INDIAN HEALTH SERVICE

Actions Needed to Improve Oversight of Federal Facilities' Decision-Making About the Use of Funds

Why GAO Did This Study

IHS, an agency of the Department of Health and Human Services, provides care to AI/AN populations through a system of federally operated and tribally operated health care facilities. AI/AN have experienced long standing problems accessing needed health care services. GAO has previously reported that IHS has not been able to pay for all eligible health care services; however, the resources available to federally operated facilities have recently grown.

This report assesses IHS oversight of federal health care facilities' decision-making about the use of funds. GAO reviewed IHS policies and documents; and interviewed IHS officials from headquarters, nine area offices, and three federally operated facilities (two hospitals and one health clinic).

What GAO Recommends

GAO recommends that IHS develop processes to guide area offices in (1) systematically assessing how federally operated facilities will effectively meet the needs of their patient populations, and (2) reviewing federal facilities' spending proposals. HHS concurred with these recommendations.

What GAO Found

The Indian Health Service’s (IHS) oversight of federally operated health care facilities’ decision-making process about the use of funds has been limited and inconsistent. Funds include those from appropriations, as well as payments from federal programs, such as Medicaid and from private insurance, for care provided by IHS to American Indians and Alaska Natives (AI/AN). While some oversight functions are performed at IHS headquarters, the agency has delegated primary responsibility for the oversight of health care facilities’ decision-making about the use of funds to its area offices. Area office officials said the oversight they provide has generally included (1) reviewing facilities’ scope of services, and (2) reviewing facilities’ proposed expenditures. However, GAO’s review found that this oversight was limited and inconsistent across IHS area offices, in part, due to a lack of consistent agency-wide processes.

- While IHS officials from all nine area offices GAO interviewed said they reviewed facilities’ scope of services and coordinated with tribes when doing so, none reported systematically reviewing the extent to which their facilities’ services were meeting local health needs, such as by incorporating the results of community health assessments. Such assessments can involve the collection and assessment of data, as well as the input of local community members and leaders to identify and prioritize community needs. These assessments can be used by facilities to assess their resources and identify priorities for facility investment. While IHS has identified such assessments as a priority, the agency does not require federally operated facilities to conduct such assessments or require the area offices to use them as they review facilities’ scope of services.

- To ensure that facilities are effectively managing their resources, IHS has a process to guide its review of facilities’ proposed construction projects that cost at least $25,000. However, IHS does not have a similar process to guide its oversight of other key proposed expenditures, such as those involving the purchase of major medical equipment, the hiring of providers, or the expansion of services. Specifically, GAO found limitations and inconsistencies with respect to requiring a documented justification for proposed expenditures; documenting the review and approval of decisions; and conducting an impact assessment on patient access, cost, and quality of care.

The limitations and inconsistencies that GAO found in IHS’s oversight are driven by the lack of consistent oversight processes across the area offices. Without establishing a systematic oversight process to compare federally operated facilities’ current services to population needs, and to guide the review of facilities’ proposed expenditures, IHS cannot ensure that its facilities are identifying and investing in projects to meet the greatest community needs, and therefore that federal resources are being maximized to best serve the AI/AN population.