



Indian Health Service
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Indian Health Service Update

by

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Good morning. I am Dr. Yvette Roubideaux, Acting Director of the Indian Health Service (IHS). Thank you to the National Congress of American Indians (NCAI) for this opportunity to provide an update on the IHS.

Today, I will update you on four topics – the budget, the Affordable Care Act, Contract Support Costs, and the national reimbursement agreement between the Department of Veterans Affairs (VA) and the IHS.

First, an update on the IHS budget. One great outcome of our partnership with Tribes has been the recent increases to the IHS budget. However, this year – fiscal year (FY) 2013 – was a different story, with sequestration resulting in a \$220 million cut to the IHS budget. Our budget, which was \$4.3 billion in FY 2012, is now \$4.1 billion.

There is no doubt that sequestration is having a negative impact in Indian country. At the IHS, we are doing everything we can to minimize that impact and to protect our core mission, including reducing administrative costs and working to increase collections. The recent announcement of an increase in our 2013 Office of Management and Budget (OMB) all-inclusive rates is helping as well.

But the goal is to get rid of sequester. That's why the President's FY 2014 budget request is so important. It has enough deficit reduction to replace sequestration entirely, while also funding important priorities such as the IHS and other tribal programs. The increase proposed in the FY 2014 budget gets IHS back up to a \$4.4 billion budget. So we are doing everything we can to support the President's budget request, and we hope that Congress will enact it.

The second topic I wanted to mention today is the Affordable Care Act (ACA). Thank you to the NCAI for holding a great training session on the ACA for tribal employers at this conference. IHS has been partnering with the NCAI, the National Indian Health Board, the National Council of Urban Indian Health, and our Area tribal organizations on outreach and education efforts for the past three years on the ACA. They have already conducted over 330 trainings and plan to do many more this year.

If you haven't been paying much attention to the ACA so far, now is the time to take notice. As of today, there are only 97 days until October 1, when open enrollment starts for all Americans to get access to more affordable health coverage.

And the time to get ready is now.

The benefits of the ACA for American Indians and Alaska Natives (AI/ANs) are significant. They can benefit whether they have insurance now, want to purchase affordable insurance through the "Health Insurance Marketplaces," or can take advantage of the Medicaid expansion starting in 2014. And with the reauthorization of the Indian Health Care Improvement Act, IHS is here to stay. So our patients can still use IHS, and the ACA will give them more choices for health coverage.

The Office of Personnel Management is here at the conference to provide information about even another choice, federal employees health benefits insurance, for tribal employees.

While we know that some states are not choosing to expand Medicaid, we hope they change their minds soon. The Medicaid expansion is the part of the law that stands to benefit the most AI/ANs.

I have some really good news to share on the ACA related to the definition of "Indian." The Department of Health and Human Services (HHS) announced today that all AI/ANs eligible to receive services from IHS will receive an exemption from the minimum essential coverage requirements under the ACA. This means that all AI/ANs who are eligible for IHS will not have to pay the penalty for not having insurance coverage. Prior to this exemption, based on the specific definition of Indian in the ACA, only AI/ANs who were members of Tribes would have been exempt from the requirement to maintain minimum essential coverage under the law. Today's announcement means that all AI/ANs eligible for IHS are exempt from the minimum responsibility payment. And our tribal partners were an essential part of this decision, since it reflects the comments and feedback received from Indian Country.

While this is great news, we still need to work with Congress on this issue since corrections are still needed to the definitions of "Indian" as written in the law related to access to monthly enrollment and cost sharing waivers.

So we have a lot to do to prepare for October 1, when AI/ANs can enroll to purchase more affordable health insurance or can enroll in the Medicaid expansion. IHS is working hard to prepare all of our facilities for the October 1 enrollment. IHS has developed a business planning template to help ensure our facilities have the opportunity to benefit from their patients' increased access to affordable health coverage, as this could mean more resources through third-party collections.

