Tribal Self-Governance Annual Conference

May 5, 2011

Indian Health Service Update

by

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Good morning. It's a pleasure to be here today with all of you at the Tribal Self-Governance Annual Conference. Today, I will give you an update on our agency priorities and what we are doing to change and improve the Indian Health Service (IHS).

In his State of the Union speech, President Obama talked about "winning the future." While we face many challenges, we must out-innovate, out-educate, and out-build the rest of the world. We can secure prosperity for ourselves and future generations of Americans by taking responsibility for our deficit, investing in what makes us stronger, and reforming government. Above all, we must overcome the politics that divide us and work together to win the future.

I believe we are making progress in winning the future for the IHS, our patients, and the communities we serve. After almost 2 years as the IHS Director (tomorrow is actually the 2-year anniversary of my confirmation by the U.S. Senate as Director of the Indian Health Service), I believe we are changing and improving for the better. But to keep making progress, we need to continue to work together. Especially as we face challenges ahead.

I know that you are helping us win the future of IHS by assuming management of our health programs. I am proud to be your partner as we improve healthcare for American Indians and Alaska Natives. We have the same goal – better healthcare for our people. We will be so much more successful in achieving that goal if we work together.

I want you to know that I support self-governance and the right of Tribes, as sovereign nations, to exercise their rights to self-determination and self-governance. I know that some have alleged that I don't support self-governance. Those rumors are untrue.

I am where I am today based on my belief that self-governance works, and self-governance is the future of IHS. In the 1990s, I first worked as a physician in an IHS direct site; I then worked for

the Gila River Healthcare Corporation during the year that they first contracted to manage the local hospital. I saw the great potential of having the Tribe take responsibility for the health of their members, and the innovative, culturally competent ways that Tribes can redesign and support the local healthcare facility. I actually went back to school after that to get my Masters of Public Health with the intent of learning how to be someone who could use my skills to support the trend towards tribal management of health programs. So as I stand here today as the IHS Director, I have years of experience shaping my career around support for self-governance. And during those years, you have shown that self-governance works and that it is a fundamental part of our present and our future.

I also want to reassure you that the Office of Tribal Self-Governance is an critical part of the IHS Office of the Director, and I have added a new Deputy Director of Intergovernmental Affairs, Captain Sandra Pattea, to help us focus even more attention on issues relevant to all Tribes. Hankie Ortiz, Director of the Office of Tribal Self-Governance, will provide an update of improvements we are making in the Office of Tribal Self-Governance and in our negotiation process.

So let there be no doubt, I believe in self-governance. And I am making it clear to all IHS employees that IHS supports self-governance. But I also have learned that we must work together in partnership. Even if all Tribes compact for their health programs, IHS still has an important leadership and advocacy role, and partnership between IHS and Tribes is essential for success of the entire Indian health system. With all the current concerns about the budget, our partnership is more important than ever.

I know that the budget is on everyone's minds, so I will start with an update on the budget. The budget is a huge factor in how we are able to change and improve the IHS. The increases of the last two years under the current administration have made a big difference.

This year, as you know, we were on several continuing resolutions until a budget deal was reached. A continuing resolution was passed on April 15 with a budget through the end of the fiscal year. While the President's budget proposal for fiscal year (FY) 2011 was a 9% increase, the budget debate in Congress was tough this year and many federal agencies sustained large cuts in the hundreds of millions. However – and fortunately – IHS ended up with a small increase. This is undoubtedly due to the support of the President, the Secretary, and bipartisan support for IHS in Congress. However, as you may know, we need to have an increase of $200-300 million to maintain current services and account for inflation and population growth. We are being very conservative in our management of the budget in IHS as a result.

Once we get our FY 2011 apportionment from the Office of Management and Budget, we can then distribute the funding to all sites. We anticipate that funding should get out to everyone no later than June. With our new financial management system, UFMS, once we receive the apportionment of funds, we can quickly distribute it out to the field – in a matter of hours, not days. We know that getting this funding out quickly is important, and we are prepared to distribute it as quickly as possible.

