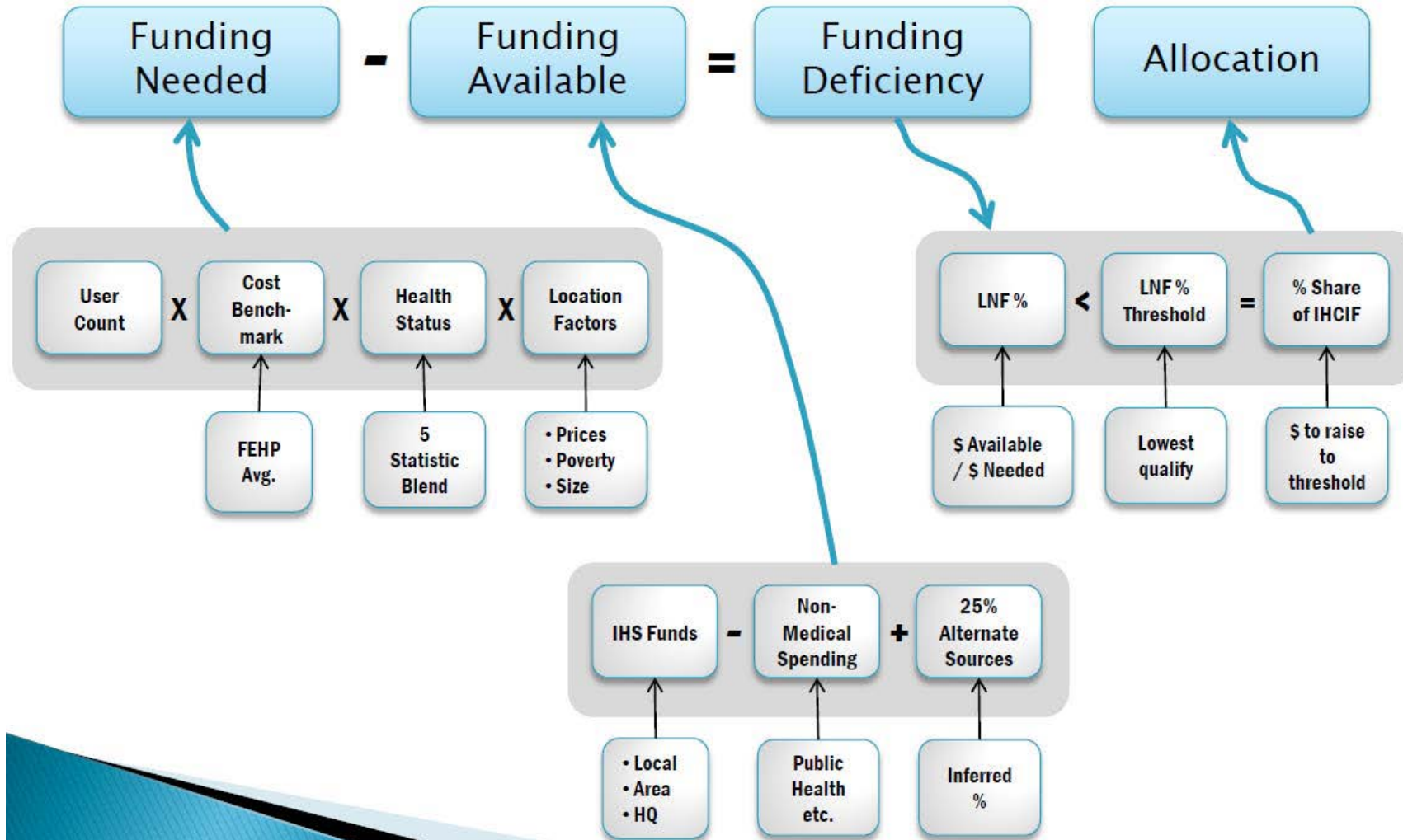
b. Calculate resources **AVAILABLE**

- (IHS Appropriations) + (Alternate Resources)

c. Calculate **LNF SCORE**

- $(b / a = \text{LNF \%})$

LNF Conceptual Framework



Determinants of Funding Needed

- User Count/Population
- Resourcing Benchmark
- Health Status
- Location Factors

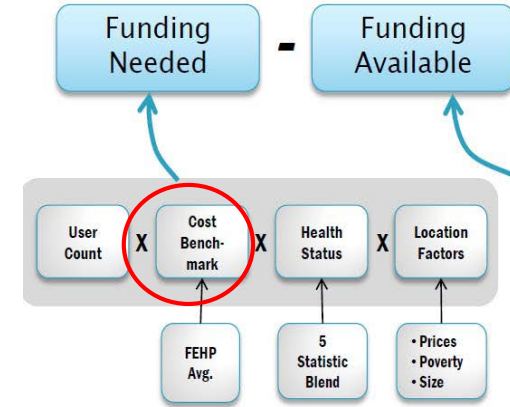
Funding Needed: User Count Definition

- User Count/Population
 - User count shapes formula results more than any other data
 - A user is an eligible AIAN person who:
 - registers at an IHS or Tribal delivery site,
 - who resides in a county served by the delivery site, and
 - who has obtained at least one personal health care service during the most recent 36 month period.
 - Non-AIAN persons are excluded. AIAN persons who reside in another IHS or Tribal service area or who reside outside of any IHS or Tribal service area are excluded from user counts.

