

# Facilities Appropriation Advisory Board

for the

## Indian Health Service

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RADM Gary Hartz, Director  
Office of Environmental Health and Engineering/IHS  
12300 Twinbrook Pkwy, Suite 600  
Rockville, MD 20852

FEB - 2 2006

Dear RADM Hartz;

This letter is a follow up to the Letters of July 21, 2005, and March 10, 2006, in which the FAAB provided recommendations for revising the Healthcare Facilities Construction Priority System (HFCPS).

On October 27, the FAAB met to review draft reports generated by the HFCPS to assess how various options would affect outcomes. The Director, IHS, specifically asked the FAAB to review the reports with attention to three issues where IHS staff and the FAAB still had differences. The three issues in question were:

- Weighting of the Facility Deficiency Factor and the Health Status Factor;
- Using a portion of a Tribe's mortgage on a facility to adjust the facility condition; and
- Counting leased space not maintained by maintenance and improvement (M&I) funds as no space for the purposes of the HFCPS formula.

With regard to weighting, the FAAB, after reviewing priority listings based on different scoring criteria decided that weightings in the proposed HFCPS methodology presented to the Tribes for review in July 2004 should be used. This means the Facility Deficiency Factor should be weighted to a maximum of 400 points and the Health Status should be weighted to a maximum 200 points out of a total of 850 points in the Phase I methodology and a total of 1,000 points in the Phase II methodology. This is a revision of the FAAB recommendation. When we made our initial recommendation, it was understood that the health status measures used in the methodology differentiated health status of populations at the community level. However, during our review of the priority listings it was observed that the health status measures do not differentiate below the Area level, generating essentially the same health status for every facility in an Area. It is understood that, when location specific information becomes available, it will be used.

The priority listings showed that there was little impact on overall scoring or ranking associated with the mortgage and leased space issues. Scores did change if these concepts were incorporated, but in only a few situations were these changes significant; and in no situation did

the score change enough to affect significantly the ranking among the top 20 projects. For this reason it was decided by vote that these factors should not be included in the HFCPS methodology. This decision revises the FAAB recommendations regarding these issues.

Because these revisions to earlier FAAB recommendations mean that the HFCPS methodology as presented for consultation in June 2004 would not be changed, we do not believe that it is necessary for IHS to seek additional input from Tribes before implementing the revision to the HFCPS.

The FAAB does make one recommendation that changes the HFCPS process as it was presented to the Tribes in June 2004. This recommendation is to establish the Area Distribution concept, which IHS has agreed to include in the process. Inclusion of this concept, however, does not change the HFCPS methodology and is only implemented when funds are appropriated specifically for Area Distribution. For this reason and because we find a general consensus supporting Area Distribution, the FAAB believes no further consultation is required.

In addition to the issues discussed above, the FAAB noted that some very small facilities are included in the draft reports. Following some discussion about the efficiency of funding construction for such small populations, the FAAB, by vote, recommends that the HFCPS not consider for prioritization any facilities providing services to fewer than 138 users.

After numerous meetings and extensive deliberations by the FAAB along with many opportunities for national consultation, the FAAB is pleased that the revision to the HFCPS is nearing completion.

Respectfully,

A handwritten signature in black ink, appearing to read "Tim U Rosette", written over a horizontal line.

Tim Rosette, Chairman