So what about next year? Well, it is clear that increases in future budgets will be difficult to come by. The debate in Congress over the budget and the need to address the national debt is clearly going to be tough as we move forward. But I want to assure you that the President continues to support the 14% increase for IHS in FY 2012. There will be debate in Congress

about the budget, but please know the President and the Secretary still support this request. So we face challenges as Congress begins debate on the FY 2012 budget – it is clear there will be an emphasis on our shared responsibility to help address the debt and help the economy.

I encourage you to learn more about the President's FY 2012 budget request. Thank you to those of you who joined our webinar on the budget last week. We tried a new format – the webinar included slides and video. Let me know if you liked that format and would like to see more webinars like that.

For FY 2013, we have reviewed the tribal budget formulation recommendations and are starting our own budget formulation process by first reviewing tribal priorities. Thank you for participating in the budget formulation process, and the HHS tribal budget consultation this year.

Now, I would like to update you on progress on our four agency priorities:

- The first priority is to renew and strengthen our partnership with Tribes;
- Our second priority is to bring internal reform to IHS;
- The third priority is to improve the quality of and access to care for patients who are served by IHS; and
- The fourth priority is to have everything we do be as transparent, accountable, fair, and inclusive as possible.

Tribal consultation is one of our highest priorities. I believe the only way we are going to improve the health of our communities is to work in partnership with them. Our IHS Tribal Consultation Policy describes the need for national, IHS Area, and local consultation. We have done a lot to improve consultation at the national level – I held listening sessions with all 12 IHS Areas last year and have already completed 9 of 12 Area listening sessions this year by phone or videoconference (due to the uncertainty about the budget). I held over 300 tribal delegation meetings, and regularly meet with tribal advisory groups, workgroups, and attend tribal meetings.

I am happy to see so many tribal leaders taking leadership roles on health issues. I now have a good sense of national and regional/local tribal priorities. It is time to improve our tribal consultation and partnerships at the Area and local levels. I encourage you to work with your Area Director and local CEO to improve the consultation process. Please help them – it is actually in their performance plans this year as well!

We have been consulting with Tribes on numerous issues, including:

- Improving the tribal consultation process;
- Improving our Contract Health Services, or CHS, program;
- Priorities for health reform and implementation of the Indian Health Care Improvement Act;
- The IHS fiscal year 2013 budget;
- Implementation of the Memorandum of Understanding (MOU) between the Department of Veterans Affairs (VA) and the IHS;
- Our Indian Healthcare Improvement Fund allocation;
- The Special Diabetes Program for Indians (SDPI) 2-year extension; and
- A Tribal Epidemiology Centers data sharing agreement.

All of these consultations will result in better decisions for the future of IHS and will help us improve patient care. Thank you for your input and participation – I know we are making better decisions because we are partnering with you.

We are fortunate that President Obama has expressed a commitment to honor treaty rights and consult with Tribes, as he demonstrated when he met with tribal leaders in the Roosevelt Room at the White House in December 2010. The President told the tribal leaders that while the next year or two would be very tough, he would be mindful of the responsibility to Tribes. The White House Tribal Nations Conference also demonstrated the commitment of the President to honor Tribes and consult with them.

Department of Health and Human Services (HHS) Secretary Sebelius also values tribal consultation, evidenced by the formation of the Secretary's Tribal Advisory Committee. She also recently signed the updated HHS tribal consultation policy. I meet with her on a regular basis and have had discussions on tribal self-governance and its important role now and in the future of IHS. She has said to me on several occasions that IHS is a priority. She encourages me to bring up tribal issues at Department meetings and to keep her updated. We are so lucky to have her support.

To aid our tribal consultation process, we have created a new tribal consultation website – it is a listing of all our tribal leader letters. This was one of the recommendations from our consultation on the tribal consultation process. I encourage you to look at our new tribal consultation website, and review the letters we send to Tribes for more information.

