United States Government Accountability Office

Testimony

Before the Subcommittee on Interior, Environment, and Related Agencies, Committee on Appropriations, House of Representatives

HIGH RISK

Actions Needed to Address Serious Weaknesses in Federal Management of Programs Serving Indian Tribes

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Accessible Version

HIGH RISK

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Why GAO Did This Study

GAO's High-Risk Series identifies federal program areas needing attention from Congress and the executive branch. GAO added federal management of programs that serve Indian tribes and their members to its 2017 biennial update of high-risk areas in response to serious problems in management and oversight by Interior and HHS.

This testimony primarily summarizes the findings and recommendations from GAO's prior reports on the federal management and oversight of Indian education, energy resources, and health care, which are discussed in GAO's February 2017 High-Risk report. To conduct this work, GAO reviewed relevant federal laws, regulations, and policies; reviewed and analyzed federal data; and interviewed tribal, federal, and industry officials, among others.

GAO uses five criteria to assess an agency's progress in addressing high-risk areas: (1) leadership commitment, (2) agency capacity, (3) an action plan, (4) monitoring efforts, and (5) demonstrated progress.

What GAO Recommends

As discussed in the February 2017 High-Risk Report, Interior and HHS have not implemented nearly 40 of GAO's recommendations on management and oversight of federal programs for Indian tribes on education, energy, and health care. Sustained focus by Interior and HHS in implementing GAO's recommendations and continued oversight by Congress are essential to achieving progress in these areas.

View GAO-17-589T. For more information, contact Melissa Emrey-Arras at (617) 788-0534 or emreyarrasm@gao.gov; Frank Rusco at (202) 512-3841 or ruscof@gao.gov; or Kathleen King at (202) 512-7114 or kingk@gao.gov.

What GAO Found

As discussed in GAO's 2017 High Risk report, GAO has identified numerous weaknesses in how the Department of the Interior (Interior) and the Department of Health and Human Services (HHS) manage programs serving Indian tribes. Specifically, these weaknesses were related to Interior's Bureau of Indian Education (BIE) and Bureau of Indian Affairs (BIA) in overseeing education services and managing Indian energy resources, and HHS' Indian Health Service (IHS) in administering health care services.

- **Education.** GAO found serious weaknesses in BIE's oversight of school spending and identified unsafe school conditions. For example, in 2014 GAO reported that BIE did not have written procedures and risk criteria to ensure that schools use federal funds to educate students. Further, GAO found that BIE staff lacked expertise and training to effectively oversee school spending. As a result, GAO found several instances of misused funds, including $1.7 million for one school that was improperly transferred to off-shore accounts. In 2016, GAO also reported that deteriorating facilities and equipment contributed to unsafe conditions at BIE schools. At one school, GAO found seven boilers that failed inspection because of safety hazards, such as elevated levels of carbon monoxide and a natural gas leak. Though they endangered student safety, most of the boilers were not repaired until 8 months after inspection.

- **Energy resource management.** GAO found that BIA had inefficiently managed Indian energy resources and the energy development process. For example, in June 2015 GAO reported that although BIA's review and approval are required before Indian energy resources can be developed, BIA does not have a process or the data needed to track its review and response times. According to a tribal official, BIA's review of some energy-related documents took as long as 8 years, and during that time the tribe estimates it lost more than $95 million in revenues. GAO recommended, among other things, that BIA develop a process to track its review and response times of energy-related documents. Interior stated that it will develop such a process by September 30, 2018.

- **Health care.** GAO has found that IHS provides inadequate oversight of its federally operated health care facilities and of its Purchase Referred Care program (PRC). For example, in 2016 and 2017, GAO reported that IHS provided limited and inconsistent oversight of the timeliness and quality of care provided in its federally operated facilities, and as a result, could not ensure that patients received timely, quality care. GAO reported that, according to IHS officials, access to timely primary care at some facilities was hindered by outdated medical and telecommunications equipment, as well as an insufficient workforce. GAO also found that IHS had taken few steps to evaluate variations in the level of funds it allocated for the PRC program and concluded that IHS could not equitably allocate funds to meet the health care needs of Indians.