Funding Needed: User Count Definition

- Workgroup to Decide:
 - Continue to use User Population or use Service Population in LNF calculation?
 - **Group unanimously decided to continue to utilize User Population Counts in the LNF calculation**
- Still under consideration by the workgroup:
 - Include AI/AN patients who live in non-CHSDA locations within the Area in the User Population count for each SU?
 - Include AI/AN patients who are located in communities of residence from other Areas but who attend the service unit in that service unit's user population count?
 - Use user population counts that have been unduplicated nationally and then users fractioned between all SU they have visited in the last three years

Funding Needed: Resource Benchmark



- Resourcing Benchmark

- Previous LNF calculations have utilized the Federal Employee Health Plans as the benchmark for the per person cost of care estimates
 - Calculates resources needed **as if** the AIAN user population were insured through Federal Employee Health Plans (FEHP insurance)
 - Not a position about whether AIANs could or should be insured through FEHP
 - Benchmark is customized for 263 sites considering local conditions

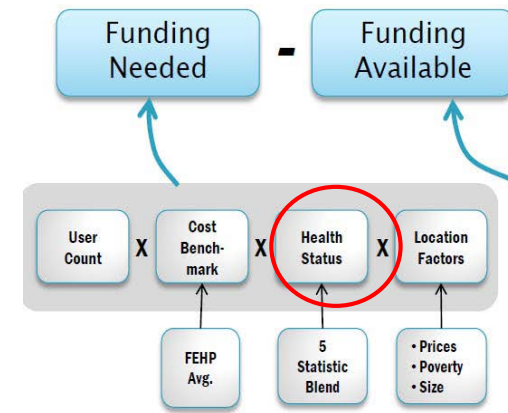
Funding Needed: Resource Benchmark

- Workgroup to Decide:
 - Continue to use the FEHP or switch to another benchmark for cost of care?
 - **Group unanimously decided to utilize the National Health Expenditures per person cost estimates in the new IHCIF formula**
 - **Calculations of per person cost of care under the NHE are based on provided services that more accurately represent the types of services provided within the Indian Health Service**

Funding Needed: Health Status

Health Status

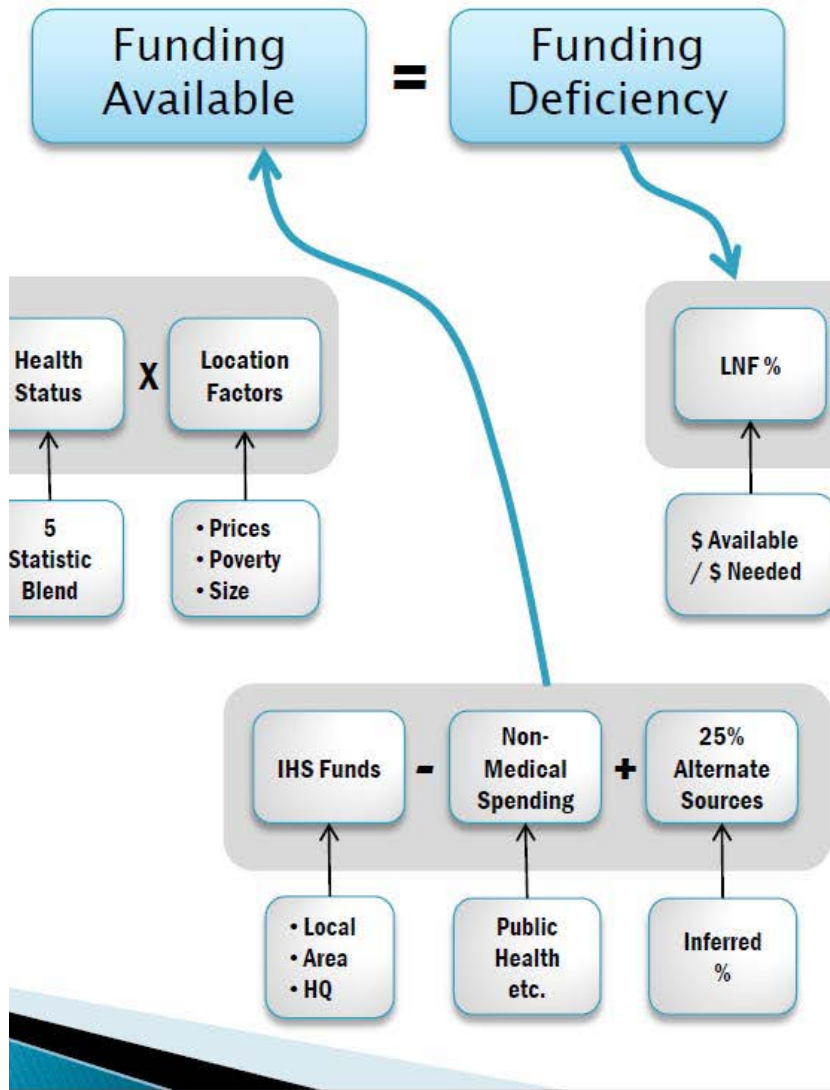
- The IHCIF cost benchmark per user is adjusted for higher costs of AIAN patients whose health status is lower than the average.
 - Adjustments to the cost benchmark per person are made for:
 - Birth Rates
 - Life Expectancy
 - Disease rates (SU in locations with higher than average disease rates for the top five major causes of death will be adjusted accordingly)



