U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Indian Health Service

Report on Proposed Closure of the Acoma-Canoncito-Laguna Indian Hospital Inpatient and Emergency Department

Introduction and Background

The Indian Health Care Improvement Act (IHCIA) at 25 U.S.C. § 1631(b) requires the Indian Health Service (IHS) to submit a report to Congress at least one year prior to the date that the IHS proposes to close a hospital or facility (or portion thereof). The IHCIA directs the IHS to report on the following: accessibility of alternative health care resources for the population served by such hospital or facility; cost effectiveness of such closure; the quality of health care to be provided to the population served by such hospital or facility after such closure; the availability of Purchased/Referred Care (PRC) funds to maintain existing levels of service; the views of the Indian tribes served by such hospital or facility concerning such closure; the level of utilization of such hospital or facility by all eligible Indians; and the distance between such hospital or facility and the nearest operating Service hospital.

The IHS prepared this report pursuant to 25 U.S.C. § 1631(b) to inform Congress that the IHS proposes to permanently close portions of the Acoma-Canoncito-Laguna Indian Hospital (ACLIH or Hospital), which is located at 80 B Veterans Boulevard in Acoma, New Mexico. Specifically, IHS proposes to permanently close the inpatient and emergency departments of the Hospital. The IHS has determined that patients of the ACLIH are better served by an urgent care department modeled after the Primary Care Medical Home (PCMH), an interdisciplinary, inter-professional team delivering high-quality, cost-effective primary care, and redeploying inpatient department resources towards these ambulatory care services. The IHS has addressed the permanent closure in relation to the statutory factors that Congress has requested for its consideration of the impact. The permanent closure of the Hospital's inpatient and emergency departments will occur one year after submission of this report.

The ACLIH is located 60 miles west of Albuquerque, New Mexico, and was opened in 1979. The facility was originally built to serve a tribal population of approximately 10,500 tribal members, comprised of three tribes: the Pueblo of Acoma (33% of user population), the Pueblo of Laguna (47% of user population), and the Canoncito Band of the Navajo Nation (Canoncito Band) (20% of user population). When the ACLIH first opened, it was a 40-bed inpatient and ambulatory care facility, with extensive services including an emergency department, labor and delivery department, newborn nursery, operating room, inpatient adult medicine and pediatrics department, and multi-specialty outpatient clinics. It is a Joint Commissioned-accredited hospital that provides full inpatient and outpatient services and is staffed by 135 persons, including physicians and nurse practitioners. The ACLIH inpatient unit currently has a six-bed capacity. Additional services include full-time emergency room, urgent care, primary care, women's health, behavioral health, dental services, audiology, diabetes clinic, laboratory, public health nursing, optometry, pediatrics, pharmacy, physical therapy, podiatry and radiology.

Originally, the ACLIH was established to serve multiple federally recognized tribes, which is a model that is not unique within the IHS. The IHS allocates funds as "tribal shares," which are each tribe's portion of all funds and resources that support health care programs, services, functions and activities that the IHS provides and that are not required by IHS for performance of inherent federal functions. In cases such as ACLIH, the tribal shares of any one of the three tribes served at the facility are insufficient to fund an inpatient facility with an emergency room on their own. However, the collective tribal shares of all three tribes were sufficient for the IHS to operate an inpatient facility with an emergency room on behalf of all the tribes served by the

hospital. As a result of changes in the past five years, however, IHS no longer has the collective tribal shares available for this purpose and must redesign its programs to ensure it can provide adequate services.