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Chairman Calvert, Ranking Member McCollum, and Members of the Subcommittee:

We are pleased to be here today to discuss a new area we added to our High Risk List this year—Improving Federal Management of Programs that Serve Tribes and Their Members.

We added this high-risk area in February 2017 in response to serious problems in federal management and oversight of Indian education, health care programs, and energy resources, which were highlighted in several of our prior reports, along with reports and testimony from Inspectors General, tribal nations, special commissions, and others. In particular, we have found numerous weaknesses in how the Department of the Interior's (Interior) Bureau of Indian Education (BIE) and Bureau of Indian Affairs (BIA)—under the Office of the Assistant Secretary for Indian Affairs (Indian Affairs)—and the Department of Health and Human Services' (HHS) Indian Health Service (IHS) have administered education and health care services, which has put the health and safety of American Indians served by these programs at risk. These weaknesses included poor conditions at BIE school facilities that endangered students, and inadequate oversight of health care that hindered IHS's ability to ensure quality care to Indian communities. In addition, we have reported that BIA has mismanaged Indian energy resources held in trust and thereby limited opportunities for tribes and their members to use those resources to create economic benefits and improve the well-being of their communities.

In 2016, Congress found in the Indian Trust Asset Reform Act that "through treaties, statutes, and historical relations with Indian tribes, the United States has undertaken a unique trust responsibility to protect and support Indian tribes and Indians."[1] As further stated in that act, the fiduciary responsibilities of the United States to Indians arise in part from commitments made in treaties and agreements, in exchange for which Indians surrendered claims to vast tracts of land, and this history of federal-tribal relations and understandings has benefitted the people of the United States and established "enduring and enforceable [f]ederal obligations to which the national honor has been committed." Through improvements to federal management of programs that serve tribes and their members, agencies can improve the efficiency of federal programs

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[1]Pub. L. No. 114-178, § 101 (2016)(codified at 25 U.S.C. § 5601).

under which services are provided to tribes and their members. This would be consistent with the expressed view of Congress as to the federal government's trust responsibilities, and strengthen confidence in the performance and accountability of our federal government. In light of this unique trust responsibility and concerns about the federal government ineffectively administering Indian education and health care programs and mismanaging Indian energy resources, we added these programs as a high-risk area because they uniquely affect tribal nations and their members.

In this context, our testimony today will discuss the findings and recommendations from our prior reports on the federal management and oversight of Indian education, health care, and energy resource development, which are summarized in our February 2017 High-Risk report.[2] In particular, we will highlight key actions that Interior and HHS can take to help overcome challenges associated with federal management and oversight of programs in these areas.

Our testimony draws on findings from multiple reports we have issued in recent years, as well as updates we have received from Interior and HHS on our prior recommendations. To conduct our prior issued work, we reviewed relevant federal laws, regulations, and policies; reviewed and analyzed federal data; and interviewed tribal, federal, and industry officials, among others. More detailed information on our scope and methodology can be found in each of the cited reports.[3]

Our remarks on Indian education also draw on findings from two reports being released today on oversight and accountability for BIE school safety and school construction projects.[4] To conduct our work on BIE school safety, we reviewed Interior's safety program evaluations; a nongeneralizable sample of 50 randomly selected fiscal year 2016 BIE school inspection reports; BIA regional documentation of employee appraisals; and performance management practices in four BIA regions

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[2]GAO, *High-Risk Series: Progress on Many High-Risk Areas, While Substantial Efforts Needed on Others*, GAO-17-317 (Washington, D.C.: Feb. 15, 2017).

[3]For a list of related reports, see GAO-17-317.

[4]GAO, *Indian Affairs: Further Actions Needed to Improve Oversight and Accountability for School Safety Inspections*, GAO-17-421 (Washington, D.C.: May 24, 2017); GAO, *Indian Affairs: Actions Needed to Better Manage Indian School Construction Projects*, GAO-17-447 (Washington, D.C.: May 24, 2017).

selected for geographic diversity and a range of safety inspection results. To conduct our work on BIE school construction, we assessed agency data on the cost and timeliness of 49 school replacement projects completed from fiscal years 2003 to 2016 and reviewed contract and grant files for 10 recently completed or ongoing projects. We also assessed Indian Affairs' practices against its policies, design standards, and federal laws and regulations.