I also held a director's workgroup on tribal consultation meeting earlier this year – they reviewed input from all Tribes and have made many recommendations to improve the tribal consultation process, including our plans to hold a "tribal consultation summit" in July, which will be a "one stop shop" for Tribes to learn about all the consultation activities in IHS. We are hoping all the advisory groups, committees, and workgroups can attend and provide an update. We will have more information on that soon.

My listening sessions with Tribes in all IHS Areas were actually a top recommendation from Tribes when I first started. I really enjoy these formats – I learn a lot!

As I mentioned, I also meet with Tribes regularly at IHS headquarters. For instance, I recently meet with leaders from the Pueblo of Jemez – I congratulated them on their decision to transition to self-governance and on their innovative strategies to improve the health of their communities. I also recently met with a number of other tribal groups, including the South East Alaska Regional Health Consortium, the Three Affiliated Tribes, the Norton Sound Health Corporation (they are making great progress on their hospital built with Recovery Act funds), and the eight northern pueblos – we have made progress in supporting Tribes in the Albuquerque Area who are interested in self-governance.

I have also meet with various tribal advisory workgroups and committee, including – to name just a few – the Northwest Area Indian Health Board, the California Rural Indian Health Board, the United South and Eastern Tribes, the National Indian Health Board, and of course, the Tribal Self-Governance Advisory Committee – I really enjoy my quarterly meetings with this group and look forward to our discussions. I also meet with the Direct Service Tribes and am really glad you are meeting with them – we all have to work together to improve Indian healthcare.

We have been working on improvements to the CHS programs, and I hope you have had the opportunity to participate in listening sessions on this topic. The workgroup is meeting in June to review your input and make some recommendations.

Again, I have held over 300 tribal delegation meetings since becoming the IHS Director. I enjoy listening to the health priorities of tribal leaders in my meetings with them. We really have common goals – better patient care and the need for more funding and services. We will be so much more successful if we work in partnership. We don't have to be in an adversarial relationship – we can find positive ways to work in partnership to achieve our common goals.

I want to mention that we often hold tribal delegation meetings by request at large meetings like this. At this point, we have filled all our slots for tribal delegation meetings and are unable to schedule any more meetings at this conference. However, I encourage you to schedule a tribal delegation meeting by phone at any time or in person when you are in DC.

Our second priority is "to bring reform to the IHS." This priority has two parts – the first part includes passage of the health reform law, the Affordable Care Act, and the Indian Health Care Improvement Act (IHCIA). The second part is about internal IHS reform – how we are changing and improving the organization.

We are grateful for passage of the Affordable Care Act because it will make quality, affordable healthcare accessible to all Americans, including our First Americans. It is designed to increase access to health insurance, help those who have insurance, and reduce healthcare costs. We just recently celebrated its one-year anniversary.

The focus of this past year has been on access to health insurance, with many new insurance reforms. Also, discussions have begun on implementation of the State Insurance Exchanges in 2014, as well as the Medicaid eligibility expansion of up to 133% of poverty level, which will also start in 2014.

This year, we are starting to hear more about health care delivery system reforms, such as the accountable care organizations and the new Partnership for Patients, which was just launched this past month. The Partnership for Patients will help reduce medical harm by focusing on reducing hospital acquired conditions and hospital readmissions. We will be working on this initiative soon.

The Affordable Care Act has the potential to benefit American Indian and Alaska Native individuals and Tribes, and IHS, tribal, and urban Indian health facilities. Greater access to health insurance will help individuals in terms of more coverage and choices, and our health facilities in terms of reimbursements. However, our efforts to change and improve the IHS are even more important because we must make sure we are competitive and that our patients continue to see us if they have better access to insurance coverage. I hope you are thinking about this issue back at your local facility.

HHS is taking the lead on implementation of the Affordable Care Act, and IHS is working closely with HHS on the provisions that impact American Indians and Alaska Natives. All of HHS, and other agencies, are involved in implementation the Act, including Health Resources and Services Administration (HRSA), the Centers for Disease Control (CDC), the Centers for

Medicare and Medicaid Services (CMS), the Substance Abuse and Mental Health Services Administration (SAMHSA), and even the IRS.

