

ACTIVITY/MECHANISMS BUDGET SUMMARY  
 Department of Health and Human Services  
 Public Health Service - Indian Health Service  
 Indian Health Services - 75-0390-0-1-551  
**Public and Private Collections**

Program Authorization:

Program authorized by Economy Act of 31 U.S.C. 686 Section 301-P.L. 94-437,  
 Title IV of Indian Health Care Improvement Act.

<u>Collections</u>	FY 1999 <u>Enacted</u>	FY 2000 <u>Appropriation</u>	FY 2001 <u>Estimate</u>	Increase Or <u>Decrease</u>
Medicare	\$79,975,000	\$81,838,000	\$ 81,838,000	0
Tribal Medicare	6,986,000	6,986,000	6,986,000	0
Medicaid	247,778,000	253,589,000	253,589,000	0
Tribal Medicaid	<u>22,217,000</u>	<u>22,217 000</u>	<u>22,217,000</u>	<u>0</u>
Total	\$356,956,000	\$364,630,000	\$364,630,000	0
Private				
Insurance	<u>36,930,000</u>	<u>39,960,000</u>	<u>39,960,000</u>	<u>0</u>
Total	\$393,886,000	\$404,590,000	\$404,590,000	0
FTE	2,953	2,953	2,953	0

<u>Reimbursable Obligation:</u>	FY 1999 <u>Enacted</u>	FY 2000 <u>Appropriation</u>	FY 2001 <u>Estimate</u>	Increase Or <u>Decrease</u>
Personnel Benefits & Compensation	\$174,667,000	\$184,881,000	\$198,609,000	+\$13,728,000
Travel & Trans.	2,999,000	2,835,000	2,835,000	0
Trans. Of Things	871,000	814,000	8,140,000	0
Comm./Util./Rents	2,549,000	2,238,000	2,238,000	0
Printing & Repro.	115,000	117,000	117,000	0
Other Contractual Services	19,636,000	18,452,000	18,452,000	0
Supplies	49,800,000	44,115,000	44,115,000	0
Equipment	12,039,000	10,569,000	10,569,000	0
Land & Structures	58,589,000	49,638,000	49,638,000	0
Grants	72,563,000	90,881,000	77,153,000	-13,728,000
Insur./Indemnities	17,000	15,000	15,000	0
Interest/Dividends	<u>41,000</u>	<u>35,000</u>	<u>35,000</u>	<u>0</u>
Total	\$393,886,000	\$404,590,000	\$404,590,000	\$0

**PURPOSE AND METHOD OF OPERATION**

MEDICARE/MEDICAID

The FY 2000 and FY 2001 Medicare/Medicaid (M/M) estimates reflect the rate increases incorporated in the FY 2000 President's Budget Request. For FY 2001, the IHS Medicare and Medicaid collections are estimated to remain at the FY 2000 level of \$335,426,000. The IHS is making an estimate of tribal

collections for the first time this year, we can only estimate tribal collections because there is no reporting requirement for them. This estimate is based on HCFA data.

The FY 2001 President's Budget assumes that the current 1999 rates will continue into FY 2000 and that any future IHS rate adjustments will be made based on the results of a complete analysis of current Medicare hospital cost reports.

For FY 2000, the IHS Medicare and Medicaid collections are estimated to total \$335,426,000, a net increase of \$7,673,000 over the FY 1999 actual collections. The FY 2000 increase represents a small increase of 2.3 percent. This increase can be achieved through the IHS business management initiative. To achieve the business management increase, IHS will place the highest priority on improving its business management operation and increasing third party collections.

During FY 1999 and FY 2000, a major effort was initiated to improve each hospital's capability to identify patients who are eligible or may become eligible for third party reimbursement. A major part of this initiative includes the identification of all children who may be eligible for participation in the Children's Health Insurance Program (CHIP). The IHS has been working with HCFA and the State Medicaid Offices to help ensure the success of this effort. Also, other business management initiatives, including staff training and automating State Medicaid billings and collections, will assist IHS in its efforts to increase collections. Through these business management improvement initiatives, the IHS estimates that Medicare and Medicaid collections, including CHIP, will increase by \$7,673,000 during FY 2000.

The IHS will continue to place the highest priority on maintaining JCAHO accreditation standards for its health facilities. The use of the M/M reimbursements will be in accordance with approved JCAHO/HCFA survey plans of correction and with identified deficiencies. Specific Service Unit plans will be developed to respond to these deficiencies. These include the very large backlog of essential maintenance and repair which affects JCAHO/HCFA standards, including health and safety.

#### PRIVATE THIRD PARTY COLLECTIONS

In FY 2001, the IHS estimates private insurance collections of \$39,960,000, the same level as FY 2000 and an increase of \$3,030,000. During FY 2000 and FY 2001, IHS will continue to its efforts to improve each health facility's capability to identify patients who have private insurance coverage and increase private insurance billings and collections. Funds collected will be used by the local Service Units to improve services, including the purchase of medical supplies and equipment, and to improve local service unit's business management practices.