We conducted the work on which this testimony is based in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions.

Background

The High-Risk Program

In 1990, GAO began a program to report on government operations that we identified as "high risk." Since then, generally coinciding with the start of each new Congress, we have reported on the status of progress addressing previously identified high-risk areas and have updated the High-Risk List to add new high-risk areas. Our most recent high-risk update in February 2017 identified 34 high-risk areas.[5]

Overall, our high-risk program has served to identify and help resolve serious weaknesses in areas that involve substantial resources and provide critical services to the public. Since the program began, the federal government has taken high-risk problems seriously and has made long-needed progress toward correcting them. In a number of cases, progress has been sufficient for us to remove the high-risk designation.

To determine which federal government programs and functions should be designated high risk, we use our guidance document, *Determining Performance and Accountability Challenges and High Risks*.[6] In making

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[5]GAO-17-317.

[6]GAO, *Determining Performance and Accountability Challenges and High Risks*, GAO-01-159SP (Washington, D.C.: November 2000).

this determination, we consider whether the program or function is of national significance or is key to the performance and accountability of the federal government.

Further, we consider qualitative factors, such as whether the risk involves public health or safety, service delivery, national security, national defense, economic growth, privacy or citizens' rights, or could result in significantly impaired service, program failure, injury or loss of life, or significantly reduced economy, efficiency, or effectiveness. In addition, we consider the exposure to loss in monetary or other quantitative terms, including financial risk in areas such as the value of major assets being impaired; revenue sources not being realized; major agency assets being lost, stolen, damaged, wasted, or underutilized; potential for, or evidence of improper payments; and the presence of contingencies or potential liabilities. Before making a high-risk designation, we also consider corrective measures planned or under way to resolve weaknesses and the status and effectiveness of these actions.

Our experience has shown that the key elements needed to make progress in high-risk areas are top-level attention by the administration and agency leaders grounded in the five criteria for removal from the High-Risk List, as well as any needed congressional action.[7] The five criteria for removal that we identified in November 2000 are as follows:

- **Leadership Commitment.** Demonstrated strong commitment and top leadership support.

- **Capacity.** The agency has the capacity (i.e., people and resources) to resolve the risk(s).

- **Action Plan.** A corrective action plan exists that defines the root cause, solutions, and provides for substantially completing corrective measures, including steps necessary to implement solutions we recommended.

- **Monitoring.** A program has been instituted to monitor and independently validate the effectiveness and sustainability of corrective measures.

- **Demonstrated Progress.** Ability to demonstrate progress in implementing corrective measures and in resolving the high-risk area.

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[7]GAO-01-159SP.

The five criteria form a road map for efforts to improve and ultimately address high-risk issues. Addressing some of the criteria leads to progress, while satisfying all of the criteria is central to removal from the list.

In each of our high-risk updates, for more than a decade, we have assessed progress to address the five criteria for removing a high-risk area from the list. In our 2015 update, we added clarity and specificity to our assessments by rating each high-risk area's progress on the criteria and used the following definitions:

- **Met.** Actions have been taken that meet the criterion. There are no significant actions that need to be taken to further address this criterion.

- **Partially Met.** Some, but not all, actions necessary to meet the criterion have been taken.

- **Not Met.** Few, if any, actions toward meeting the criterion have been taken.

Figure 1 shows a visual representation of varying degrees of progress in each of the five criteria for a high-risk area.

Figure 1: High-Risk Progress Criteria Ratings
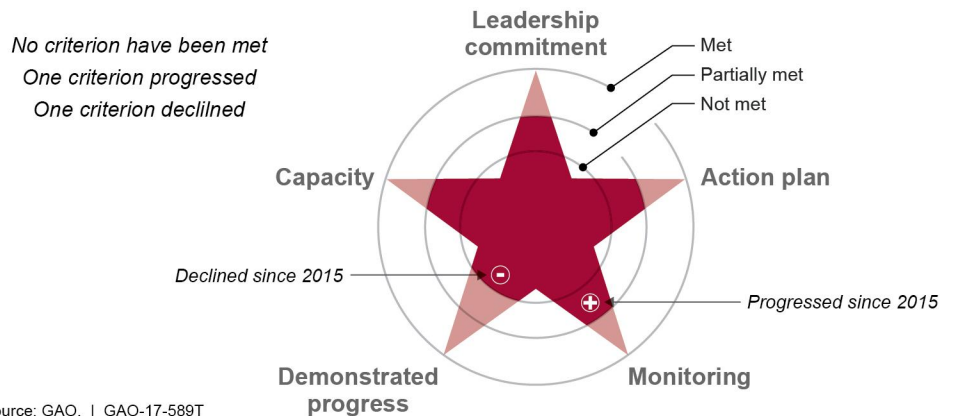
Source: GAO. | GAO-17-589T