We are also helping our local facilities work with their local insurance companies to ensure that they understand the laws that apply to IHS facilities. And we are working with HHS on how we can get our business office staff access to training to help with enrollment.

We estimated in our FY 2014 President's Budget that the increase in enrollment of AI/ANs in insurance and Medicaid as a result of the ACA could bring in an additional \$95 million in third-party collections, which will help increase access to services for all of our patients. So it is critical that we all do what we can to learn about the law and to encourage our patients to understand the new benefits. We need your help.

This week HHS re-launched its <https://www.healthcare.gov/> website that was redesigned to be more consumer-focused to make it easier to learn more about the law. HHS also opened a call center where people can get more information by phone. And you will see more training sessions on the ACA being offered by IHS and the tribal organizations. Now is the time to learn more about and to prepare for the implementation of the ACA.

The third topic I wanted to mention today is related to Contract Support Costs (CSC). I heard you had a good session with the Department of Interior yesterday. We have heard loud and clear that Tribes do not like the administration's proposal for new appropriations language in the President's FY 2014 budget proposal. So we are now consulting with Tribes on a more long-term solution. Last week I sent a letter to Tribes that discussed the issue about CSC appropriations. The letter is now posted on my Director's blog. It welcomed input on the topic in writing or at the various meetings we will be having in the coming weeks, including the Tribal Self-Governance Advisory Committee meeting and the Direct Service Tribes Annual Conference. And I know that it will be a part of the discussion during our tribal budget formulation meetings this year.

Since the Supreme Court decision on CSC, we have been working hard to make progress on resolving past CSC claims. The IHS goal is to resolve all claims for CSC as quickly as possible and through settlement wherever possible. And we are making progress; our Office of General Council (OGC) has worked with tribal lawyers to develop a case management plan for appealed claims that prioritizes settlement discussions.

My tribal leader letter in March indicated a decision to extend the time allowed for discussion of claims before the agency denies them, and even before they have been appealed, as was requested by tribal lawyers.

We have recently developed two options for settlements. This is based on input that each Tribe should have the right to decide for themselves how to settle their claims. Some Tribes, for instance, may decide that the paperwork involved is too burdensome and they just want to put these claims in the past.

So the first option, the traditional approach, is what we are already doing – having in-depth discussions and exchanging documentation to reach a number that we can agree upon for settlement. The second option, which is new, is a simpler, or alternative, approach. Upon request, we will offer a non-negotiable, lump sum for settlement based on our paperwork alone. If the Tribe likes it, we are done. If they don't, then we return to the in-depth discussions.

We are hoping this simple approach helps us get through some of the claims in a more efficient manner. We can try this for a few months and see how it goes. Again, if a Tribe is interested in exploring their options, they can contact our OGC through their lawyer or schedule a headquarters-level Tribal Delegation Meeting.

We hope this progress demonstrates our goal to resolve these claims quickly and efficiently, and through settlement if possible. You can read the latest update on CSC in my June 12 tribal leader letter, which is posted on the IHS website.

The last topic I wanted to mention is good news related to the VA-IHS national reimbursement agreement. Through this agreement, VA can reimburse IHS for direct care services to eligible AI/AN veterans.

Tribal input was critical to ensuring that the final agreement contained the OMB all-inclusive rate for outpatient services, which helps so many of our programs. The good news is that the initial 10 federal sites are now billing the VA, and I understand that four sites have actually received payments from the VA! That's more dollars for services for everyone served by the facility. We are now proceeding with all other federal sites that should be able to start billing the VA soon. And tribally managed programs are starting to bill the VA as well. So thank you for your partnership and advocacy on this issue.

In summary, our partnership with Tribes is very important to the progress we have been making to change and improve the IHS. Given all the challenges we continue to face and the work that remains to reform the IHS, we need your partnership more than ever. Thank you, and I hope you enjoy the rest of the meeting.