



P. O. Box 38 – Sacaton, Arizona 85147

May 18, 2018

**DELIVERED VIA EMAIL:** [consultation@ihs.gov](mailto:consultation@ihs.gov)

RADM Michael D. Weahkee  
Acting Director  
Indian Health Service  
5600 Fishers Lane  
Rockville, MD 20857

*Re: Gila River Indian Community and Gila River Health Care Joint Comments Re:  
Alternate Methods for Calculating Indirect Costs with Recurring Service Unit  
Shares (the “97/3 Method or 97/3 Split”)*

Dear Acting Director Weahkee:

These Joint Comments are submitted on behalf of the Gila River Indian Community (the “Community”) and Gila River Health Care (“GRHC”) regarding the contract support cost (“CSC”) proposals for alternate methods in calculating indirect costs with recurring service unit shares (the “97/3” method), as set forth in the Dear Tribal Leader Letter, dated April 13, 2018, from RADM Michael D. Weahkee, Assistant Surgeon General, U.S. Public Health Service, Acting Director, in which he requested comments by May 18, 2018.

The Gila River Indian Community operates several healthcare programs and facilities pursuant to a federal Compact between the Community and the United States, Indian Health Service (“IHS”), under the Indian Self-Determination and Education Assistance Act. In this regard, the Community operates a public health program and has established GRHC to operate the Hu Hu Kam Memorial Hospital, as well as a number of strategically located clinics designed to serve Community members and other Native Americans with a broad range of services, including significant care and treatment for patients suffering from diabetes. GRHC also operates a skilled nursing facility, a behavioral health facility, and is opening a new regional facility, Red Tail Hawk, which will relieve demand from the Phoenix Indian Medical Center.

We understand that the current request for comments identifies several alternatives for addressing the foregoing CSC determinations and the 97/3 methodology. GRHC requests that consultation on this topic be extended with additional time for in-person dialog and additional input directly from the CSC Workshop participants. In this regard, we note that the current consultation request follows a decision by IHS to rescind the 97/3 option. While we understand that the CSC Workgroup developed compromise language to salvage the 97/3 method, we also understand that there is disagreement with regard to the changes that IHS is proposing to those recommendations that will require additional consultation to resolve. GRHC contends that any proposal adopted with regard to CSC should include the ability of each tribe to negotiate

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flexibility on a mutual basis and to accommodate changes over time. Each tribe has different needs and solutions for their own populations. At its core, the Indian Self Determination and Education Assistance Act recognizes the need for individual solutions tailored to each tribe's unique circumstances.

However, we agree that the 97/3 methodology should be available to tribes, at their option, as a reasonable approximation that saves time and effort on both sides, and can avoid the need for negotiations when justified by particular facts and circumstances. We disagree that the 97/3 option should be revoked merely because it may result in a tribe being paid more than IHS would have considered the full amount had a full detailed analysis been done. We also disagree that IHS should have the ability, once implemented, to make adjustments to the 97/3 results contrary to the interests of a tribe that uses that method. As with every formula, there is always a chance of error in either direction. However, the very point to this option, when selected, is to provide a simplified method that is fair in the aggregate and saves time and effort.

We expressly reserve the right to supplement these comments as additional information is developed and exchanged. We appreciate this opportunity and look forward to continued consultation as additional information becomes available.

Very truly yours,

Scott Gemberling  
Chief Executive Officer  
Gila River Health Care