Data for Figure 1: High-Risk Progress Criteria Ratings	
High Risk Criteria	**Status**
Action plan	Partially met
Capacity	Partially met
Demonstrated progress	Not met (Declined since 2015)

| High Risk Criteria	Status
Leadership commitment	Partially met
Monitoring	Partially met (Progressed since 2015)

Note: Each point of the star represents one of the five criteria for removal from the High-Risk List and each ring represents one of the three designations: not met, partially met, or met. An unshaded point at the innermost ring means that the criterion has not been met, a partially shaded point at the middle ring means that the criterion has been partially met, and a fully shaded point at the outermost ring means that the criterion has been met.

Indian Education

Indian Affairs, through BIE, is responsible for providing quality education opportunities to Indian students and oversees 185 elementary and secondary schools that serve approximately 41,000 students on or near Indian reservations in 23 states, often in rural areas and small towns (see fig. 2).

Figure 2: Bureau of Indian Education (BIE) Schools and Dormitories by Bureau of Indian Affairs Region

■ One or more BIE schools with dormitories
▲ One or more BIE schools without dormitories
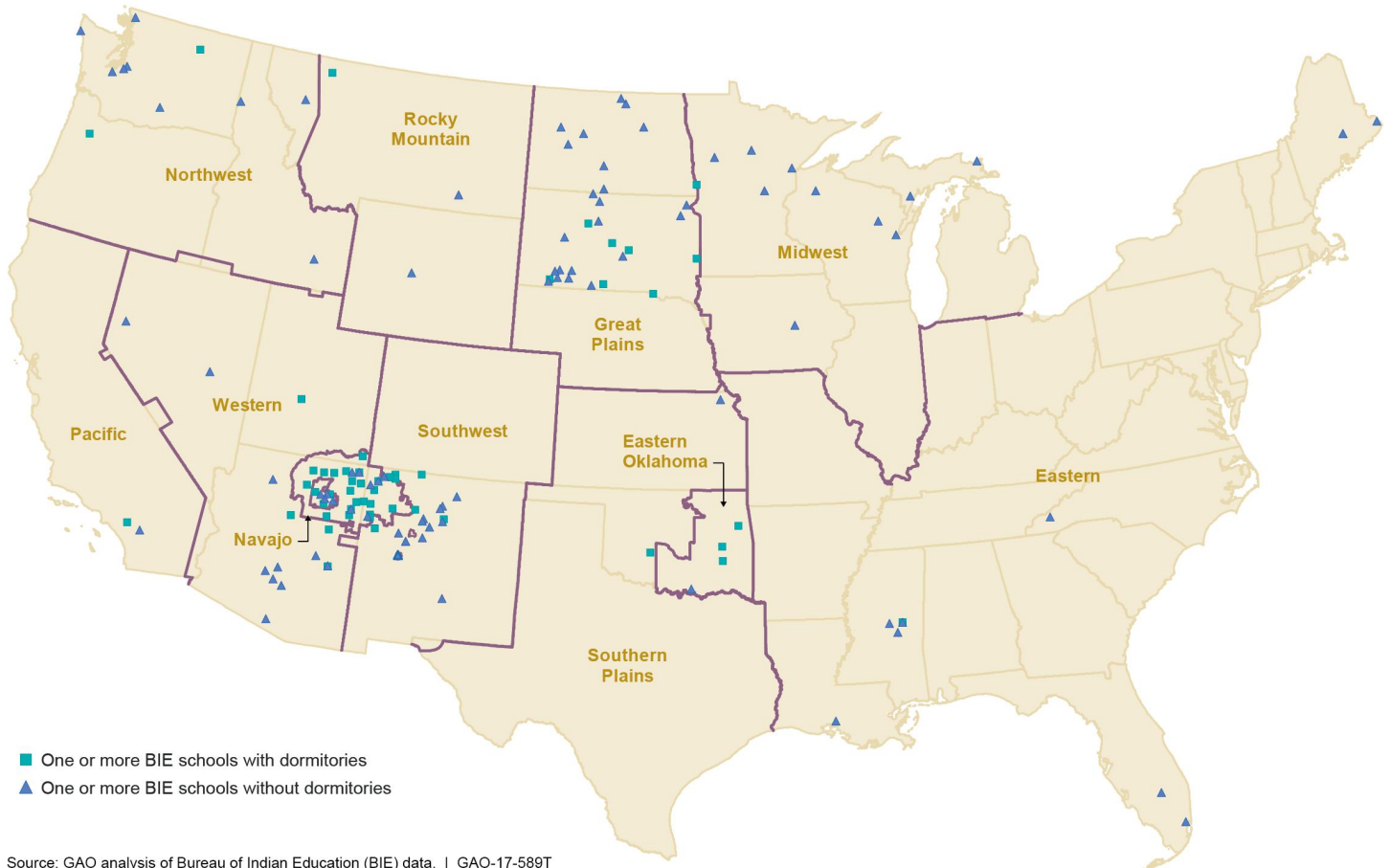
Source: GAO analysis of Bureau of Indian Education (BIE) data. | GAO-17-589T

