




THE STATE OF TRIBAL HEALTH CARE COSTS

Tribal Council Workshop
July 24, 2009



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Review the Council's Vision for Tribal Health Care

- Nasomah
- Contract Health Services
- Health Care Trust Fund

[NASOMAH HEALTH GROUP]



[Vision for Nasomah: 1998]

- In 1998, Tribal Council established Nasomah as a self-funded insurance plan and approved its Articles of Incorporation
- The Articles define Nasomah's purpose and goals

[Vision for Nasomah: 1998]

- Nasomah's Purpose (Article 3.1):
 - "...establishing, implementing, operating and managing a self-funded health insurance program for the Tribe, for Tribal members and for employees and Tribal departments, agencies, corporations and enterprises, and for the purpose of maximizing the effective and efficient use of health insurance and other funding for the benefit of the Nasomah Health Group's participants."

[Vision for Nasomah: 1998]

- Nasomah's Goals (Article 3.2):
 - Consolidate the various health insurance programs and funding sources available to the Tribe, and its agencies, enterprises, and corporations, into a single program administered by the Nasomah Health Group;
 - Identify the most efficient uses of available health care dollars for the use of the Nasomah Health Group's participants;
 - Communicate with health insurers and health care providers to develop an efficient and effective payment and service delivery system for tribal members, employees and their dependents;
 - Competently advise and assist the Tribe with respect to the use of Tribal funds for health insurance purposes;

[Vision for Nasomah: 1998]

- Nasomah's Goals (Article 3.2, continued)
 - Invest surplus or carry over funds to maximize the efficient use of such funds where not prohibited by applicable law or other restrictions on such funds;
 - Provide a program through which Tribal members outside the service area can purchase health insurance at a reasonable cost;
 - Ensure compliance with applicable law, rules and regulations relevant to the provision and procurement of health insurance benefits;
 - Engage in any other activities necessary or desirable for the accomplishment of the foregoing Goals.

Vision for Nasomah: 1998

- **Self-funded insurance program to provide cost-effective medical, dental, vision, and prescription drug benefits for:**
 - **Tribal members who reside outside the five county service area (OSA Plan)**
 - **Employees of the Tribe and its entities and their dependants (EPO & PPO Plans)**
- **Premiums collected from Tribal entities, employees and out of service area Tribal Members to pay the cost of benefits**
- **OSA and PPO Plan members have access to a large selection of physicians**

Nasomah Priorities: 1998

- **Extend OSA benefits to non-Tribal spouses and children within the next 2-5 years**
- **Provide Nasomah to every Tribal member outside the service area with no health insurance coverage**
 - **In 1998, 52 Tribal members enrolled (28 parents + 24 children)**

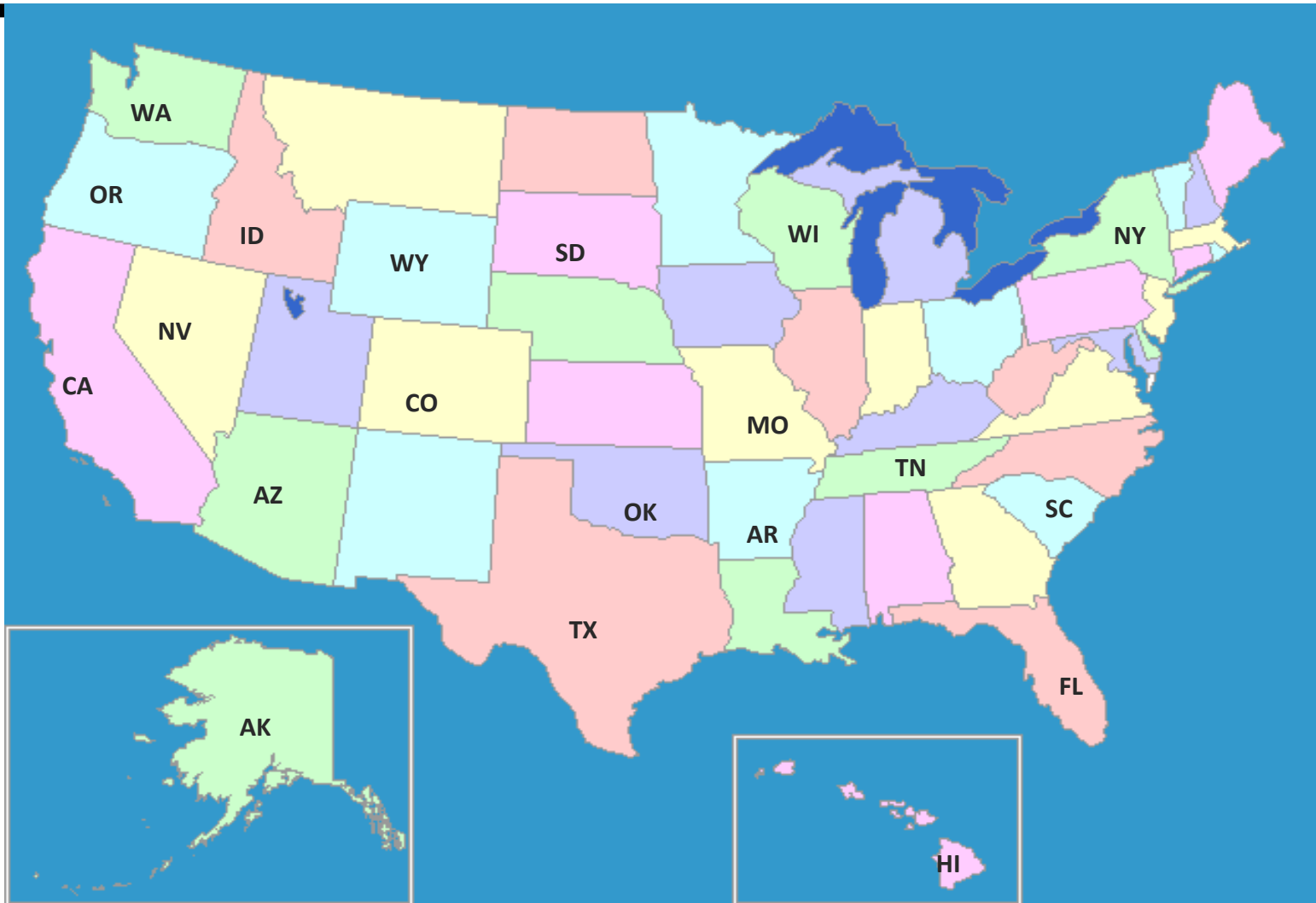
[Nasomah Enrollment Growth]

