IHS formula could cut services by half

by Jim Benedetto
Tundra Times editor

The Indian Health Service has developed a new formula for distributing funds to Indian health care providers that could slash by as much as one-half the funds currently available to Alaska for Indian health care.

"What the Alaskan community is concerned about is that most of the data used to develop the new RAM is inaccurate, and much of it inaccurate by the IHS' own admission," said Lloyd Miller, an Anchorage attorney with the law firm of Sonosky, Chambers & Sachse, which represents several Native nonprofit health corporations.

The Resource Allocation Methodology, known as RAM, was developed during the past three years by IHS officials seeking a more equitable distribution of health care money. Previously, health care monies were distributed 'historically' — that is, health care providers received funds based on the amount they received in the previous year — and not according to a fair appraisal of the health care needs of the community served. As a result, dissatisfaction with historical allocation was high.

Then in 1980, in the *Rincon* decision, a federal court ordered the IHS to "establish criteria that are rationally aimed at an equitable division of its funds," and said that the historical method of fund allocation had to go.

(Continued on Page Four)

IHS

(Continued from page one)

Congress established the equity health care fund in 1981, not to allocate existing IHS funds more equitably, as the court had directed, but to supplement the funds available to communities the historical method had shortchanged. The new RAM formula, says the IHS, will do away with the unfairness of the old system.

There has been criticism of the Health Service in recent months. Fast on the heels of budget cuts in IHS funding by the Reagan Administration came news of proposed changes in eligibility requirements to be imposed on Indian people seeking health care.

The IHS changes, besides requiring a strict minimum blood quantum, would also interfere with a tribe's right to determine for itself precisely who is a member of the tribe, and who is not. The federal government is obligated by both treaties and statutes to provide health care for Native Americans.

The new RAM would reckon a community's need for health care funds using two separate indicators: funding deficiency and health status.

Funding deficiency is determined by comparing the total resource needs of the community with the total resources available to meet the need. Although the IHS has traditionally determined area needs based on periodic census reports, the new RAM considers only those people in the community who actually receive health care from IHS funded programs.

Health status is determined by the YPLL, or "Years of Productive Life Lost" by the population of a given area. The average age of death in a given population is subtracted from the expected life span. High YPLL numbers mean more IHS funds for an area under the RAM.

The concept is a simple one: direct IHS money to the areas it serves that have the fewest alternative health care resources and the most serious health problems. Some areas would win under the new RAM: those who fared poorly under the historical method of allocation, or are located in states that provide little or no health care funds.

Others would lose: Indian communities that seem to have other health care alternatives available, and ironically, those whose health practitioners have been successful in combatting many of the causes of early death in Indian people.

Portland, Ore., area funds are estimated to increase by a whopping 186 percent, while Tucson's would be up by 97 percent.

The big losers would be Alaska, whose funds would be reduced by 49 percent, California and Nashville, losing 46 percent.

Attorney Lloyd Miller is a very vocal critic of the new RAM. Nobody would dispute that a more equitable distribution of health care funds is an admirable goal, says Miller, "but if you're going to do it, you've got to do it right."

"You have to do it with the right information," says Miller. "You have to have accurate data about the health needs in each part of the country. You have to have accurate data about what

(Continued on Page Five)

IHS

(Continued from Page Four)

it costs to deliver health care in every part of the country," things Miller says IHS admits it does not have, especially with regard to Alaska.

Opposition to the new RAM has been loud and quick in coming from Native American groups, Indian health care providers and the congressional delegations of adversely affected areas.

Janie Leask, president of the Alaska Federation of Natives, has urged that Congress place a two-year moratorium on implementation of the new RAM.

A pilot version of the formula was tested in the Norton Sound Health Corporation in Nome. Use of the formula there resulted in a 49 percent drop in available funds.

(Continued on Page Nine)

IHS

(Continued from Page Five)

Leask said both AFN and the health corporation fear the new method of allocation is "premature," and they believe more information about the effects of widespread implementation of the new RAM is needed.

Meanwhile, the Alaska congressional delegation has introduced amendments to the Indian Health Care Improvement Act Reauthorization in both houses of the Congress. The Senate version would mandate the publication of the preliminary regulations fir the IHS plan in the *Federal Register*, something the IHS has refused to do.

The Senate amendment also would insert provisions for tribal input into the new allocation, and requires a report to be issued by IHS to the Indian Affairs Committee before the formula could be implemented.