Funding Needed: Location Factors

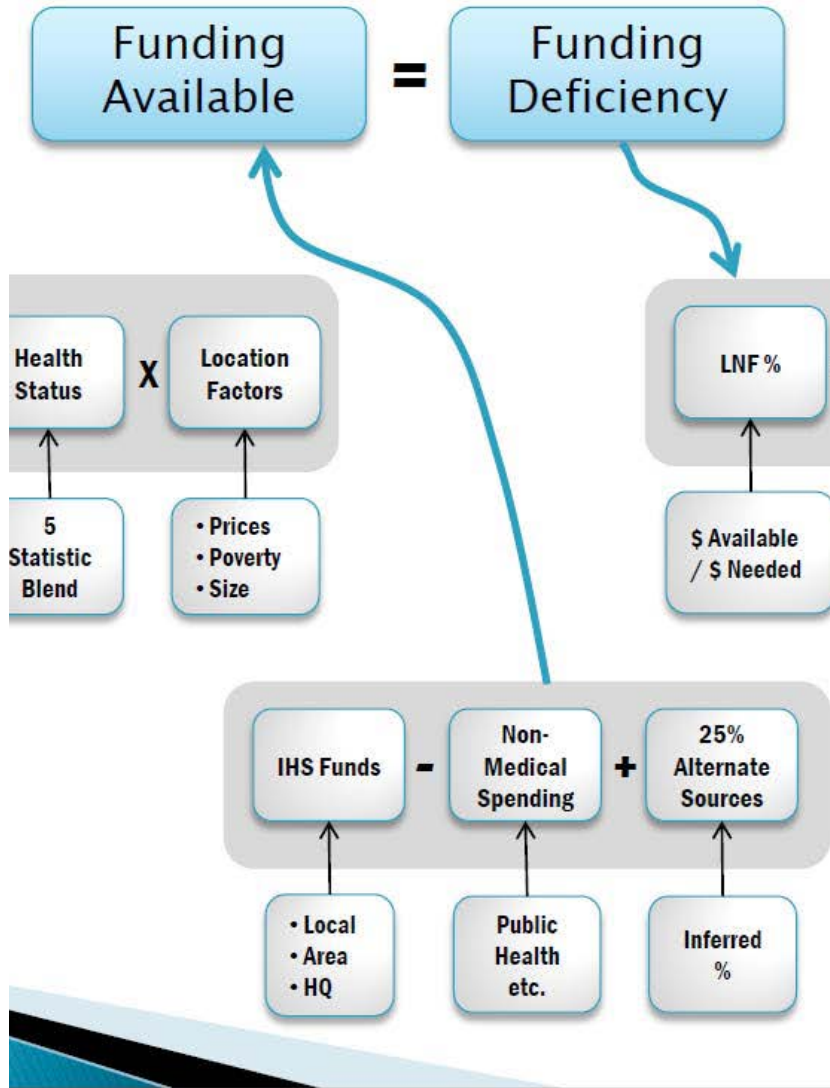
- The IHCIF cost benchmark per user is adjusted for higher costs of providing care in some Areas.
- Adjustments for Location Factors are made for:
 - Geographic factors (higher cost of care in Alaska and California for example)
 - Internal Economies of Scale
 - External Health Care Price Index

