IHS Contract Support Costs Update

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All-Tribes Call/Webinar
September 19, 2014
IHS CSC Claims Settlement Progress

November 2013
- Analyses: 80
- Offers: 60
- Settled: 3

September 5, 2014
- Analyses: 1235
- Offers: 654
- Settled: 523

$1.5 million

$556 million
CSC Appropriations

• FY 2014 Consolidated Appropriations Act did not limit the total amount of funds in the IHS Services Appropriation to be expended for the payment of CSC
• Commitment to full funding of CSC in FY 2014
• Congress – fund three priorities: PRC, new staffing, fully fund CSC.
• Consult with Tribes, OMB and Congress on a long term solution for CSC appropriations.
IHS Appropriations – FY 2013

SERVICES ACCOUNT
- Clinical Services
- Preventive Health
- Other Services

$3.9 billion

FACILITIES ACCOUNT
$0.45 billion

Total $4.4 billion
IHS Appropriations– FY 2014

SERVICES ACCOUNT
Clinical Services
Preventive Health
Other Services

$3.9 billion

FACILITIES ACCOUNT

$0.45 billion

$3.9 billion
IHS Appropriations

SERVICES ACCOUNT
- Clinical Services
- Preventive Health
- Other Services

FACILITIES ACCOUNT
- PRC
- CSC

$3.9 billion

$0.45 billion
CSC Appropriations

- In May, other items in the services budget were reduced by $10 million to fully fund CSC.
- Due to several factors, IHS recently notified Congress of its intent to reprogram a maximum of $48 million to fully fund CSC from the FY 2014 appropriation.
CSC Appropriations

Why did the CSC Need increase and why is it so hard to predict?

- CSC amounts change during the budget process and throughout the fiscal year
- Estimates initially from budget formulation
- Estimates change with final budget from Congress
- New CSC need from some increases in budget
- During year, CSC calculation can change – updated indirect cost rates, change in program base due to increased funding, change in inflation rates, etc.
- Policy allows for reconciliation of CSC payments during the year to ensure full funding and to recover any overpayments of CSC and redistribute the amounts
- Tribes can request new and expanded contracts which require additional CSC need as late as August 17
- Tribes can request to renegotiate CSC throughout the year, no deadlines
Additional CSC Estimated Need Since May

Ongoing/existing programs (but includes new staffing already paid to Tribes in FY14)

- Additional Direct CSC need due to inflation rate: $2.2M
- Additional Indirect CSC need: $10.9M
- Overpayments not yet repaid: $7.1M
- Sub-total: $20.2M

New negotiations this year

- New and Expanded (not paid yet): $1.6M
- Requests to renegotiate Direct/Indirect CSC: $22.4M
- Sub-total: $24.0M

- Total estimated additional need: $44.2M
- Reprogramming request: $48.0M
Additional CSC Estimated Need Since May – Aug and Sept updates

Ongoing/existing programs

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Total estimated additional need:                                           | $44.2M  | $32.0M  |
CSC funds unobligated:                                                     |         | $6.9M   |
Reprogramming request:                                                     | $48.0M  | $25.1M  |
CSC Appropriations

- Will continue reconciliation through the end of the year
- Will reprogram funding from headquarters first, then Areas, then Service Units
- Need for a long term solution
- Tribal consultation input under review
IHS Appropriations

SERVICES ACCOUNT
- Clinical Services
- Preventive Health
- Other Services

FACILITIES ACCOUNT

- PRC
- CSC

$3.9 billion

$0.45 billion