INDIAN HEALTH SERVICE
Increased Oversight Needed to Ensure Accuracy of Data Used for Estimating Contract Health Service Need

Why GAO Did This Study
The Indian Health Service (IHS), an agency in the Department of Health and Human Services (HHS), provides health care to American Indians and Alaska Natives. When care at an IHS-funded facility is unavailable, IHS’s contract health services (CHS) program pays for care from external providers if the patient meets certain requirements and funding is available. The Patient Protection and Affordable Care Act requires GAO to study the adequacy of federal funding for IHS’s CHS program. To examine program funding needs, IHS collects data on unfunded services—services for which funding was not available—from the federal and tribal CHS programs. GAO examined (1) the extent to which IHS ensures the data it collects on unfunded services are accurate to determine a reliable estimate of CHS program need, (2) the extent to which federal and tribal CHS programs report having funds available to pay for contract health services, and (3) the experiences of external providers in obtaining payment from the CHS program.

What GAO Found
Due to deficiencies in IHS’s oversight of data collection, the data on unfunded services that IHS uses to estimate CHS program need were not accurate. Specifically, the data that IHS collected from CHS programs were incomplete and inconsistent. For example, 5 of the 66 federal and 30 of the 103 tribal CHS programs that responded to GAO’s survey reported that they did not submit these data to IHS in fiscal year 2009. Also, the format of IHS’s annual request has not provided the agency with complete information to determine which programs submitted these data. In addition, individual CHS programs reported inconsistencies in how they recorded information about a specific type of unfunded service that IHS uses in its assessment of need. A reliable estimate of need will require complete and consistent data from each of the individual CHS programs. In November 2010, IHS created a workgroup to examine weaknesses in its current data and explore other sources of data to estimate need. IHS officials expect the workgroup to make a recommendation to the IHS Director by the end of calendar year 2011 that IHS adopt a new method of estimating need. As of September 2011, IHS was continuing to develop this new method and officials indicated that deferral and denial data would continue to be collected until it makes further decisions about its needs assessment methodology.

What GAO Recommends
GAO recommends that HHS direct IHS to ensure unfunded services data are accurately recorded; CHS program funds management is improved, and provider communication is enhanced. HHS noted how IHS would address the recommendations; describing the proposed new method to estimate need. IHS’s steps will address some recommendations, but immediate steps are needed to improve the collection of unfunded services data to determine program need.

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