Indian Health Service
Report on Proposed Closure of the Sioux San Hospital Emergency and Inpatient Departments
The Indian Health Care Improvement Act (IHCIA) at 25 U.S.C. § 1631(b) requires the Indian Health Service (IHS) to submit a report to the Congress at least one year prior to the date that the IHS intends to close a hospital or facility (or portion thereof). The IHCIA directs the IHS to report on the following: accessibility of alternative health care resources; cost effectiveness of closure; quality of health care to be provided after closure; availability of purchased/referred care funds to maintain existing levels of service; views of the Indian tribes served by the facility; level of utilization by all eligible Indians; and the distance to the nearest operating IHS hospital.

The IHS has prepared this report pursuant to the directive contained in the IHCIA at 25 U.S.C. § 1631(b) to inform Congress that the IHS intends to permanently close the IHS Sioux San Hospital emergency and inpatient departments, which are located at 3200 Canyon Lake Drive in Rapid City, South Dakota.

The IHS has determined that patients of the IHS Sioux San Hospital are better served by maintaining an Urgent Care Department and redeploying emergency and inpatient department resources to urgent and outpatient care. The permanent closure of the emergency and inpatient departments will occur one year after submission of this report.

The IHS is an agency within the Public Health Service of the United States Department of Health and Human Services (HHS) whose principal mission is to provide primary health care for eligible American Indians and Alaska Natives throughout the United States. It does so through three separate mechanisms: (1) providing health care services directly through its own facilities; (2) contracting with tribes and tribal organizations pursuant to the Indian Self-Determination and Education Assistance Act (ISDEAA) to allow those tribes to independently operate health care delivery programs previously provided by the IHS; and (3) funding contracts and grants to organizations operating health programs for Urban Indians. Through the first two of these mechanisms, the IHS delivers health care services through local Service Units that are grouped within 12 regional IHS Areas, which in turn are overseen by IHS Headquarters (HQ) located in Rockville, Maryland.

The IHS Sioux San Hospital was built in 1938. It was originally designed and constructed as the Sioux Sanitarium to treat tuberculosis patients, and was transferred to the IHS in 1955. The IHS Sioux San Hospital is located within the Great Plains Area’s Rapid City Service Unit (RCSU), which provides health care delivery to American Indians and Alaska Natives residing in Rapid City, South Dakota, and the surrounding areas. The RCSU is unique because it is located in an urban area and not on a reservation. The campus consists of 29 buildings, of which 19 are categorized as historical, and 3 structures, of which 2 are categorized as historical. The IHS owns the land and buildings.

The IHS Sioux San Hospital is a 9-bed facility, staffed by 22 physicians and 5 mid-level practitioners (including vacancies) who provide adult, pediatric, and prenatal inpatient and outpatient care. These services include the following: Urgent Care; Dental; Optometry; Laboratory; X-Ray; Pharmacy; Physical Therapy; Audiology; Podiatry; Mammography; and Dietetics. Outpatient psychiatric counseling and evaluations are also provided at the RCSU. Most major surgery and obstetrical care services are performed at a nearby non-IHS facility, the
Rapid City Regional Hospital. In fiscal year (FY) 2016, the IHS received appropriated funds from Congress to initiate planning for new construction of an outpatient facility in Rapid City, South Dakota, to replace the IHS Sioux San Hospital. This new facility will be called the Rapid City Health Center.

In accordance with the IHCIA at 25 U.S.C. § 1631(a)(1), the IHS consulted with tribal leaders from the Cheyenne River Sioux Tribe, the Oglala Sioux Tribe, and the Rosebud Sioux Tribe on plans for new construction and services at the existing campus where the IHS Sioux San Hospital is now located.

The initial facility replacement discussion between tribes and the IHS occurred in the early 1990s when the IHS conducted a nationwide review of the IHS Health Facilities Construction Priority System. The IHS Sioux San Hospital was among those selected and evaluated by IHS to ensure the health care needs of the American Indian population were met.

