ALLOCATION & EXPENDITURE GUIDANCE
for $26 Million in the FY 2003
Indian Health Care Improvement Fund (IHCIF)

Allocation Methodology for FY 2003

The IHCIF formula is applied for FY 2003 using the same data as used for the FY 2002 IHCIF allocation. The threshold to qualify for IHCIF funds in 2003 remains the same (units with FDI scores of less than 60% qualify for part of the IHCIF distribution). Based on guidance and clarification from the Congress, additional weight is given in 2003 to the very lowest bracket, those with FDI scores of less than 40%.

Distribution Tables

Tables showing the IHCIF distribution among all IHS Areas are attached to the allowance transmittals. Local units within each IHS Area are listed in the second column labeled "Operating Unit". Amounts for qualifying units are listed in the last column labeled "Total". Operating units above the 60% average receive no IHCIF funds in FY 2003.

Distribution Among Units Within the IHS Area

Not all units identified in the table are self-contained units. The national application of the allocation methodology may incompletely account for certain complexities and variations in and among local level operating units. The Area Office, after consultation with affected parties, may distribute IHCIF operating unit funds among the constituent parts of operating units or among relevant operating units based on actual service usage patterns or similar equitable measures consistent with the governing language in section 1621 of the Indian Health Care Improvement Act. Language governing distribution of IHCIF funds specifies distribution criteria based on "health status and resource deficiency" taking into account "cost of providing health care services given local geographic, climatic, rural, and other considerations."

Purpose and Use of Funds (Section 1621 of Indian Health Care Improvement Act)

The Secretary is authorized to expend funds which are appropriated under the authority of this section, through the Service, for the purposes of -

(1) eliminating the deficiencies in health status and resources of all Indian tribes,

(2) eliminating backlogs in the provision of health care services to Indians,

(3) meeting the health needs of Indians in an efficient and equitable manner, and

(4) augmenting the ability of the Service to meet the following health service responsibilities, either through direct or contract care or through contracts entered into pursuant to the Indian Self-Determination Act (25 U.S.C. 450f et seq.), with respect to those Indian tribes with the highest levels of health status and resource deficiencies:

(A) clinical care (direct and indirect) including clinical eye and vision care;

(B) preventive health, including screening mammography in accordance with section 1621k of this title;

(C) dental care (direct and indirect);

(D) mental health, including community mental health services, inpatient mental health services, dormitory mental health services, therapeutic and residential treatment centers, and training of traditional Indian practitioners;

(E) emergency medical services;

(F) treatment and control of, and rehabilitative care related to, alcoholism and drug abuse (including fetal alcohol syndrome) among Indians;

(G) accident prevention programs;

(H) home health care;

(I) community health representatives; and

(J) maintenance and repair.

Recurring Distribution

The $26 million IHCIF is distributed on a **recurring** basis. The IHS will annually assess and update the IHCIF allocation formula in subsequent years as additional IHCIF funds are appropriated.