



JUN 8 2018

Dear Tribal Leader:

I am writing to initiate a Tribal Consultation on recommendations made by the Indian Health Care Improvement Fund (IHCIF) Workgroup to revise the formula used to allocate funding increases appropriated for the Indian Health Care Improvement Fund.

In January 2018, I charged the Indian Health Service (IHS) IHCIF Workgroup, which is comprised of Federal and Tribal representatives, with reviewing the existing IHCIF formula and making recommendations for potential formula revisions. The IHCIF Workgroup was asked to consider whether the formula has been effective in meeting the stated purpose of the IHCIF in the Indian Health Care Improvement Act. They also considered the effect of the current health care environment on the formula. Information on the IHCIF Workgroup is available online at <https://www.ihs.gov/ihcif/>.

The IHCIF Workgroup convened four in-person meetings and several Conference Calls from January through May 2018 to develop their recommendations. The resulting Interim Report includes three major recommendations to incorporate into the IHCIF formula for use in allocating the fiscal year (FY) 2018 funding increase.

IHCIF Workgroup recommendations are summarized as follows:

1. **Change the Benchmark:** The existing formula uses the cost of Federal employee health insurance through the Federal Employees Health Benefits (FEHB) Program as a baseline for identifying a per capita cost for personal health care services expenditures.

The IHCIF Workgroup recommends that the FEHB Program be replaced as the benchmark for identifying a per capita cost for personal health care services expenditures with National Health Expenditures (NHE) data, with particular emphasis on the four categories that follow:

- Category 1: Health Care Services in Traditional Settings
 - Category 2: Residential, Home, Nursing Facilities, etc.
 - Category 3: Dental Services
 - Category 4: Public Health (no public works)
2. **Update the Population Factor:** The IHCIF Workgroup recommends revising the standard user population factor (user count) currently used in the formula to add non-Purchased/Referred Care Delivery Area users (formerly known as non-Contract Health Service Delivery Area users) to the national unduplicated user population.

3. **Revise the Alternate Resources Factor:** The current IHCIF formula calculates total funding available to an operating unit (site) by factoring in a standard 25 percent for alternate resources outside of IHS funding.

The IHCIF Workgroup recommends changing the 25 percent estimate used for alternate resources to a site-specific coverage value (percent) based on IHS site level coverage data adjusted for program weighting, coverage gaps, payment gaps, and program component enrollments. For sites with missing or outdated enrollment data, the State average would be used. For sites with a coverage value that exceeds the State average, the value would be capped at the State average. Please send your comments and recommendations on the PRC Chapter Update:

Each of the IHCIF Workgroup’s recommendations is described in greater detail in the Interim Report, including how the Workgroup developed them. A copy of the Interim Report will be distributed by U.S. postal mail and posted on our Web site at www.ihs.gov/newsroom/triballeaderletters.

Overview of the Tribal Consultation

The IHS is convening three in-person sessions and a Webinar during this Tribal Consultation period to review the IHCIF formula and the Workgroup’s recommendations for updating it.

The deadline for submitting comments on the IHCIF Workgroup’s Recommendations on the IHCIF formula is Friday, July 13, 2018.

This timing is crucial to ensure there remains sufficient time to allocate the IHCIF FY 2018 funding increase prior to the expiration of funds on September 30, 2018.

Date and Time	Consultation Format¹	Details
Thursday, June 14, 2018 TIME: 9:00 a.m.–11:30 a.m. Mountain Time	In-person Consultation in Phoenix, Arizona	Hyatt Regency Phoenix 122 North 2nd Street Phoenix, Arizona 85004
Thursday, June 21, 2018 TIME: 4:00 p.m.–5:30 p.m. Eastern Time	Conference Call and Webinar	Call-in Number: (800) 832-0736 Passcode: 3014886 Web link: https://ihs.adobeconnect.com/ihcifconsultation/ Room Passcode: ihs123

¹ A conference line will be available for each of the in-person Tribal Consultation sessions. Conference Call information will be posted online at <https://www.ihs.gov/ihcif/> and on the IHS Event Calendar at <https://www.ihs.gov/ihscalendar/>.

Date and Time	Consultation Format¹	Details
Thursday, June 28, 2018 TIME: 9:00 a.m.–11:30 a.m. Central Time	In-person Consultation in Minneapolis, Minnesota	<i>Location Pending</i> Information will be posted at https://www.ihs.gov/ihcif/
Friday, June 29, 2018 TIME: 9:00 a.m.–11:30 a.m. Pacific Time	In-person Consultation in Seattle, Washington	<i>Location Pending</i> Information will be posted at https://www.ihs.gov/ihcif/

Please submit your comments using one of the following methods:

- By E-MAIL to: consultation@ihs.gov
- By POSTAL MAIL to:

RADM Michael D. Weahkee
Acting Director
Indian Health Service
5600 Fishers Lane, Mail Stop: 08E86
Rockville, MD 20857

ATTENTION: IHCIF Workgroup
Recommendations Tribal Consultation

Thank you for your participation in this important Tribal Consultation. Your input is critical to improving the formula used to allocate appropriations for the IHCIF.

Once the Tribal Consultation is completed, I will be sending another letter to update you on my final decision regarding the IHCIF Workgroup’s recommendations and how your input was considered in the decision.

Sincerely,

/Michael D. Weahkee/

RADM Michael D. Weahkee, MBA, MHSA
Assistant Surgeon General, U.S. Public Health Service
Acting Director