We have been conducting consultation activities on many parts of the Affordable Care Act through outreach calls, meetings, and listening sessions, and input is always welcome at consultation@ihs.gov. There are facts sheets and other information on www.healthcare.gov, and we have provided information in tribal leader letters. I appreciate your input because it has played a critical role in the decision-making process. For example, tribal consultation is now required for states applying for State Exchange establishment grants. We are reviewing and using your input on a number of other issues, including the special provisions for Indians related to the State Exchanges, the varying definitions of Indian in the law, and whether Tribes can group purchase health insurance through the exchanges.

One big question I have been getting is: "What will happen if the Affordable Care Act is repealed?" While congressional efforts are ongoing, there are also challenges in the courts in several states. However, we are continuing to implement the law – both the Affordable Care Act and the reauthorization of the Indian Health Care Improvement Act.

The IHCIA was included in the Affordable Care Act – which is great for Indian Country because this law is the main legislation that authorizes Congress to fund health care services for American Indians and Alaska Natives. And the IHCIA was permanently reauthorized!

The IHCIA updates and modernizes the IHS. The provisions are numerous but many of them give IHS new authorities. This includes:

- New and expanded authorities for behavioral health prevention and treatment services;
- New and expanded authorities for urban Indian health programs;
- Authorities for the provision of long-term care services;
- Authorities for various demonstration projects, including innovative health care facility construction and health professional shortages;
- The authority for provision of dialysis services;
- Authorities to improve the CHS program;
- And authorities to improve facilitation of care between the IHS and VA.

These are just examples of what is in the new law. Some provisions went into place at the time the law was passed, some provisions require more work, and some require funding to be implemented. IHS is the lead on implementation and is working quickly to implement provisions of the law, in consultation with Tribes – especially on tribal priorities, such as the access to federal insurance provision. The U.S. Office of Personnel Management will discuss progress on this provision later today.

We are working hard on other tribal priorities, such as the VA provisions and long-term care. We will soon have a notification letter about how patients are not liable for payment of CHS referrals that are authorized for payment by IHS.

Again, we also have been successfully negotiating all contractable and compactable provisions with Tribes since last year.

We recognize that education and communication are priorities at this time. So we are taking steps to keep everyone informed:

- You can find updates on our implementation process on my Director's Blog at www.ihs.gov;

- HHS has a website – www.healthcare.gov – that helps the public understand how health reform benefits them;
- The National Indian Health Board, National Congress of American Indians, and National Council of Urban Indian Health are helping IHS with outreach and education; and
- We are using Dear Tribal Leader Letters to keep everyone updated.

I am encouraging everyone in the Indian health system to learn everything they can about this important new law and its impact on Indian health care.

The next part of our second priority is about bringing internal reform to the IHS. In order to get the support we dearly need, the IHS must demonstrate a willingness to change and improve. It is clear that Tribes, staff, and our patients want change.

By internal IHS reform, I mean we need to look at what we do well, and be honest about where we need to improve. We requested and received input on tribal and staff priorities for how to change and improve the IHS. Tribal priorities for internal reform included:

- More funding for IHS, including a review of how we allocate funding;
- Improvements in our CHS program; and
- Improvements in the tribal consultation process.

We're working on these priorities, as I have already described.

We know that funding and the budget are going to be the subject of a national discussion and that we are headed for potentially tough budget times. However, the more we can show that we are working to change and improve, the more support we will have in these discussions.

We're also making progress on the top staff priorities for internal IHS reform. Overall, staff emphasized improving the way we do business and how we lead and manage our staff. While our reforms are primarily on the federal side, I encourage all tribal programs to consider some of these improvements as well.

I've sent messages to IHS staff on improving our business and management practices – such as the importance of customer service, ethics, performance management, and professionalism. Many of our staff members want improvements in these areas, and our work starts with a strong message from the top that these are important areas for all of us.

To improve the way we do business, we're working with HHS and our Area Directors to improve how we manage and plan our budgets and improve our financial management. We're working to make our business practices more consistent and effective throughout the system.