Those changes have occurred as a result of two of the tribes choosing to contract for resources at the ACLIH pursuant to the Indian Self-Determination and Education Assistance Act (ISDEAA), Pub. L. 93-638, making less funding available for the IHS to maintain existing federal operations for the remaining tribe that the IHS will continue to serve. In 2016, the first of the ACLIH's three tribes, the Canoncito Band, negotiated an ISDEAA contract with the IHS to assume control of their tribal shares, which represented approximately 20 percent of the ACLIH's appropriated dollars, and established their own clinic that provides outpatient primary care, dental, outpatient pharmacy, public health nursing, and behavioral health services to their tribal members. The Canoncito Band's current ambulatory (outpatient) clinic was formerly used as an IHS clinic in Tohajiilee, New Mexico, where the Canoncito Band's community resides. The services at ACLIH were not significantly affected by the reduction in funds nor the reduction in force (RIF) when the Canoncito Band took its tribal shares. The Canoncito Band of Navajo Health Corporation offered positions to all of the federal employees that worked at the clinic who would have been impacted by a RIF.

On September 29, 2020, the second of the ACLIH's three tribes, the Pueblo of Laguna, executed an ISDEAA contract with the IHS to assume control of their tribal shares, which represented approximately 47 percent of the ACLIH's appropriated dollars. The Laguna Health Corporation is scheduled to open their new clinic on March 1, 2021, (which is also the effective date of its contract and when IHS must transfer funding) and will provide outpatient primary care, dental, outpatient pharmacy, public health nursing, and behavioral health services to eligible beneficiaries.

As a result of the combined impact of the Canoncito Band and the Pueblo of Laguna removing such a significant amount of the tribal shares (approximately 65 percent) from the appropriated dollars allocated for the operation of ACLIH, the IHS will redesign the services based on the remaining allocation of appropriated dollars for ACLIH after March 1, 2021. At the start of fiscal year 2020, the appropriated dollars allocated for the operation of ACLIH was $11.8 million, and the Laguna Pueblo's tribal shares were $6.9 million, more than one-half of the service unit's operational base funding. This requires a significant RIF that will result in eliminating more than 74 of the 135 staff positions at ACLIH.

In preparation for the redesign that would be necessary for the remaining funds and services at ACLIH, leadership from the Albuquerque Area of IHS (AAIHS) and the ACLIH consulted extensively with the Pueblo of Acoma. These tribal consultations focused on the reality that the ACLIH would need to carry out a significant RIF and reduction in services, with a desire to preserve as many services as possible following the RIF based only on Pueblo of Acoma's tribal shares. To date, the Pueblo of Acoma's administration has not provided any alternative redesign plans for the clinical services at the ACLIH. Instead, they have maintained that they do not support any changes to the inpatient and emergency departments. Their position has not changed despite the award of tribal shares to Pueblo of Laguna or the RIF that commenced on November 30, 2020, and will take effect on March 1, 2021.

While preparing for a permanent redesign of the programs offered at ACLIH, events occurred that required the IHS to take immediate, temporary action on October 27, 2020, due to safety reasons. Clinical staffing shortages arose that made it necessary to temporarily suspend emergency room services and inpatient services and modify the hours of operation for patient care at ACLIH to Monday through Friday from 8:00 AM to 10:30 PM. After being notified of the RIF, many ACLIH staff transferred, retired, or separated, and a number of contractors completed assignments or otherwise left. The staff and contractor departures resulted in safety concerns, since they created shortages, and the vacancies were a challenge to fill. Effective January 1, 2021, IHS was able to address the clinical staff shortages, thereby allowing IHS to re-open the emergency room and provide services on a 24 hours a day, 7 days a week basis. However, there remains a possibility that the IHS may need to temporarily discontinue emergency room services again at ACLIH for medical, environmental, or safety reasons, particularly given the transfer of funds to the Pueblo of Laguna on March 1, 2021, and difficulties staffing the facility.

In calendar years 2019 and 2020, when ACLIH was serving two tribes, it had 153 and 108 inpatient admissions per year, respectively, with average lengths of stay of 3.1 days and 2.4 days. For those years, the average daily inpatient census was 1.3 and 0.7 patients. Since calendar year 2016, the ACLIH has had an average daily inpatient census of less than one patient (see Table 1). There are many reasons to explain this decline, but ACLIH leadership agree that a major reason is the award of the ISDEAA contract to the Canoncito Band. The Canoncito Band's contract caused a decrease in inpatient admissions once they started providing services to their tribal members. Furthermore, with the expansion of Medicaid in 2014 related to the full implementation of the Affordable Care Act (ACA), coupled with adequate Purchased/Referred Care (PRC) funds due to PRC rates, IHS beneficiaries served by the ACLIH had more options for inpatient services than those previously offered in the ACLIH, the details of which are described below. The declining inpatient daily census seen in IHS-operated hospitals is similar to the overall downward trend seen in inpatient daily censuses across the health care industry that has disproportionately impacted small rural hospitals.

