



Indian Health Services: Maintenance & Improvement

The Recovery Act funds are being used for infrastructure projects to improve the condition, fire-life safety, energy conservation, and operational efficiency of existing Indian Health Service (IHS) and Tribal healthcare facilities. IHS health care services are provided in over 700 IHS and tribal health care sites throughout 36 states, mostly in rural and isolated areas. Total space (IHS and tribal) is over 1.6 million square meters (17.2 million square feet) with a replacement cost in excess of \$3.1 billion. Funds were targeted to facility maintenance and improvement (M&I) projects in IHS Areas based on detailed assessments of facility age, conditions, and deficiencies. These deficiencies are identified as the Backlog of Essential Maintenance, Alteration, and Repair (BEMAR) for IHS and reporting Tribal facilities, and totaled \$476,052,000 as of April 24, 2009. Projects are being executed using a combination of federal construction contracts and Indian self-determination (P.L. 93-638) construction project agreements. High priority projects were selected in partnership with tribes and tribal organizations. The IHS is using up to 3% of the funds for administrative costs, project management, and transparency reporting required by the Recovery Act.

A. Funding Table

(Obligations in Millions)

Program/Activity	Program Level Estimate	FY 2009 Actual	FY 2010 Estimate
M&I/Repair, alteration and improvement of IHS and Tribal health care facilities	\$97.2	\$45.1	\$52.1
M&I/Administration	2.8	0.5	2.3
Total	100.0	45.6	54.4

B. Objectives

Some IHS and Tribal facilities are old, overcrowded, and hampered by outdated designs that can impair efficient modern healthcare delivery practices. The Recovery Act funding is being used for facility infrastructure projects to:

- Maintain and improve deteriorating facilities.
- Mediate sub-standard conditions and upgrade to modern fire-life safety standards.
- Modify outdated facilities to improve patient flow, capacity, facilitate modern medical practices.
- Enhance energy conservation.
- Provide economic stimulus and jobs.
- Reduce the system-wide backlog of essential maintenance needed in facilities.



C. Activities

Maintenance & Improvement Projects by Categories

Category	# of Projects	Cost (\$M)*
Improve Facility Condition	161	49.4
Energy Conservation	70	22.3
Program Enhancements	46	18.0
Fire-Life-Safety	23	5.9
Security	2	0.2
Sustainability	1	0.1
Total	303	95.9

*Remaining balance of \$1.3 million is held in reserve pending actual award amounts which may differ from current projections. Additional projects or contingency for awarded projects will be funded with any unused reserve funds.

- Projects may address multiple categories of work; however one category was selected for reporting purposes.

D. Characteristics

Types of Recipients

- Tribal governments and/or Tribal Organizations
- Private-sector construction vendors

Types of Financial Awards

Project awards are managed through the IHS Area Offices.

- Federal construction contracts (approximately: \$42.9 million).
- Tribal P.L. 93-638 construction project agreements (approximately: \$53 million).

Maintenance & Improvement Projects by Recipient Type

Category	# of Projects	Cost (\$M)
Federal Contracts - New	88	36.7
Federal Contracts - Existing	16	6.2
Tribes/Tribal Organizations	199	53.0
Total	303	95.9

Methods of Selection

Recipients were selected in accordance with applicable contracting solicitation requirements under the Federal Acquisition Regulations (FAR) or under P.L. 93-638, the Indian Self-Determination Act. New and existing contracts and compacts were used.

Maintenance & Improvement Projects by Area

Area (States Covered)	# of Projects	Cost (\$M)
Aberdeen (IA, ND, NE, SD)	39	15.2
Alaska (AK)	37	19.5
Albuquerque (CO, NM, TX, UT)	14	5.3
Bemidji (IL, MI, MN, WI)	40	4.9
Billings (MT, WY)	27	4.3



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Area (States Covered)	# of Projects	Cost (\$M)
California (CA)	29	3.0
Nashville (AL, CT, FL, LA, MA, ME, MS, NC, NS, NY, RI, SC, TN, TX)	7	3.4
Navajo (AZ, NM)	27	13.3
Oklahoma (KS, OK, TX)	24	8.2
Phoenix (AZ, CA, NM, NV, UT)	24	11.8
Portland (ID, OR, UT, WA)	27	4.4
Tucson (AZ)	8	2.6
Total	303	95.9

E. Delivery Schedule

- The projects will be completed between the 2nd Qtr of FY 2010 and the end of FY 2012.
- If significant events occur during the implementation of these projects that impact attainment of one or more projects, the schedule will be amended accordingly.

F. Environmental Review Compliance

- All Recovery Act projects were/are being reviewed for environmental compliance. Maintenance and Improvement projects comply with National Environmental Policy Act (NEPA) and National Historic Preservation Act (NHPA) and other environmental regulations.
- To satisfy Section 1609(c) reporting requirements of the Recovery Act, the IHS reports quarterly the status and progress of the environmental review of all Recovery Act funded projects using the prescribed President's Council on Environmental Quality format.

G. Measures

Backlog of Essential Maintenance, Alteration, and Repair (BEMAR) is an indication of the overall condition at IHS and tribal facilities and of the repair need in these facilities. Approximately 300 projects will be funded.

Measure	Type	Frequency Measured	Available for Public Access
Percent of Recovery Act projects completed	Output	Quarterly	Supplemental information on HHS.gov/Recovery

Explanation of Measure: M&I projects improve the condition, fire-life safety, and efficiency of existing healthcare facilities and enhances energy conservation. The percentage of Maintenance and Improvement (M&I) projects completed is the number of completed construction projects (numerator) divided by the total number of M&I projects funded by the Recovery Act (denominator). Projects are considered fully complete when all phases of construction are certified as complete. Progress will be monitored and reported quarterly. The goal is to complete 100% of M&I projects by the by the end of FY 2012. Many less complex projects are anticipated to be completed in FY 2010 and FY 2011.