Funding Availability



- **IHS Funds:**
 - To calculate LNF, available IHS resources provided to each IHS/Tribal site must be reported. The IHS financial system tracks financial allocations in 23 accounts corresponding to the IHS budget structure.
- **Alternate Resources Calculations:**
 1. § 1621(d)(2)
 - a. Requirements in the law
 2. Data Sources
 - a. Medicaid Expansion
 - b. Medicaid and Other Public Coverage
 3. AIAN Coverage by State
 - a. Fixed 25% (traditional)
 - b. Plus Variable % for Medicaid & Other Public Coverage

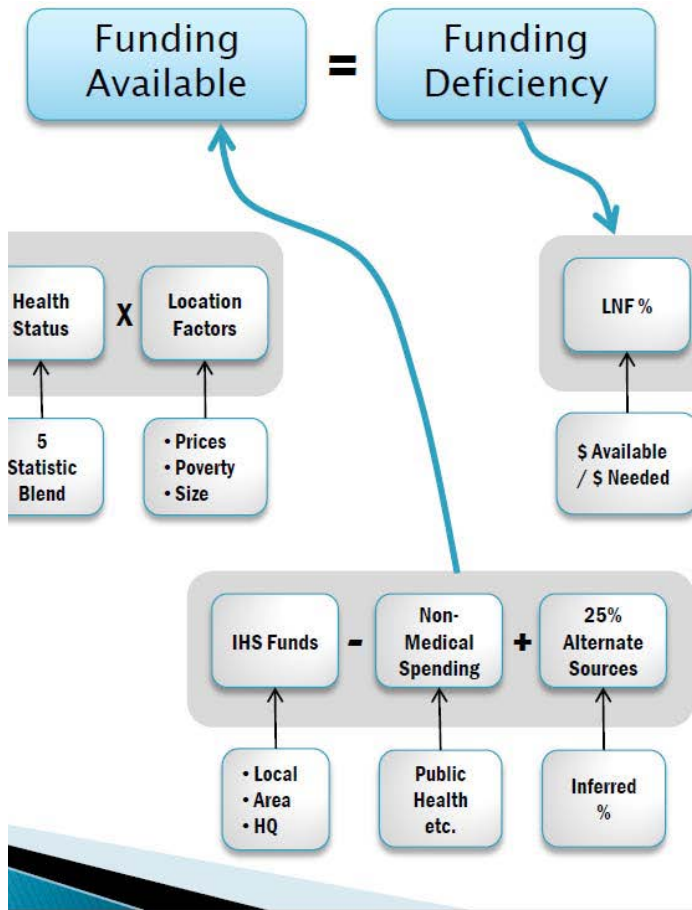
Funding Availability



Workgroup Considerations:

- Determine which Alternate Resource sources should be included in the determination of funding availability (e.g. IHS Insurance Status of NDW Users, Medicaid eligibility, state data sets)
- Set a value of each payer source?
- Set a cap on the percentage of each payer source to be included?
- Should Tribal insurance be considered as an alternate resource?

Funding Availability

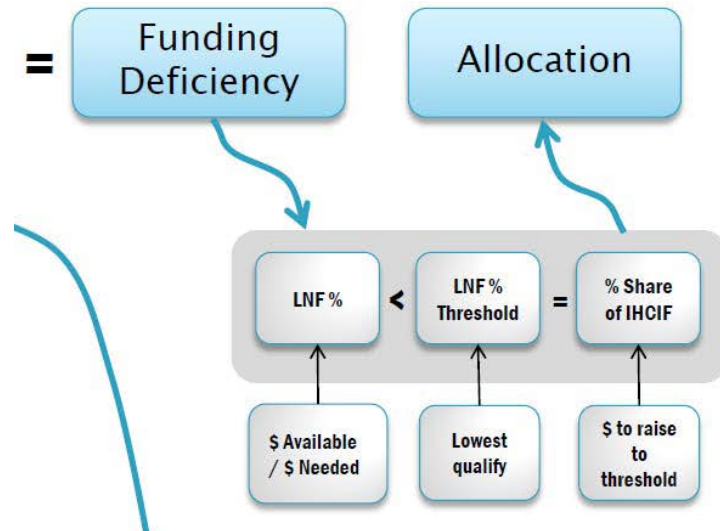


Workgroup Considerations:

- Access to Care:

- Distance to Care a factor in formula?
- Potential of Area to broaden Medicaid Expansion (Tribes who can't bill for services would get a larger adjustment for example)
- Availability of providers?
- Cost of Care

Final Calculation:



Determining Funding Deficiency

- The LNF percentage for each SU is calculated by subtracting the funding availability/resources from the funding needed.
- HQ determines the LNF threshold (was 42% in 2012)
- Health programs with an LNF below the threshold would receive an allocation to bring their SU up to the threshold.

QUESTIONS??