The daily inpatient census also makes it unlikely that the ACLIH can continue to meet the definition of a hospital. The ACLIH has maintained accreditation with The Joint Commission (TJC) since 1983, including successful re-accreditation of the ACLIH as an inpatient facility in December of 2018. In November 2018, TJC conducted an unannounced week-long inpatient re-accreditation survey of the ACLIH. As with past surveys, the hospital did exceptionally well, receiving PCMH recognition for its ambulatory care clinics, with no major deficiencies noted with regards to clinical quality, patient care, or environment of care. At the time, ACLIH was not experiencing safety issues due to staffing shortages. Because of the average daily inpatient census, however, the ACLIH did not meet the Medicare definition of a hospital in accordance with 42 C.F.R. § 482.1. This was considered a condition-level deficiency, which organizations generally have 45 days to correct. However, since the preceding 24 months is used to determine average daily inpatient department census, the ACLIH was incapable of correcting this deficiency in the usual 45-day time period.

Although the decreased average daily inpatient census may result in the ACLIH no longer meeting the Medicare definition of a hospital, the ACLIH Governing Body considered the option

of pursuing certification as a Medicare Critical Access Hospital (CAH) as provided under 42 C.F.R. Part 485, subpart F. Despite potential benefits of CAH certification and special waivers for IHS facilities that might facilitate such certification, the ACLIH cannot meet all of the criteria to be designated as a CAH. First, a CAH must be located in a rural area or in an area that is treated as rural; the ACLIH meets this requirement. Second, a CAH must furnish 24-hour emergency care services, 7 days per week; as a result of the loss of financial resources and staff due to the transfer of Pueblo of Laguna's tribal shares, the ACLIH will be unable to fund the emergency department, will have to decrease its operational hours from 24 hours per day to 8 hours per day, and will not have adequate staff to continue supporting an emergency department.

For all of these reasons, the IHS has concluded that the inpatient and emergency department portions of the Hospital should be permanently closed and that the ACLIH's beneficiaries could be better served by redesigning the ambulatory care services that are modeled after the PCMH model with an urgent care component. For additional information on the PCMH model; see https://pcmh.ahrq.gov/page/defining-pcmh.

As the healthcare landscape is continually changing, and with so many advancements in technology, industry reform, and an increasing emphasis on ***patient centered care***, the staff of ACLIH strives to be ready for the future and adapting to change, utilizing strategic and financially secure strategies to provide the highest quality care.

Factors Related to *25 U.S.C. § 1631(b)* of the IHCIA

(A) The accessibility of alternative health care resources served by such hospital or facility.

ACLIH serves IHS beneficiaries from regional tribal communities; it is the most proximate inpatient facility for the Acoma and Laguna Pueblos. Alternative health care resources include:

- Cibola General Hospital, 1016 Roosevelt Ave, Grants, NM 87020
  (Emergency Services, General Surgery, Labor & Delivery, Specialty Care, Inpatient Services)
  Distance to ACLIH: 19.2 miles (West)
- Presbyterian Hospital, 1100 Central Ave SE, Albuquerque, NM 87106
  (Emergency Services, heart health, women's health & children's health)
  Distance to ACLIH: 60.4 miles (East)
- University of New Mexico Medical Hospital, 2211 Lomas Blvd NE, Albuquerque, NM 87106
  (Level I Trauma Center, Outpatient, Emergency, and Inpatient Services)
  Distance to ACLIH: 60.4 miles (East)

(B) The cost effectiveness of such closure.