As a next step, the IHS consulted with the Cheyenne River Sioux Tribe, the Oglala Sioux Tribe, and the Rosebud Sioux Tribe regarding the Rapid City Health Center replacement. The consultations explored whether the IHS Sioux San facility would better serve them as a facility that focused more on preventive and primary care services, including behavioral health, consistent with the initial construction plans for the IHS Sioux San Hospital’s replacement facility. On September 28, 2006, the IHS approved a Program Justification Document (PJD)\(^1\) that proposed replacing the IHS Sioux San Hospital with a health center.

In the 2006 PJD, the IHS explained that given the close proximity to Rapid City Regional Hospital, the proposed replacement facility would support the ambulatory health care needs of the RCSU. It will not include inpatient and emergency department (ED) services; however, the hours of operation will be extended into the evening and on weekends to provide urgent care services. The IHS also explained the history of the inpatient services in the PJD, including the number of beds that existed when the facility was a tuberculosis sanitarium, the reduction of that number in 1970 when the first floor was converted to ambulatory outpatient services, and the further reduction in 1975 when the third floor was considered unsafe for inpatient use.

Moving forward, the IHS approved a Program of Requirements (POR)\(^2\) on September 16, 2008, for the proposed replacement facility, the Rapid City Health Center. The POR detailed the proposed replacement facility and the services to be provided, which do not include emergency

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\(^1\) The Program Justification Document (PJD) justifies the need of health care services that are to be provided in the proposed new or renovated/expanded health care facility, the workloads and population being served, and a description of the existing health care services.

\(^2\) The Program of Requirements (POR) defines criteria to be used to design, construct, and equip the facility. The POR must comply with applicable Federal regulations and guidelines for facilities construction. The POR is provided with the PJD for budgeting and funding approval and to provide design direction.
and inpatient departments. The POR took into account the need for extended hours of operation for urgent care services and the addition of audiology and psychiatric consultant services.

On July 12, 2016, the IHS approved an amendment to the PJD for a replacement health care facility in Rapid City, South Dakota, that addressed the impact of several IHS actions that occurred since the original PJD was approved in September 2006. This amendment did not alter the IHS’s plans to discontinue emergency and inpatient department services with the construction of the Rapid City Health Center. Consistent with the POR and the PJD, the President’s Budgets for FYs 2016, 2017, and 2018 described the replacement facility for the IHS Sioux San Hospital as an ambulatory care center. Because the facility will not be providing inpatient services, the replacement facility is ineligible to participate in Medicare as a hospital.

On September 15, 2016, the Great Plains Area Office informed the Unified Health Board (Oglala Sioux Tribe, Rosebud Sioux Tribe, and Cheyenne River Sioux Tribe) of the planned temporary closure of the IHS Sioux San Hospital’s ED and continued discussions on the planned replacement facility. On September 20, 2016, the IHS made a decision to temporarily close the IHS Sioux San Hospital’s ED to ensure patient safety as permitted by 25 U.S.C. § 1631(b)(2). The IHS notified patients, staff, neighboring health facilities, and the community that the IHS Sioux San Hospital operated urgent care services 24 hours per day, 7 days per week, in the same location as the ED.

The ED was in need of upgrades and modernization to provide comprehensive services to the hypercritical patients. Necessary upgrades to the IHS Sioux San Hospital’s ED included remodeling the facility, increasing staffing numbers and skills, and expanding equipment capabilities. The estimated cost for these ED improvements totaled approximately $6.3 million, with an additional recurring cost of $2.2 million per year.

Since the temporary closure of the ED, the IHS actively pursued a series of steps to improve the IHS Sioux San Hospital’s ED facility, equipment, and staffing. Ongoing efforts to make these gains sustainable prompted further review by the RCSU, Great Plains Area Office leadership, and clinical leadership from other IHS Areas and Headquarters. This IHS analysis of the ED identified risks to patient safety. In order to maintain a high quality of care for patients who presented to the ED, significant investment in the current facility, equipment, and training are required.

The temporary closure of the ED has allowed the IHS to focus clinical, physical, and financial resources on meeting the needs of the majority of patients who use the IHS Sioux San Hospital for its outpatient and urgent care services. Utilization data collected since the ED was closed indicates that while the average number of patients seen per day since the transition to Urgent Care has increased slightly, there has been a significant decrease in the number of patients transferred to other facilities for emergency services. For example, before the September 20, 2016, transition from the ED to the Urgent Care Department, an average of 3.3 patients per day needed to be transferred to another facility. This compares to 2.1 patients per day since the transition to an Urgent Care Department.
Given the various factors that led to the temporary closure of the ED and the circumstances observed since the transition to an Urgent Care Department, the IHS has determined that patients of the IHS Sioux San Hospital are better served by maintaining an Urgent Care Department and redeploying ED resources to urgent and outpatient care.