	<u>May 2000</u>	<u>May 2009</u>
■ Primary:	386*	613**
■ Spouses:	106	150
■ Children:	<u>134</u>	<u>241</u>
■ Total:	626	1,004

(*280 CEDCO/Mill + 48 CIT + 58 OSA)

(**384 CEDCO/Mill + 98 CIT + 131 OSA)

Nasomah OSA Tribal members live in 20 states



Nasomah Benefits: 2009

- 3-Medical Plans
 - (EPO) All eligible employee's + dependents
 - (PPO) All eligible employee's + dependents
 - (OSA) All enrolled CIT member's + dependents living outside of the 5-county service areas
- 1-Dental Plan (\$1,500)
- 1-Vision Plan (\$300)
- 1-Pharmaceutical Plan (Walgreen's Health Initiatives)

[Contract Health Services]



[Vision for CHS]

- The Tribe assumed responsibility from IHS for Contract Health Services (CHS) in 1993
- CHS is guided by the Contract Health Service Delivery Plan, which establishes:
 - Administrative responsibilities
 - Eligibility requirements (based on the IHS CHS Manual and 42 CFR 36.21)
 - CHS as the payer of last resort

[Vision for CHS]

- CHS not intended as an entitlement program
- Because of limited funding, CHS provides care based on prioritized medical need

Evolution of CHS Priorities

- 1993
 - Medical care: IHS priority Level II
 - Dental care: IHS priority Level III
- 1995
 - Medical care: IHS priority Level III
 - Dental care: IHS priority Level IV
- 2007
 - Dental care: all Levels, except cosmetic procedures, up to the annual limit of \$1,500

Health Care Trust Fund



[Vision for Health Care Trust]

- In 2001, Tribal Council established five long-term trust funds:
 - Elders' Benefit
 - Burial Benefit
 - Tribal Council Service
 - Education
 - Health Services

[Vision for Health Trust: 2001]

- Purpose: to provide resources for deferred Contract Health services
- Estimated Need: \$40,000/yr
- Initial Fund Target: \$800,000
- Draft fund policy prepared in 2002, but never adopted

Evolution of Health Trust Vision

- In 2006, CHS covered orthodontia (the largest deferred service)
- Through 2008, Council had contributed \$6,084,039 into the Health Trust, far exceeding the initial fund target
- Ever-increasing general fund supplements are needed to maintain high quality health care for Tribal members

[General Fund Costs: 2008]

- General funds spent on direct health care costs for Tribal members, 2008:
 - CHS patient care costs \$ 327,028
 - Nasomah OSA premiums 1,112,956
 - Elders Medicare assistance 96,436
 - OSA emergency health asst 2,513
 - **Total** **\$1,538,933**

Vision for Health Care Trust

- To offset this \$1.5 million in general fund costs annually, the balance of the Health Care Trust would have to exceed \$30 million
- What's the new vision for the Health Care Trust Fund?