

IHS TRIBAL SELF-GOVERNANCE ADVISORY COMMITTEE

c/o Self-Governance Communication and Education

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Via email at consultation@ihs.gov

January 31, 2014

Dr. Yvette Roubideaux, M.D., M.P.H.
Acting Director
Indian Health Service
801 Thompson Avenue, Suite 440
Rockville, MD 20852

RE: December 6, 2013 Dear Tribal Leader Letter on Expanding the Medicare-Like Rate Cap to Non-Hospital Services

Dear Dr. Roubideaux:

On behalf of the Tribal Self Governance Advisory Committee (TSGAC), I am writing in response to your December 6, 2013 Dear Tribal Leader Letter to express our strong support for expanding the Medicare-Like Rate Cap to non-hospital providers and suppliers.

Since 2007, the "Medicare-Like Rate" cap has applied only to hospital services, which represent only a fraction of the services purchased through the Contract Health Services (CHS) system. In its April 11, 2013, report entitled "*Government Accountability Office (GAO), Indian Health Service: Capping Payment Rates for Nonhospital Services Could Save Millions of Dollars for Contract Health Services,*" the GAO concluded that Tribal CHS programs could have saved \$68.2 million for services provided in 2010 alone if Medicare-Like Rates had been in place for non-hospital services. The Indian Health Service (IHS) and Tribal CHS programs may well be the only entities in the United States that routinely pay full billed charges for non-hospital services. Private insurance and other Federal programs routinely pay only a fraction of full billed charges. Both the Veteran's Affairs and the Department of Defense have already implemented a Medicare-type equivalent rate for non-hospital services.

While IHS or Tribes could enact restrictions on CHS funding to pay no more than Medicare-like rates for non-hospital services, Tribes are concerned that this could create a problem with access to care for the people we serve. The only way to assure that American Indians and Alaska Natives have access to health services through CHS at rates similar to Medicare is to make this a requirement for all Medicare providers. We believe that this is best accomplished through Federal legislation.

A coalition of Tribes and Tribal organizations is working to introduce legislation to amend Section 1866 of the Social Security Act to direct the Secretary to issue new regulations to establish a payment rate cap for non-hospital Medicare participating providers and suppliers. The legislation is designed to ensure continued access to care, will allow for Tribal consultation as it is implemented by regulation, is budget neutral, and would bring IHS in line with other federal agencies who already cap the rate they pay for non-hospital services.

Letter to Dr. Yvette Roubideaux, Director, IHS

Re: December 6, 2013 Dear Tribal Leader Letter on Expanding the Medicare-Like Rate Cap to Non-Hospital Services

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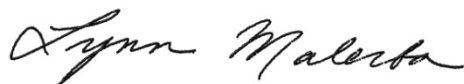
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The Department of Health and Human Services (HHS) has expressed agreement with the GAO's recommendation that Congress enact legislation expanding the Medicare-Like Rate cap to non-hospital services. The IHS Director's Workgroup on Improving Contract Health Services also has recommended that the Medicare-Like Rates be expanded to non-hospital services. We urge you to work together with Tribes, Tribal Organizations, the Secretary of HHS, and the White House to support Congressional action on this important measure.

In an era where IHS and Tribes are still struggling from the effects of sequestration and the long history of chronic and endemic underfunding of the Indian health system, there is no reason why IHS and Tribal CHS programs should continue to overpay third party providers using scarce CHS funds.

We appreciate our discussion on this issue at the recent TSGAC quarterly meeting held last week. If you have any questions, you can reach me at (860) 862-6192; or via email: lmalerba@moheganmail.com. Thank you.

Sincerely,



Chief Lynn Malerba, Mohegan Tribe
Chairwoman, TSGAC

cc: TSGAC and Technical Workgroup Members
Mr. P. Benjamin Smith, Director, Office of Tribal Self-Governance, IHS
Mr. Carl Harper, Director, Office of Resource Access and Partnership, IHS
Mr. Geoff Roth, Special Assistant to the Director, IHS