Staffing to keep a six-bed inpatient unit open at the ACLIH includes at a minimum, eight registered nurses, two hospitalist physicians, two inpatient pharmacists, and four to six ward clerks or medical assistants. Many of these individuals can and must be cross-trained to

cover ambulatory care units, when the inpatient censuses are low, but it is necessary to maintain these extra staff levels to prepare for full inpatient censuses, at an annual cost of approximately $1.5 million to $1.8 million. For calendar year 2016 to the present, the ACLIH's exceedingly low inpatient census has resulted in low third-party collections for inpatient services that averaged below $200,000 per year. The closure of the inpatient and emergency department portions of ACLIH will also result in the loss of their ability to bill as a hospital, which will result in a reduction of Medicare reimbursement. IHS will work with CMS to explore options for realignment of the three clinics under another IHS-operated hospital within the Albuquerque Area consistent with CMS regulations. However, regardless of realignment of the clinics, it is more cost-effective to permanently close the inpatient unit and emergency department portions of ACLIH to redeploy resources to the ambulatory care clinic.

(C) The quality of health care to be provided to the population served by such hospital or facility after such closure.

The staff continue to provide exceptionally high-quality outpatient services to more than 8,400 IHS beneficiaries. Services include family medicine, internal medicine, pediatrics, women's health, clinical nutrition, pharmacy medication management, dental, optometry, physical therapy, audiology, and behavioral health, as well as onsite clinical laboratory, radiology, and outpatient pharmacy.

As summarized in Table 2, ambulatory visits at ACLIH have remained nearly constant since 2015, averaging from 79,000 to 96,000 patients per year. In early 2017, the ACLIH's clinical teams started multidisciplinary meetings to implement PCMH principles throughout the ambulatory care clinic. This culminated with PCMH recognition during the ACLIH's December 2018 accreditation survey from TJC, and remains the focal point for ongoing clinical program performance improvement.

There are a number of objective measures that validate the high quality of clinical care and customer service provided within the ACLIH that will be sustained after the closure. Per the Government Performance and Results Act of 1993 (GPRA), the ACLIH must regularly report its performance on numerous GPRA-specific clinical outcome measures. In 2017, the ACLIH met 26 of 27 of its Clinical GPRA measures. In 2018 and 2019, the ACLIH met 26 out of 26 of its Clinical GPRA measures.

Also, during every quarter, the ACLIH must report to the AAIHS Governing Body on patient satisfaction surveys focused on courtesy and helpfulness of clinical staff, ability to obtain appointments within an appropriate timeframe, ease of obtaining prescription refills, satisfaction with the amount of time spent with medical providers, and overall satisfaction with the clinical care received. In 2019, the ACLIH consistently received ratings of "good" or "better" on more than 90 percent of all patient satisfaction questions.

In summary, the closure of the inpatient and emergency department portions of ACLIH will not have a negative impact on the remaining ACLIH services. The focus will remain on enhancing the ambulatory and diagnostic services.

(D) The availability of PRC funds to maintain existing levels of service.

The ACLIH is located in a state that elected to expand Medicaid in 2014 with the full implementation of the ACA. As of July 2020, the ACLIH had an enrollment of 4,504 Medicaid patients. With the addition of Inpatient and Outpatient PRC Rates, there has been a significant positive impact on PRC (previously known as Contract Health Services) purchasing power. Since the PRC program is the payor of last resort, for the past four to five years, the ACLIH has had adequate PRC funds to approve all specialty referrals for all PRC-eligible patients at all medical priority levels. For the ACLIH's patients, this has resulted in markedly expanded access to emergency care, medical specialties, and preventive health services for which they previously had little to no access. Closure of the ACLIH inpatient and emergency departments should have no negative impact on the PRC program's ability to maintain existing levels of service for PRC-eligible patients.

(E) The views of the Indian tribes served by such hospital or facility concerning such closure.

