



September 2019

# INDIAN HEALTH SERVICE

Facilities Reported  
Expanding Services  
Following Increases  
in Health Insurance  
Coverage and  
Collections

# GAO Highlights

Highlights of [GAO-19-612](#), a report to congressional requesters

## Why GAO Did This Study

IHS provides care to American Indians and Alaska Natives through a system of health care facilities. The Patient Protection and Affordable Care Act (PPACA) provided states with the option to expand their Medicaid programs, and created new coverage options beginning in 2014, including for American Indians and Alaska Natives. GAO was asked to review how PPACA has affected health care coverage and services for American Indians and Alaska Natives. In this report, GAO describes (1) trends in health insurance coverage and third-party collections at federally operated and tribally operated facilities from fiscal years 2013 through 2018, and (2) the effects of any changes in coverage and collections on these facilities.

To address these objectives, GAO analyzed IHS data on coverage, third-party collections, and PRC. GAO interviewed IHS officials from headquarters and all 12 area offices, as well as from 17 facilities selected to include a mix of federally operated and tribally operated hospitals and health centers in states that both had and had not expanded their Medicaid programs as of September 2018. GAO interviewed officials from 11 federally operated IHS facilities and 6 tribally operated facilities.

GAO provided a draft of this report to the Secretary of Health and Human Services for comment. The Department did not have any comments on the draft report.

View [GAO-19-612](#). For more information, contact Jessica Farb at (202) 512-7114 or [farbj@gao.gov](mailto:farbj@gao.gov).

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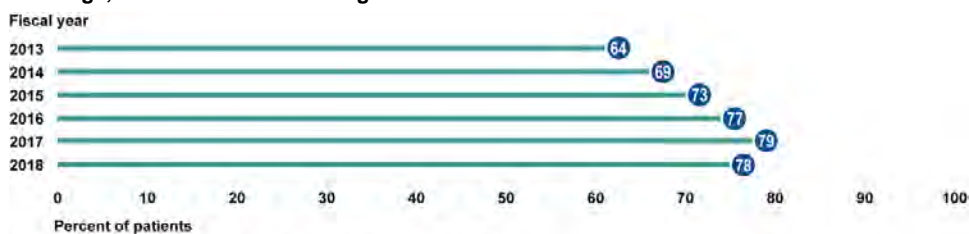
## INDIAN HEALTH SERVICE

### Facilities Reported Expanding Services Following Increases in Health Insurance Coverage and Collections

#### What GAO Found

GAO's analysis of Indian Health Service (IHS) data shows that from fiscal years 2013 through 2018, the percent of patients at federally operated IHS hospitals and health centers that reported having health insurance coverage increased an average of 14 percentage points. While all federally operated IHS facilities reported coverage increases, the magnitude of these changes differed by facility, with those located in states that expanded access to Medicaid experiencing the largest increases. Federally operated IHS facilities' third-party collections—that is, payments for enrollees' medical care from public programs such as Medicaid and Medicare, or from private insurers—totaled \$1.07 billion in fiscal year 2018, increasing 51 percent from fiscal year 2013. Although exact figures were not available, tribally operated facilities, which include hospitals and health centers not run by IHS, also experienced increases in coverage and collections over this period, according to officials from selected facilities and national tribal organizations.

**Average Percent of Patients at Federally Operated IHS Facilities Reporting Health Insurance Coverage, Fiscal Years 2013 through 2018**



Source: GAO analysis of Indian Health Service (IHS) data. | GAO-19-612

Note: Data represent patients' self-reported coverage information at each of the 73 federally operated IHS hospitals and health centers, averaged across the facilities, and do not reflect coverage through the Department of Veterans Affairs.

Increases in health insurance coverage and third-party collections helped federally operated and tribally operated facilities continue their operations and expand the services offered, according to officials from 17 selected facilities. These officials told GAO that their facilities have been increasingly relying on third-party collections to pay for ongoing operations including staff payroll and facility maintenance. Officials at most facilities with increases in third-party collections also stated that they expanded their onsite services, including increasing the volume or scope of services offered by, for example, adding new providers or purchasing medical equipment. Increased coverage and collections also allowed for an expansion in the complexity of services provided offsite through the Purchased/Referred Care (PRC) program, which enables patients to obtain needed care from private providers if the patients meet certain requirements and funding is available. According to IHS and facility officials, increases in coverage have allowed some patients to access care offsite using their coverage, and an expansion of onsite services has reduced the need for some patients to access PRC. Officials GAO interviewed from federally operated and tribally operated facilities stated that facilities' expansion of onsite and offsite services has led to enhancements in patients' access to care in some instances.