

OVERVIEW OF OKLAHOMA CITY AREA FUNDING DISTRIBUTION & METHODOLOGIES

December 1, 2009

Definitions



- User Population
- Service Units
- Operating Units
- Base Budget
- Tribal Shares
- Tribal Size Adjustment (TSA)

User Population



- Definition: IHS User Population is an unduplicated count by community of residence of American Indian/Alaska Native (AI/AN) registrants who have had a direct or contract (inpatient, outpatient or dental) encounter with the I/T/U health system during the last three fiscal years.
- User Population is often used in calculating the denominator for reporting purposes.
 - GPRA, Federal Disparities Index
 - Equipment fund formulas for the annual M&IE (Maintenance & Improvement Equipment) distribution monies

User Population



- Indigenous: Users affiliated with tribes local to the Service Unit.
 - Current terminology—
 - “Tribal Members” belonging to the service unit.
- Non-Indigenous: Users affiliated with tribes who are not local to the Service Unit but reside within the SU.
 - Current terminology—
 - “Other Tribes” not belonging to the service unit.

Service Unit



- "Service Unit" means— (1) an administrative entity within the Indian Health Service, or (2) a Tribe or tribal organization operating health care programs or facilities with funds from the Service under the Indian Self-Determination and Education Assistance Act, through which services are provided, directly or by contract, to the eligible Indian population within a defined geographic area.

Operating Unit



- An health delivery system unit through which eligible Indians access personal health care services. The term means sub-units of IHS Areas as actually operated, financed, and managed -- not official and possibly artificial designations.
- Operating units are often synonymous with service unit, but in some places, the official service unit status may not be updated to reflect how the current delivery system operates.

Base Budget



Section 505(g) of Title V provides Tribes with the option for stable base funding; *“At the option of an Indian tribe, a funding agreement may provide for a stable base budget specifying the recurring funds (including, for purposes of this provision funds available under Section 106(a)) to be transferred to such Indian tribe, for such period as may be specified in the funding agreement, subject to annual adjustment only to reflect changes in congressional appropriations by sub-sub-activity excluding earmarks.”*

Tribal Share



“The term `tribal share' means an Indian tribe's portion of all funds and resources that support secretarial programs, services, functions, and activities (or portions thereof) that are not required by the Secretary for performance of inherent Federal functions.”

Assumptions



- State of Oklahoma is one Service Delivery Area in lieu of reservations.
- Divided up based on Tribal Geographic Jurisdiction or former tribal reservation land recognized by treaty.
- Only Tribes local to the Service Unit are eligible for Service Unit Dollars.

TRIBAL SIZE ADJUSTMENT (TSA) FORMULA

- The TSA formula is a per user approach for attributing benefits among all tribes.
- The Tribal Size Adjustment label connotes that a tribe's share of HQ resources is determined in proportion to user population. In the TSA formula, approximately 92% of headquarters funds are attributed to tribes in direct proportion to user counts.
- A small supplemental amount (8% in total) is added for tribes of less than 2,500 users in partial compensation for functional inefficiencies related to small size and to the minimum PSFA work that headquarters performs for every Tribe regardless of its population.
- It shows a fixed amount per user for every Tribe plus a sliding scale amount for the small tribes of less than 2,500 users – hence the label Tribal size adjustment.

OCA Historical Background



- 1993 first of many SG compacts for programs.
- Service Units are divided by Tribe and by Inpatient and Outpatient Services (example Wewoka Service Unit— Inpatient services at Carl Albert, and outpatient services at Wewoka).
- Area Office Tribal Shares and Proportionate Share of Service Units were divided up using the FY 1995 User Population at the Time (approx 269,401).
- However, this methodology was at one point in time, the budgets of service units have changed as well as the population shifts between tribes and service units.

Issues with Service & Operating Units

- Service Units in the Oklahoma City Area are not straightforward as in most other IHS Areas.
 - ▣ We have service units that multiple tribes which make up a service unit
 - ▣ We have service units that are operated by both IHS facilities and tribal facilities
 - ▣ We have services units operated solely by Tribes.
- Several years ago, Congress changed the appropriation language for the Urban Demonstration Projects (Oklahoma City & Tulsa).

Current Practice



- Research historical documents and if available trace historical spreadsheets to determine historical methodologies.
- Maintain integrity of the methodologies for consistency.
- Decrease the inconsistencies in formulas.
- Archiving spreadsheets to preserve the formats/methodology/formulas.
- Coordinating with Area Finance & Budget Officer to distribute the funds appropriately and reconciling throughout the year.

Cycle of Funding



- ❑ Initial Appropriations/Program Base Funding
- ❑ Pay Cost & Inflation (after budget authorized)
- ❑ Population Growth (based on IHS User population across the areas)
- ❑ Indian Health Care Improvement Fund (based on Federal Disparities Index)
- ❑ Contract Health Services Population Growth Funds
- ❑ Tribal Shares Updated for next FY
- ❑ IHS Director's Emergency Fund
- ❑ Other Special Distributions (i.e. HIV/AIDS and Meth/Suicide)

Funding Formulas

Type of Funding	Rec / Non-rec	Formula Methodology	Other Factors	Time line
Base Funding	Recurring	Original Tribal Share at time of Contract	One Lump Sum or otherwise according to CR	10/1 or later
Pay Cost/Inflation	Recurring	% Increase based on Base \$	Work w/Area & HQ Finance Tribal Shares Tables	Jan-Apr
Population Growth (All Health & Prev Health Sub-Sub Activities)	Recurring	Past 3 yrs OCA divided up evenly by % of User Population for base. Remainder divided among tribes with Positive Pop Growth	At Area Director's Discretion	Mar-May
FDI (H&C)	Recurring	40% Level of Need Funding (LNF)	Decided at HQ level based on LNF/FDI Formula	Mar-May

Funding Formulas

Type of Funding	Recurring	Formula Methodology	Other Factors	Time line
CHS Distribution	Recurring	Using same FDI/LNF Formula	Decided at HQ level	After FDI
AIDS/HIV Funds (H&C)	Non-recurring	Distributed based on user population	Work with Don Carter & Finance	Jun-Aug
Director's Emergency Fund	Non-Recurring	Used Inter-Tribal Adjustments to Distribute	Use historical methodology	End of year Aug/Sept