



Indian Health Service
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Indian Health Service Update

by

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Thank you to the National Congress of American Indians (NCAI) for the opportunity to speak today. Thank you to NCAI President Jefferson Keel, NCAI Treasurer Ron Allen, and the NCAI Board for your leadership and partnership with the Indian Health Service (IHS).

Our partnerships with Tribes and tribal organizations such as the NCAI are critical to our ongoing efforts to eliminate health disparities in Indian Country. We have accomplished a lot in partnership over the past few years, but we know that there is much more to do. Four more years with this administration gives us an opportunity to continue to change and improve the IHS.

Today, I will provide a brief update on what we have been doing to change and improve the IHS. I am glad you got a chance to hear Secretary Sebelius speak yesterday about her support for and progress on tribal issues in the Department of Health and Human Services.

Her support has been so important because she had consistently made the IHS budget a priority. And this is important because the IHS budget is a critical part of our reform efforts. Since 2008, the IHS budget has had a 29% increase, and this increased funding is making a difference. For example, the 46% increase in Contract Health Service (CHS) funding since 2008 means that some of our facilities are now funding referrals at more than Priority 1. This means more patients are getting the services they need. This increase in the IHS budget, and the improved outcomes associated with it, provide an example of what our partnership can achieve with support from the administration, bipartisan support in Congress, and the support of Tribes. But again, we recognize that there is still more to do.

However, I know, from sitting in on the sessions yesterday, that every speaker has talked about the current fiscal climate, sequestration, and uncertainty about the budget. These issues are also significant for the IHS. While the President's budget proposed a \$116 million increase for fiscal year (FY) 2013, we have been operating on a continuing resolution through the end of the month

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at last year's funding levels. And now with sequestration, IHS is included in the automatic across-the-board cuts to all federal agencies. These cuts are deeply destructive; the sequester means \$220 million in cuts to the IHS, from the 5% sequester cut to our discretionary budget and the 2% sequester cut to our mandatory funding for the Special Diabetes Program for Indians.

While we are continuing to look at every option, it is clear that this reduction in our budget is serious and will have a significant impact. You have heard our estimate that the impact will result in a reduction of approximately 3000 inpatient admissions and 804,000 outpatient visits. I want to assure you that in face of uncertainty around our budget for the rest of the year, we are doing everything we can to preserve our mission and to protect patient care as much as possible. Unfortunately, sequestration impacts the entire IHS budget. We will keep you updated on the status of the budget and its impact as we learn more about our final funding level for this year.

However, all this uncertainty about our funding level is not keeping us from looking forward to how we can continue our progress to change and improve the IHS.

We are near the end of our budget formulation process on the FY 2014 budget, and we have worked hard for tribal priorities to be included in the President's budget proposal that will be announced sometime soon.

Thank you for your participation in the FY 2015 budget formulation process. The national IHS Tribal Budget Formulation Workgroup will be presenting their recommendations for FY 2015 at the HHS Annual Tribal Budget Consultation on Friday morning – I hope you can join us.

And thank you for your patience during all the budget challenges this year, as we have had to reduce travel and conferences and use federal space for meetings as a part of the administration's efficiency in spending initiatives.

Now I will provide a brief update on our agency priorities and then we can take some time for questions afterwards.

Our priority to renew and strengthen our partnership with Tribes has been our top priority over the past few years. We have made improvements in national, Area, and local consultation and communication; I hope you are hearing more from your local health facility about their work and improvements. We have held three IHS Tribal Consultation Summits and have made improvements in our consultation process.

We have held a number of consultations over the past few years. Today I have updates on a few of them.

For our consultation on improving the CHS program, we have been implementing the recommendations of our tribal workgroup to improve the business of how we manage and fund our referrals. Also, the CHS Tribal Workgroup just recently met and made recommendations on the CHS funding distribution formula, which I hope to review soon. I will send them back out to Tribes for review before a final decision is made.

IHS has been consulting on Contract Support Costs (CSC), and I have sent updates to you on our actions to implement the recent Supreme Court decision. This involves working to address past claims, and also to work on CSC appropriations moving forward. I want you to know that IHS intends to follow the holding of the Supreme Court decision when processing tribal claims for additional CSC funding. We have met with tribal lawyers, and recently implemented some ways to make the process more collaborative and efficient. Since we don't have class action authority like the Bureau of Indian Affairs, we are moving forward to settle individual tribal claims for CSC in the most efficient manner possible. I am optimistic that we are making progress on this issue. We also look forward to continuing our discussions on how to handle CSC appropriations, and thank you for your input on this topic during our budget formulation process.

Thank you also for your consultation input on the Department of Veterans Affairs (VA)-IHS National Reimbursement Agreement that was signed in December. This agreement allows IHS to bill the VA to reimburse for direct services for veterans eligible for both VA and IHS. We are proceeding with implementation in federal sites, and tribally-managed sites have been able to negotiate their agreements with the VA since last August; they can now use the terms in the national federal agreement.

We also are making progress on implementation of our Memorandum of Understanding with the VA to improve coordination of care for veterans eligible for VA and IHS. Although we are doing some national work, I have asked all of my Area Directors and CEOs to meet with local VA facilities/Veterans Integrated Service Networks and Tribes to work on improvements.

Another current consultation is focused on health care facility construction. We finally got nominations from all 12 IHS Areas for members of the Facilities Appropriation Advisory Board, and we hope to convene the group soon.

You can find out more about all of our consultations on our tribal consultation website. We also posted a summary table that includes actions on each consultation and any outcomes so far. You can send comments at any time to consultation@ihs.gov. I do believe that our partnership with Tribes has grown stronger over the past few years, and IHS appreciates your partnership.