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Measure	Type	Frequency Measured	Available for Public Access
Percentage reduction in the Backlog of Essential Maintenance, Alteration, and Repair (BEMAR) through Recovery Act funding	Output	Quarterly	Supplemental information on HHS.gov/Recovery

Explanation of Measure: The Backlog of Maintenance and Repair (BEMAR) is an IHS-wide inventory of needed maintenance and repair projects. As maintenance and repair projects are completed the BEMAR deficiency is reduced (improved). As BEMAR is reduced, system-wide capacity for safe and efficient patient care is increased. The percentage reduction measure is the amount the system-wide BEMAR is reduced by completion of Recovery Act projects (numerator) divided by the original system-wide baseline BEMAR (denominator).



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Outcome / Achievement	Units	Type	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	3/31/11	6/30/11	9/30/11	Program End: 9/30/12
Percent of Recovery Act projects completed	%	TARGET		5.2%	10.3%	20.6%	41.2%	61.9%	72.2%	77.3%	82.5%	100%
		ACTUAL	0%	3.0%	4.9%							
Percentage reduction in the Backlog of Essential Maintenance, Alteration, and Repair (BEMAR) through Recovery Act funding	%	TARGET		0.8%	1.6%	3.3%	6.7%	10.1%	11.8%	12.9%	13.7%	16.7%
		ACTUAL	0%	0.2%	0.3%							



H. Monitoring and Evaluation

All Recovery Act programs are assessed for risk to ensure that appropriate internal controls are in place throughout the entire lifecycle of the program. These assessments are conducted by operating components to comply with the statutory requirements of the Federal Manager's Financial Integrity Act and the Improper Payments Information Act as well as OMB Circular A-123, "Management's Responsibility for Internal Control" (including Appendices A, B, and C).

The IHS risk management process fits within the overall governance structure established at HHS to address Recovery Act program risks. The HHS Risk Management and Financial Oversight Board provides executive leadership and establishes accountability for the risk assessment process related to internal controls over financial reporting, and the HHS Senior Assessment Team ensures that risk assessment objectives are clearly communicated throughout the Department. The IHS Recovery Act Coordination Team carries out comprehensive annual assessments of its Recovery Act program(s) to identify risks and develop strategies to address them, including those associated with selecting recipients, awarding and overseeing funds, and achieving program goals. It meets bi-weekly to monitor and assess the effectiveness of mitigation strategies and identify emerging risks.

In addition, IHS has presented/will present its high level risks to the Recovery Act Implementation Team. Chaired by the Deputy Secretary and comprised of senior policy officials from throughout the Department, the Implementation Team convenes monthly to monitor progress in carrying out Recovery Act programs and address the obstacles and risks that could impact on their success.

I. Transparency

The IHS is open and transparent in all of its contracting that involve spending of Recovery Act funding consistent with statutory and OMB guidance.

The IHS ensures that recipient reporting required by Section 1512 of the Recovery Act and OMB guidance is made available to the public on Recovery.gov.

All Tribal and Federal contracts include/will include relevant reporting requirements for use of Recovery Act funds.

The IHS informs recipients of their reporting obligation through standard terms and conditions, grant announcements, contract solicitations, and other program guidance.

The IHS provides technical assistance to recipients and fully utilizes Project Officers

J. Accountability

To ensure that managers are held to high standards of accountability in achieving program goals under the Recovery Act, IHS builds on and strengthens existing processes. Senior IHS Office of Environmental Health and Engineering program officials meet regularly with senior Department officials to ensure that projects are meeting their program goals, assessing and mitigating risks, ensuring transparency, and incorporating corrective actions. The personnel performance appraisal system



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also incorporates Recovery Act program stewardship responsibilities for program and business function managers.

- IHS Health Care Facilities officials meet regularly to ensure that projects are meeting their program goals, assessing and mitigating risks, ensuring transparency, and incorporating corrective actions.
- The personnel performance appraisal system incorporates Recovery Act program stewardship responsibilities for program and business function managers.
- Incorporate the Recovery Act into the IHS FY 2010 Management Control Plan.
- Track Recovery Act projects and funds in the Unified Financial Management System.
- M&I Projects comply with:
 - National design standards.
 - Worker health and safety standards and coverage standards.
 - Project approval processes.
- Track and report use of funds for administration.

K. Barriers to Effective Implementation

- Recovery Act funding is approximately twice the annual funding level for maintenance and improvement creating a surge which affects IHS and tribal finance, acquisition, and facilities operations. IHS is working to effectively balance Recovery Act workload with healthcare requirements.
- Due to the many remote IHS and tribal facility sites, the availability of contractors and skilled labor impacts construction works and contractors. The IHS is monitoring this situation.

L. Federal Infrastructure

- Approximately \$22 million will be invested in major energy and sustainability related projects.
- All projects at Federal sites will comply with the Department of Health and Human Services Sustainable Buildings Implementation Plan, which outlines the guidance on incorporating of sustainability principles into the existing and new buildings.
- Projects will reduce ongoing energy usage.

Summary of changes:

There were no major changes to the implementation plan. Update to the plan reflects minor context changes (e.g., "will" to "is") and minor adjustments on the summary number on awards/amounts. M&I-Project additions and deletions were the result of healthcare needs, tribal priorities, bid savings, etc.