To improve how we lead and manage staff, we're working on specific activities to improve and streamline the hiring process by making it more efficient and proactive, and less time-consuming. We have been making improvements to our performance management system to improve accountability.

We have been working to address the issues raised in the Senate Committee on Indian Affairs (SCIA) Investigation of the Aberdeen Area and are now conducting reviews of all IHS Areas to make sure that the findings of the investigation are not happening elsewhere. While much of this work is on the IHS side, we would like to hear about some of the improvements in these areas that Self-Governance Tribes may have implemented over the years and are willing to share as

best practices in the business of healthcare. Maybe we can have a focus on these best practices at next year's conference.

We have been working closely with our Area Directors to make improvements and reforms. We are also working with our Area CEOs to support and encourage them in helping to change and improve the IHS. We would like to have more participation by CEOs from tribal programs.

One improvement we have made is to ensure that we check all new hires to make sure they are not excluded from federal hire due to past offenses. This was a problem found in the SCIA investigation. We have since required this important background check before we make any new hires, and also went back and checked all 15,700 IHS current employees. Fortunately, we didn't find anyone else with past offenses. I encourage you to check the Office of Inspector general website for all of your new hires as well.

The third priority is to improve the quality of and access to care. Improving customer service is the most important activity for us as we move forward, and I am seeing some great new activities throughout the system. I hope you are focusing on customer service.

The Improving Patient Care (IPC) initiative – our patient-centered medical home initiative – is an important part of how IHS will make progress on this priority. Our plan is to expand this to 100 new sites and to gain support for expanding these types of activities to all of our sites. We are making improvements to the IPC, including building more internal capacity, simplifying and focusing the activities, creating a better evaluation, and making it work at all sites, not just those that have more resources or staff. It is basically about teamwork, improvement in care delivery, and a focus on the patient. This initiative will be more important as we move forward, especially in Affordable Care Act health delivery reform activities. There are over 20 self-governance Tribes participating in this program.

We are working to develop capacity and leadership within IHS to ensure that we can implement this important initiative in all of our sites eventually. By developing this initiative with our own leadership, we have a better chance of understanding how to successfully create a medical home in all of our facilities. Creating a patient-centered medical home in all of our sites will help us strengthen the Indian health system and help us with our participation in many new aspects of the Affordable Care Act.

We recently announced the positive results from the SDPI Diabetes Prevention and Healthy Heart Initiative Demonstration Projects. They showed that in partnership with our communities, we can reduce diabetes and cardiovascular disease risk factors in Indian Country with innovative and culturally appropriate activities. I just sent a Dear Tribal Leader letter out with my decision to keep the funding distribution the same for the recent 2-year SDPI extension and have the grants be a continuation process, not a competitive process. The Tribal Leader Diabetes Committee made these recommendations.

We also just launched the Healthy Weight for Life initiative, which will unify all our efforts to promote a healthy weight among American Indians and Alaska Natives across the lifespan. We now have Action Guides and a website that provide evidence-based, proven approaches to help fight the obesity epidemic that is threatening the health and well-being of Indian people. While progress has been made, overweight and obesity continue to drive up high rates of chronic disease. Taking action now is vital.

Collaborations with other agencies are important in our efforts to improve the quality of and access to care. We have a number of key collaborations we are working on with other federal entities, including other HHS agencies (HRSA, CDC, CMS, SAMHSA), the VA, the Department of the Interior (DOI), and the U.S. Public Health Service Commissioned Corps.

I met with VA Secretary Shinseki last year when we signed an updated MOU between IHS and the VA to improve collaboration and coordination of care for eligible veterans. We will be working on implementation more at the local levels soon.

We have a great partnership with HRSA and thanks to Dr. Mary Wakefield, the HRSA Administrator, for helping get all Indian health sites eligible for the National Health Service Corps program, which will help with recruitment of healthcare providers.

We work with Pam Hyde, administrator of SAMHSA, and I am really excited about their FY 2012 budget proposal for prevention grants that will go directly to Tribes. And I have met with Dr. Thomas Frieden, the Director of CDC, to discuss ideas for collaborative efforts.

