2019 National Advisory Committee and Workgroup Report

# Indian Health Care Improvement Fund Workgroup

PHOENIX AREA REPRESENTATIVES:

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| Ms. Amber Torres | Ms. Laurie Thom | Ms. Rosemary Sullivan |
| Chairman | Chairperson | Health Advisory Board |
| Walker River Paiute Tribe | Yerington Paiute Tribe | Hualapai Tribe |

IHCIF WORKGROUP CHARGE:

*The Indian Health Care Improvement Fund Workgroup was charged with reviewing the existing formula and developed recommendations to revise the formula based on questions presented below:*

1. *Has the existing formula been effective in allocating IHCIF appropriations to meet the purpose of the IHCIF as stated in the Indian Health Care Improvement Act?*
2. *What effect does the current health care environment have on the formula?*
3. *Are the factors used in the IHCIF formula appropriate in light of responses to questions 1 and 2?*

*The IHCIF Workgroup provided three recommendations to the Acting Director, Indian Health Service, on three factors which included benchmark, population and alternate resources.*

SUMMARY OF ACTIVITY, ACCOMPLISHMENTS AND/OR ACTIONS:

- The IHCIF Workgroup reconvened on August 29, 2018 with Phase II of the IHCIF Workgroup held in Washington, DC.
- Each Area continued to designate a Tribal and Federal representative (Primary and Alternate) to serve on the workgroup.
- There were a total of three meetings held in Phase II. The first meeting was held in Washington, DC and a review of comments received during Consultation were shared followed with discussions on establishing a plan of approach to Sub-Workgroup topics.
- In closing Phase I of the IHCIF Workgroup, there were several topics addressed that continued to be discussed in Phase II for each Sub-Workgroup which included: Formula Threshold Option (identifying a Maximum and Minimum threshold); Access to Care (to possibly include a factor in the formula which will include PRC denials and tribal size adjustments to reflect increased cost for smaller facilities); User Count (to review the possibility of fractionalization); Aging facilities limit the capacity to deliver care to patients, which will be accounted for within the LNF. Aged facilities condition factor may be added to the local conditions part of the LNF but not included in the benchmark.
- A final recommendation from Phase I pertaining to the distribution of funds on a recurring basis to sites with the greatest level of need as it historically has been calculated in the past, without providing a formula threshold option remained the same. The workgroup did not recommend any changes on this topic.
- The Access to Care sub-workgroup continued to review the possibility of including a factor in the formula which would include PRC denials and tribal size adjustments to reflect increased cost for smaller facilities. There were not changes made by the sub-workgroup due to limited

information available to support and the program size factor was already included in the calculation.

- The User Count Sub-Workgroup continued to review the possibility of fractionalization however after a final review, it was reported by the workgroup that there were a few additional duplication issues of using fractionalization. A consensus was reached to remove fractionalization.
- The Benchmark workgroup continued to review the possibility of adding an aged facility condition factor to the local conditions part of the LNF. In final review, it was recommended by the workgroup that there were a number of issues, which added complexity to the formula as well as possibly interfering with already established workgroups assigned to the facility deficiencies.
- The final report by the IHCIF workgroup consisted of the following:
    - The Alternate Resources Sub-Workgroup submitted recommendations to use the National Data Warehouse data as a primary source of data for future IHCIF calculations with guidelines associated. The NDW data will be used to measure the Alternate Resource factor and where the data is not available, the tribe will be asked to submit data by a certain date and a state average cap would be applied. Consensus was restated on this particular topic.
    - The Sub-Workgroup discussed possibilities of discounting each of the Alternate Resource categories such as Medicare, Medicaid and Private Insurance within the formula with no final decision on this topic. The final report from the Sub-Workgroup was to ask the agency to continue to explore mechanisms to review and develop in this area.
    - A final recommendation provided by the IHCIF workgroup was to provide a rationale and method to partition the IHCIF formula to align with statutory references to health status and resource deficiencies. The IHCIF workgroup received approval on the concept if the workgroup reached a full consensus.
    - There were 2 Bifurcation Options presented which was Formula 2 Metric including health status index only with 83 sites that would qualify. Benchmark of $72,281,000 was used (last year's amount). The columns were categorized by 90/10, 80/20, 70/30, 60/40, 50/50. Under Health Status the only 3 Areas that went up were Billings, Great Plains and Navajo. Part 1 is based strictly on LNF <35%; Part 2 is based on LNF<45% for qualification purposes and was distributed solely on health status.
    - The second Bifurcation Option was Formula 2 Metric including Health Status Index and Hospital Access which noted 119 sites eligible. The particular option added Albuquerque to the distribution with Albuquerque, Bemidji, Billings, California, Great Plains, Nashville, Navajo, Phoenix and Portland sowing an increase. Both Alaska and Tucson still would not receive any resources. This option included Hospital Access of 100 miles within an ITU Hospital.
    - There was no consensus reached for any of the bifurcation formulas and none selected. This effort will continue.
    - The IHCIF Workgroup was provided a date of July 31, 2019 when a final report would be completed and submitted to RADM Michael Weahkee, IHS Principal Deputy Director. A final report has not been submitted for final review as of August 29th.