In light of plans to permanently close the emergency and inpatient departments in one year, the IHS addresses the following factors identified by section 301 of the IHCIA:

(A) The accessibility of alternative health care resources for the population served by such hospital or facility

The nearest hospital is Rapid City Regional Hospital, which is approximately 4 miles away from IHS Sioux San Hospital. Given the temporary closure of the IHS Sioux San Hospital’s ED and planned closure of the inpatient department, the Rapid City Regional Hospital serves as an alternative health care resource for emergency and inpatient department services. Individuals presenting with a medical emergency at IHS Sioux San Hospital are assessed. If the patient cannot be served by Sioux San’s Urgent Care Department, the patient is sent by Rapid City EMS Services to Rapid City Regional Hospital. Prior to September 20, 2016, many IHS patients requiring ED services were assessed and transferred because the IHS Sioux San Hospital’s ED was not able to provide the level of emergency services available elsewhere in the community. It is planned that urgent care services will continue at IHS Sioux San Hospital and continue at the replacement facility, Rapid City Health Center.

(B) The cost effectiveness of such closure

The IHS has kept many of its older facilities up and running as a means of providing care to eligible patients amidst resource challenges. Retrofitting these facilities as they further exceed their service life becomes gradually more resource intensive and may ultimately require complete reconstruction in place of retrofitting, typically at a higher cost. At the same time, design needs of health facilities change over time as standards for construction and configuration evolve. Changing design requirements and resource challenges prevented the IHS Sioux San Hospital from meeting the demands of the most critically ill and injured patients. These issues, along with the temporary closure of the ED, absence of essential ED equipment, historical building preservation, staffing issues, limited ED admissions, and the eventual new construction of the Rapid City Health Center, are all reasons that the IHS has determined that going forward, it is safer and more cost effective to permanently close the IHS Sioux San Hospital emergency and inpatient departments. For example, the IHS estimates a cost exceeding $6 million to bring the IHS Sioux San Hospital ED to an acceptable patient safety level.

In addition to resources, these improvements would require a significant amount of time. Even if these improvements were made, the IHS anticipates that staffing and the ability to provide safe care would remain a significant challenge. The IHS has been able to refocus the IHS Sioux San Hospital’s clinicians and resources to meet the needs of the majority of patients, without potentially compromising patient safety and without the time and resources needed to upgrade the ED, by transitioning the space to the Urgent Care Department. By closing the IHS Sioux San
Hospital’s emergency and inpatient departments in one year, the IHS can redirect limited resources to better meet the health care needs of patients.

(C) The quality of health care to be provided to the population served by such hospital or facility after such closure

The permanent closure of the IHS Sioux San Hospital emergency and inpatient departments should not have a negative impact on patient safety. The replacement facility, Rapid City Health Center, will offer comprehensive outpatient health care services to the local population. The use of inpatient services at Sioux San Hospital is very low and has been very low for a number of years. With respect to the ED, based on utilization patterns since the transition to urgent care services, the IHS concluded that the majority of beneficiaries who would have been served by the Hospital’s ED can be appropriately served by the Urgent Care Department. If a patient presents to the IHS Sioux San Hospital with a medical emergency that cannot be treated by the Urgent Care Department, the patient will be transferred to the Rapid City Regional Hospital.

Rapid City Regional Hospital is a Medicare-participating provider accredited by The Joint Commission. The IHS has been working closely with the Rapid City Regional Hospital to ensure proper coordination of care for eligible IHS beneficiaries under the Purchased/Referred Care (PRC) program and will continue to do so.