The three local tribes from the ACLIH (Pueblo of Acoma, Canoncito Band of Navajo, and Pueblo of Laguna) have placed a high priority on continued use of ACLIH as an inpatient hospital with an emergency room. Tribal Leadership and the ACL Tribal Health Board feel continuation of inpatient services is critical to provide culturally-sensitive care to tribal members who are uncomfortable with care in less sensitive local public and private sector hospitals. Tribal leaders view the provision of hospital services at ACLIH as part of the federal responsibility to provide health care services for Indian people and feel that it is IHS' responsibility to restore the funding that two of the three Service Unit tribes removed from the ACLIH by establishing their own Tribal 638 Title I contracts.

(F) The level of utilization of such hospital or facility by all eligible Indians.

As previously detailed, with the exception of one year, the ACLIH's average daily census has been well below one patient since 2016. In other words, the inpatient department has not been utilized by IHS beneficiaries in anything other than minimal amounts in recent years. The ACLIH's clinical teams, PRC clerks, and nurse case managers, however, will confirm that on any given day, it is common for local IHS beneficiaries to receive care in regional public and private sector emergency departments, operating rooms, labor and delivery units, newborn nurseries, intensive care units, and other inpatient units. Despite the fact that the ACLIH's inpatient department is not being utilized, all of the hospital's beneficiaries have ready access to high quality inpatient services as needed.

(G) The distance between such hospital or facility and the nearest operating Service hospital.

The nearest IHS hospital is the Gallup Indian Medical Center located in Gallup, New Mexico, which is located 87 miles away. The Zuni IHS Hospital in Zuni, New Mexico, is the next closest IHS hospital located 112 miles from the ACLIH.

Appendix

Table 1: ACLIH Average Daily Inpatient Census since 2012

Calendar Year	Admissions	ACLIH Average Daily Inpatient Census
2012	232	2.58
2013	264	2.79
2014	244	2.50
2015	204	1.42
2016	43	0.18
2017	26	0.11
2018	132	0.69
2019	153	1.3
2020	108	0.7

Table 2: ACLIH Ambulatory Visits by Facility since 2012

Calendar Year	ACL Hospital	Laguna Dental Clinic	Canoncito Clinic	Schools	Total
2012	109,254	1,069	12,171	1,714	124,208
2013	106,913	1,475	12,316	2,131	122,835
2014	101,235	2,081	10,430	2,046	115,792
2015	90,467	2,304	10,457	1,939	105,167
2016	93,864	2,852	8, 624	1,459	106,799
2017	93,412	3,432	*	1,729	98,573
2018	96,392	3,358	*	1,540	101,290
2019	79,032	2,947	*	1,802	83,781
2020	81,065	1,950	*	395	83,410

Key:

- Acoma Canoncito Laguna Indian Hospital (open seven days per week)
- Laguna Dental Clinic (open M-F, excluding federal holidays)
- *Canoncito Clinic (open M-F, excluding federal holidays). The Canoncito Band of Navajos Health Center, Inc. has entered into an ISDEAA contract to manage the Canoncito Clinic effective July 1, 2016.
- Schools – Dental Visits

Table 3: Distance from Tribal Communities to ACLIH

Tribal Community	Distance to ACLIH
Acoma Pueblo	ACLIH is located on the Acoma Pueblo
Laguna Pueblo	11 Miles
To'Hajiilee Navajo Chapter	27 miles

Table 4: Distance from ACLIH Tribal Communities to Cibola General Hospital (Tribal Communities North of Acomita Only)

Tribal Community	Distance to Cibola Hospital
Acoma Pueblo	19 Miles
Laguna Pueblo	32 Miles
To'Hajiilee Navajo Chapter	45 miles

Table 5: Distance from Tribal Communities to Presbyterian Hospital-ABQ

Tribal Community	Distance to Presbyterian Hospital
Acoma Pueblo	65.6 Miles
Laguna Pueblo	48 Miles
To'Hajiilee Navajo Chapter	46 miles

Table 6: Distance from Tribal Communities to UNM Hospital-ABQ

Tribal Community	Distance to UNM Hospital – ABQ
Acoma Pueblo	67.1 Miles
Laguna Pueblo	49.4 Miles
To'Hajiilee Navajo Chapter	46 miles