Director's Workgroup on Improving Contract Health Services

I. CHARGE OF THE WORKGROUP

The charge of the Director's Workgroup on Improving Contract Health Services (Workgroup) is to provide recommendations to the Director, IHS, on strategies to improve the Agency's contract health services (CHS) program. The Workgroup will review input received to improve the CHS program; evaluate the existing formula for distributing CHS funds; and recommend improvements in the way CHS operations are conducted within the IHS and the Indian health system

II. VISION

To deliver culturally relevant, patient-centered, and medically appropriate CHS services to eligible American Indian and Alaska Native (AI/AN) patients.

III. WORKGROUP AIM STATEMENT

To implement Workgroup recommendations to improve CHS operations, data, oversight, and transparency.

Agency policies will ensure that CHS program services are:

- Reliable and accessible;
- Fully funded;
- Delivered in a culturally sensitive environment; and
- Coordinated and integrated across all elements of the Indian health system.

IV. GUIDING PRINCIPLES

- No Workgroup actions or decisions will have the effect of waiving any Tribal Governmental rights, including treaty rights, sovereign immunity, or jurisdiction, nor absolve the United States of its Federal trust responsibility to provide and fully fund health care services for AI/AN people.
- Each Workgroup member makes a commitment to the Workgroup's charge and makes the time to engage in developing recommendations that will address the needs of eligible AI/AN patients in a fair and equitable manner.
- Each Workgroup member makes a commitment to be informed of all applicable CHS statutes, rules, regulations, and policies.

- Workgroup members pledge to build unity within the group for the benefit of eligible AI/AN people and overcome Area differences, including challenges related to CHS disparities.
- Workgroup recommendations will apply only to future formula funding distribution decisions and will not apply to the current CHS funding base.
- Each Workgroup member makes a commitment to reform that takes into consideration the reasons behind current policies and practices and the potential impact of future health reform changes.
- Each Workgroup member recognizes that future decisions may challenge traditional CHS practices.

V. OUTLINE OF PRIORITIES FOR IMMEDIATE AND LONG-TERM EFFECT

- Commission a study to quantify the unmet CHS need.
- Recommend a reporting process to document CHS referrals, denials, and deferred care to support justification of unmet need.
- Recommend data capture improvements that include capturing the cost burden for patients.
- Evaluate the effect of the fiscal year (FY) 2010 CHS funding increase on CHS unmet need in terms of return on investment for CHS direct services and investment into preventive services.
- Evaluate potential changes to the CHS program as a result of recent legislative actions and the enactment of the Affordable Care Act and permanent reauthorization of the Indian Health Care Improvement Act.

WORKGROUP RECOMMENDATIONS (as of 12/20/2010)

RECOMMENDATION (1)

Define CHS Unmet Need for IHS and Tribal Facilities

The Workgroup recommends the creation of a technical subcommittee comprised of Workgroup members charged with calculating total current CHS need and estimates of future CHS need. This data will take into consideration the bulleted list above.

The subcommittee will:

- Define and quantify the CHS Unmet Need within the context of these variables. This involves aligning the CHS Unmet Need with the Federal Disparity Index Core Personal Health Services.
- Explore alternative benefits package benchmarks and provide an analysis of the advantages of utilizing these benchmarks, i.e., U.S. Department of Veterans Affairs, Social Security Administration, Federal Employees Health Benefits Program, and the Medicaid program.
- Include participation by IHS Information Technology staff and Mr. Cliff Wiggins.
- Report back to the Director's Workgroup on Improving CHS with recommendations by January 28, 2011.
- Provide findings and recommendations on the Catastrophic Health Emergency Fund that identify the associated cost of lowering the CHEF threshold from $25,000 to $19,000 by December 31, 2010.

RECOMMENDATION (2)

Improve and Promote Current CHS Business Practices

The Workgroup recommends convening 12 Area Work Sessions to review current CHS policies and procedures and develop recommendations on specific measurable changes that will improve CHS business practices, including IHS, Tribal, and Urban organization (I/T/U) Best Practices.

These recommendations will be used to revise the CHS Chapter of the *IHS Manual* (Part II, Chapter III, CHS), which would also include amendments or revisions resulting from enacted health care reform legislation.

Workgroup members will assist in facilitating these Area Work Sessions to ensure the recommendations that follow are addressed. Each Area will be responsible for coordinating their respective Work Session and selecting Tribal and Federal participants. Representatives will include Tribal Leaders, clinicians, CHS staff, and patients.

The Workgroup recommends each Area develop standardized methods and strategies to:

- enhance staff training in customer service;
- improve patient outcomes;
- conduct case management;
- review and update medical priorities;
- evaluate best practices;

- evaluate the current cost of care;
- evaluate the return on investment for providing preventive medical services;
- promote community-oriented primary care (Public Health Model); and
- communicate CHS program requirements, revisions to the IHS Manual, strategic plans to modernize CHS, and efforts to measure the effectiveness of these changes.

Area Work Sessions Milestone

The Area Work Sessions will be facilitated by Workgroup members and will identify business strategies and best practices for consideration and implementation by the IHS Director by March 30, 2011.

RECOMMENDATION (3)

Evaluate Parity of Current CHS Formula

The Workgroup recommends that the existing CHS formula be used in FYs 2011 and 2012.

In the long-term, the Workgroup recommends a technical subcommittee be established to further evaluate the CHS distribution formula. This review is particularly recommended for elements related to access to care and efforts to evaluate the ongoing impact of the FY 2010 increase.

RECOMMENDATION (4)

IHS Budget Formulation Workgroup

The Workgroup recommends that the IHS Budget Formulation Workgroup apply the true medical inflation index (Inpatient and Outpatient components from the Consumer Price Index) for new CHS increases within the current services Agency Budget line item for FY 2013 and beyond.