Our second priority is to bring reform to the IHS. The Affordable Care Act is an important part of reform for IHS since the law has many new benefits for American Indians and Alaska Natives (AI/ANs). The insurance reforms in the law protect those with insurance, and we know that about 20 percent of our patients have insurance. The State and Federally Facilitated Exchanges will make insurance more affordable in 2014. The Medicaid Expansion will cover more AI/ANs based on a higher income level, so more childless adults will have the option to enroll in Medicaid. The Affordable Care Act strengthens Medicare for elders through more affordable prescriptions and free preventive services. And best of all, the Affordable Care Act made the Indian Healthcare Improvement Act (IHICIA) permanent.

And while I know that there is some concern with the law, don't worry – with all these new benefits, the IHS was made permanent, and is here to stay. AI/ANs can still use IHS since the law made it a permanent healthcare system for the patients we serve as a part of the federal responsibility. The Affordable Care Act is also a part of the overall federal responsibility and

means more health coverage choices for individual AI/ANs and more resources and services for Indian Country.

As Secretary Sebelius said yesterday, we need your help to ensure that every American Indian and Alaska Native understands the benefits of the law and is ready for enrollment in the Medicaid Expansion and the Health Insurance Exchanges, or Marketplaces, by October 1 this year. Thank you to NCAI for helping us with our National Indian Health Outreach and Education on this topic; I saw a great handout in the packet. I also recently sent a business plan template to all Area Directors to help our facilities prepare for 2014. We want to make sure they are doing everything they can to ensure that our patients who obtain new health coverage in the next few years will stay with us as their medical home, and that we can benefit from increased third party revenues from more billing of Medicaid and insurance.

IHS continues to make progress on implementation of the IHCA reauthorization. We posted an updated progress table on the IHS Director's blog. Several provisions are already in place, such as tribal providers being able to be licensed in one state; outside providers not being able to go after patients who have referrals authorized to be paid by CHS; and third-party resources staying at the Service Unit where they were generated. There are provisions that require more work, and there are also provisions that require more funding, such as long-term care and some of the demonstration projects. We are working in the budget formulation process on priorities for funding.

We are also making progress on our internal IHS reform efforts – how we are changing and improving the IHS. We have set a strong tone at the top that we will change and improve, and we have implemented improved budget planning, financial management, and more consistent business practices. We are implementing improvements in hiring times, recruitment and retention efforts. We are working more closely with Area Directors to ensure that reforms are happening and that they are communicating progress with you.

We sent a letter to Tribes in July last year with an update on our response to the Senate Committee on Indian Affairs investigation of Aberdeen Area and the status of the reviews of all other IHS Areas, which are all now completed. We have made progress; for example, we have installed security cameras and cages in pharmacies, and have reduced the number of pharmacy discrepancies from more than 3600 in 2010 to fewer than 100 this year in the Aberdeen Area. That means we are more accountable for the security of medications that our patients need.

Our third priority is to improve the quality of and access to care. We continue to implement activities to improve customer service, and we also are expanding our Improving Patient Care (IPC) initiative, which is our patient-centered medical home initiative. We have 90 sites already and have started a new cohort of sites called IPC4. This initiative means better coordinated care, more teamwork, more patients seeing the same providers, and better quality of care.

We recently released our *Special Diabetes Program for Indians Report to Congress*, and it shows the tremendous successes of these programs in preventing and treating diabetes. The Report can now be downloaded from the Division of Diabetes Treatment and Prevention

website. We will be consulting with Tribes on the distribution of funding for the additional year we received in the recent reauthorization of SDPI.

We continue to work on behavioral health and suicide prevention strategic plans, and the Methamphetamine Suicide Prevention initiative and the Domestic Violence Prevention initiative have great data showing the many evidence-based activities they are implementing in tribal communities.

We also are continuing to work on our Healthy Weight for Life initiative to reduce obesity, and the Million Hearts Campaign to reduce heart attacks and strokes. And we have a new collaboration with the Centers for Medicare and Medicaid Services, called “Partnership for Patients,” that will establish an IHS Hospital Consortium to develop a system-wide approach to certification and accreditation and help make our hospitals safer.

We have seen great results and improvements on our Government Performance and Results Act measures in the past few years. We met all indicator goals last year and almost all of them this year. We are also seeing trends that show improvements in measures, such as finally seeing an increase in the percent of women receiving screening mammograms, after years of no progress. This progress is a result of a greater focus on improvement and more resources to fund these services.

Our collaborations with other agencies have resulted in improvements such as better coordination of care through the VA-IHS MOU, more sites eligible for National Health Service Corps providers due to our partnership with the Health Resources and Services Administration, and more attention to tribal issues throughout the Department of Health and Human Services.

Our fourth priority is to make all our work transparent, accountable, fair, and inclusive, and this includes more communication about what we are doing. I hope you are able to follow the IHS Director’s blog for updates and information. We continue our focus on accountability of our staff and our programs. And we also make sure we are inclusive in our work. We have a responsibility to try to make our decisions benefit all our patients, whether they are served by IHS, tribal, or urban Indian health programs.

In summary, we are making progress in changing and improving the IHS. Thank you for your partnership – it has been critical to our progress so far. And while we are in a time of uncertainty, I know that the partnership between the IHS and Tribes is more important than ever. The work of the past few years has clearly established that we must work together to continue our efforts to change and improve the IHS so that our patients and communities receive the quality health care that they need and deserve.

Thank you.