I also have met with Assistant Secretary of Indian Affairs Larry Echohawk and his staff about several collaborative efforts, including suicide prevention. DOI, SAMHSA, and IHS held listening sessions on suicide prevention with Tribes recently and plan a suicide prevention summit this summer.

I am proud to say that with the help of Recovery Act funds, IHS has become the first large healthcare system to have a certified electronic health record (EHR). And we are working hard to implement the meaningful use of electronic health records in the Indian health system. For IHS, tribal, and urban Indian health sites that use the IHS Resource and Patient Management System (RPMS), this is an important first step in the process to qualify for and receive the new EHR Incentive Payments from Medicare and Medicaid. This could help bring valuable new resources to the Indian health care system. It is also important for Tribes that don't use RPMS because if they use a certified EHR, they can qualify for incentive payments also.

We have developed some materials to explain the EHR Incentive Programs for both Medicare and Medicaid and how adopting, implementing, upgrading, or demonstrating meaningful use of a certified EHR can qualify sites for incentive payments. It is important to know that all eligible hospitals and professionals must register as a first step in qualifying for the incentive payments.

If you go to my Director's blog, you can get access to the RPMS EHR certification press release, a fact sheet, some slides with basic steps, and websites for more information. It is now time for all eligible hospitals and professionals to take steps to qualify for EHR incentive payments for meaningful use from Medicare and/or Medicaid. I have heard that there is a problem related to whether Tribes can be considered like Federally Qualified Health Centers to qualify for EHR incentive payments. We are currently reviewing this issue.

Our fourth priority is to make everything transparent, accountable, fair, and inclusive. These principles guide our work and decision-making. I have been communicating more, including messages from the Director and my director's blog. I encourage you to communicate as much as possible about your local activities.

Accountability for individual and program performance is important. In order to get the support we need, we have to demonstrate that our activities result in improved outcomes – for local programs and for the system as a whole. I hope we can partner together in finding ways to show

the effectiveness of our programs – the upcoming budget discussions makes our ability to show that we are using federal resources wisely even more important now.

We are also implementing the IHCIA provision that directs IHS to establish a policy to "confer" with urban Indian health organizations. This will help us communicate better with the organizations that we help fund to provide health services in urban communities.

To get updates on implementation of health care reform and other Indian health issues, you can visit my "Director's Corner," which is linked to the IHS home page. There you can get information on presentations, Dear Tribal Leader letters, new and ongoing health initiatives, and other messages. You will also see an orange "Director's Blog" button that you can click on that will take you to my blog.

I use the Director's Blog to post brief updates on our activities and the latest IHS news at least weekly. My recent blog on the EHR certification that I just mentioned can be found here. This is one of many efforts to be more transparent about what we're doing as an agency. I think it's important for the public to know that meeting with Tribes is important to the agency, and putting updates and pictures about the meetings on the blog helps. This is the place we post the most updated information.

In summary - we are working to change and improve the IHS through our reform efforts. These efforts should help us do better at the business of healthcare and provide better quality services. I know that your self-governance activities are helping us change and improve the Indian health system.

The Affordable Care Act, and the reauthorization of the IHCIA, will also help Tribes and the IHS provide better care to American Indian and Alaska Native people. But we must be competitive so that our patients will still choose to use our healthcare services.

Overall, we are beginning to make progress on our priorities and are moving forward on the challenging work to change and improve the IHS. We are also moving forward on the priorities of Self-Governance Tribes.

While changing and improving the IHS may seem like a daunting and challenging task, I still believe we're in a unique time in history, where we have a supportive President and administration, including lots of support at HHS, and bipartisan support in Congress for reform. We must take advantage of this opportunity to change and improve the IHS. A lot of the support we have now is based on our willingness to demonstrate that we are changing and improving.

Thank you for all that you are doing to help us change and improve the IHS. Our partnership towards our mutual goals has never been more important. Given the challenges ahead, we must continue to work together. Thank you.