



FEB 11 2002

Dear Tribal Leader:

In 1996, a Workgroup was charged to recommend changes to key segments of Indian Health Service (IHS) operations to adopt more business like practices. After consulting with Tribal governments and with participation by American Indian and Alaska Native people, the IHS implemented many of the Workgroup's recommendations to reflect Indian country priorities.

The health care environment continues to become more complex and costly. This changing environment includes the Indian health system, composed of Federal, Tribal, and urban health programs. Today, we continue to be challenged by many external forces, including the overall increasing costs of health care, limited Federal appropriations, changing rules and regulations governing the reimbursement of health care services by payers, and a new administration with management agendas placing new expectations on all government agencies including the IHS. With these evolving environmental forces, comes a need to review the Indian health system and determine how the system can best meet these new demands. Therefore, I will convene a new Business Plan Workgroup to study these and other issues affecting our operating environment.

I am enclosing a draft charge for the new Workgroup to address the future business practices of the Indian health care system. I have directed IHS Area Directors to meet with their respective Area Tribal Leaders to select an Area Tribal Leader representative and an alternate from each of the 12 IHS Areas to serve on the Workgroup. In keeping with the present IHS Tribal consultation policy, the Workgroup will have a Tribal co-chair and a Federal co-chair. The Tribal co-chair will be selected from among the Area Tribal Leader representatives and representatives from each of the following national Indian organizations: the National Indian Health Board, the Tribal Self-Governance Advisory Committee, the National Congress of American Indians, and the National Council of Urban Indian Health. Charles Grim, D.D.S., Director, Oklahoma Area MS, has accepted the role as the Federal Co-Chair.

I will announce the membership of the Workgroup by mid-March and convene the first meeting in April. You can follow the Workgroup's progress by checking Business Plan postings in the Nationwide Programs and Initiatives section of the IHS website (www.ihs.gov). Before adopting any recommendations that significantly affect the Indian health system, I assure you that representative views from Indian country will be considered and any design changes to the IHS will be made to advance the health of all American Indian and Alaska Native people.

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I look forward to working with you on this important project. Thank you for your continuing interest in improving the health of American Indian and Alaska Native people.

Sincerely yours,

/Michael H. Trujillo/

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Enclosure