(D) The availability of contract health care funds to maintain existing levels of service

The RCSU PRC Service Delivery Area is Pennington County, South Dakota. American Indian and Alaska Native (AI/AN) people residing in Pennington County who meet certain eligibility requirements can access PRC, subject to the availability of funding and the establishment of medical priority pursuant to the relevant regulations at 42 C.F.R. §§ 136.21-25. The FY 2016 PRC budget for the RCSU was approximately $7.6 million. For FY 2017, the IHS is currently reflecting an annual funding level of the same amount.

The permanent closure of the emergency and inpatient departments should have minimal impact on Rapid City Regional Hospital and the local Emergency Medical Services system since the majority of patients will still be seen at IHS Sioux San Hospital or the Hospital’s replacement facility, Rapid City Health Center, once constructed. Use of inpatient services at the IHS Sioux San Hospital is very low and high acuity patients were transferred directly to Rapid City Regional Hospital prior to the temporary closure of the ED. In effect, a permanent closure of the ED and inpatient services should have no net impact on Rapid City Regional Hospital beyond the status quo, and thus far the data indicate that the temporary closure of the ED has not resulted in any significant change in the number of patients receiving services at IHS Sioux San Hospital or the number of patients transferred to Rapid City Regional Hospital.

3 In January 2014, the Consolidated Appropriations Act of 2014 changed the name of the Contract Health Services program to the Purchased/Referred Care program. As such, contract health care funds are now referred to as Purchased/Referred Care funds.
The views of the Indian tribes served by such hospital or facility concerning such closure

The IHS met with representatives for the Oglala Sioux Tribe, Rosebud Sioux Tribe, and Cheyenne River Sioux Tribe to discuss the closure and replacement of the Sioux San Hospital in Rapid City, South Dakota on the following dates: September 13, 2016; October 27, 2016; January 17, 2017; March 16, 2017; and June 15, 2017. While views may have changed over time, the IHS understands that the tribes primarily served by the Hospital are currently not in support of any closure of the emergency or inpatient departments.

The level of utilization of such hospital or facility by all eligible Indians

Based on historical data, the IHS expects most patients will continue to receive the services needed at the IHS Sioux San Hospital. The utilization of inpatient services at IHS Sioux San Hospital is very low, as represented by the Average Daily Census (ADC). The ADC refers to the average number of inpatients receiving care each day. For FY 2016, the ADC was 0.3. For FYs 2015, 2014, and 2012, the ADC was 0.4. For FY 2013, the ADC was 0.9 and for FY 2011, the ADC was 0.0, because the inpatient department was closed due to staffing issues. For FYs 2010 and 2009, the ADC was 0.5. From FY 2004 through FY 2008, the ADC decreased from 7.1 to 2.5. These numbers represent a steady decline in utilization of inpatient services and utilization has remained very low in recent years.

With respect to the ED, the majority of patients presenting to the ED were in need of urgent care services. These patients continue to be treated at the facility for urgent care needs such as non-complicated splinting of broken bones; wound care; nausea, vomiting, diarrhea; and non-life-threatening allergic reactions.

Before the closure of the ED and transition to the Urgent Care Department, the average number of patients seen in the IHS Sioux San Hospital’s ED was 38 per day. Since September 20, 2016, the average number of patients presenting to the Urgent Care Department has been 41. While the number of patient visits has increased slightly, there has been no increase in the number of patients transferred to another facility for emergency care services. Before the September 20, 2016, transition, there were on average 3.3 patients being transferred each day. The average number of transfers to another facility since the transition to urgent care is 2.1 patients per day.

The distance between such hospital or facility and the nearest operating Service hospital

The IHS will continue to operate the IHS Sioux San Hospital until the replacement facility is opened. It anticipates that the IHS will continue to treat patients in need of urgent care services 24 hours per day, 7 days per week, in addition to providing other outpatient services. The IHS will not reopen the ED at the IHS Sioux San Hospital’s current facility, nor will it operate an ED or inpatient services in the planned replacement facility. The nearest IHS-operated emergency room is the Pine Ridge Hospital, which is approximately 97 miles away. At the present time, the
Pine Ridge Hospital is operating under an extended Systems Improvement Agreement (SIA) in coordination with the Centers for Medicare & Medicaid Services. The SIA has been extended until August 11, 2017. Rapid City Regional Hospital, a non-IHS facility, operates an ED approximately 4 miles away from IHS Sioux San Hospital.