About two-thirds of BIE schools are operated by tribes, primarily through federal grants, and about one-third are operated directly by BIE. BIE's Indian education programs originate from the federal government's trust responsibility to Indian tribes. It is the policy of the United States to fulfill this trust responsibility for educating Indian children by working with tribes to ensure that education programs are of the highest quality and that children are provided a safe and healthy environment in which to learn.

Students attending BIE schools generally must be members of federally recognized Indian tribes, or descendants of members of such tribes, and reside on or near federal Indian reservations. All BIE schools—both tribally- and BIE-operated—receive almost all of their operational funding from federal sources, namely, Interior and the Department of Education,

totaling about $1.2 billion in 2016. Indian Affairs considers many BIE schools to be in poor condition.

BIE is primarily responsible for its schools' educational functions, while their administrative functions—such as safety, facilities, and property management—are divided mainly between two other Indian Affairs' offices: BIA and the Office of the Deputy Assistant Secretary of Management. However, we have identified long-standing personnel issues, such as frequent turnover of leadership in these offices that have hampered efforts to improve Indian education over the years. For example, in September 2013, we reported that from 2000 through 2013 there were repeated changes in the tenure of acting and permanent assistant secretaries of Indian Affairs, with the tenure ranging from 16 days to 3 years.[8] During this period, there was also frequent turnover in acting and permanent directors of BIE. Since that time, leadership turnover has continued in these offices. For example, in March 2016 Interior's Inspector General found that the BIE director had violated federal hiring practices, and he was removed from his position.[9]

Indian Energy Resources

Considerable energy resources, including domestic mineral resources such as oil, gas, and coal, and resources with significant potential for renewable energy development, including wind, solar, hydroelectric power, geothermal, and biomass, exist throughout Indian country. Tribal nations may seek opportunities to use these resources as an option to create economic benefits that provide revenue for government operations and social service programs, create high-quality jobs, and offset power costs by increasing access to reliable and affordable energy for tribal buildings and individual homes. While tribes and their members determine how to use their energy resources, if the resources are held in trust or restricted status, BIA—through its 12 regional offices, 85 agency offices, and other supporting offices—generally must review and approve

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[8]GAO, *Indian Affairs: Bureau of Indian Education Needs to Improve Oversight of School Spending,* GAO-15-121 (Washington, D.C.: Nov. 13, 2014).

[9]U.S. Department of the Interior, Office of Inspector General, *Investigative Report of Improper Hiring at the Bureau of Indian Education,* (Washington, D.C.: March 30, 2016).

leases, permits, and other documents required for development (see fig. 3).[10]

Figure 3: Bureau of Indian Affairs (BIA) Regions and Number of Agency Offices
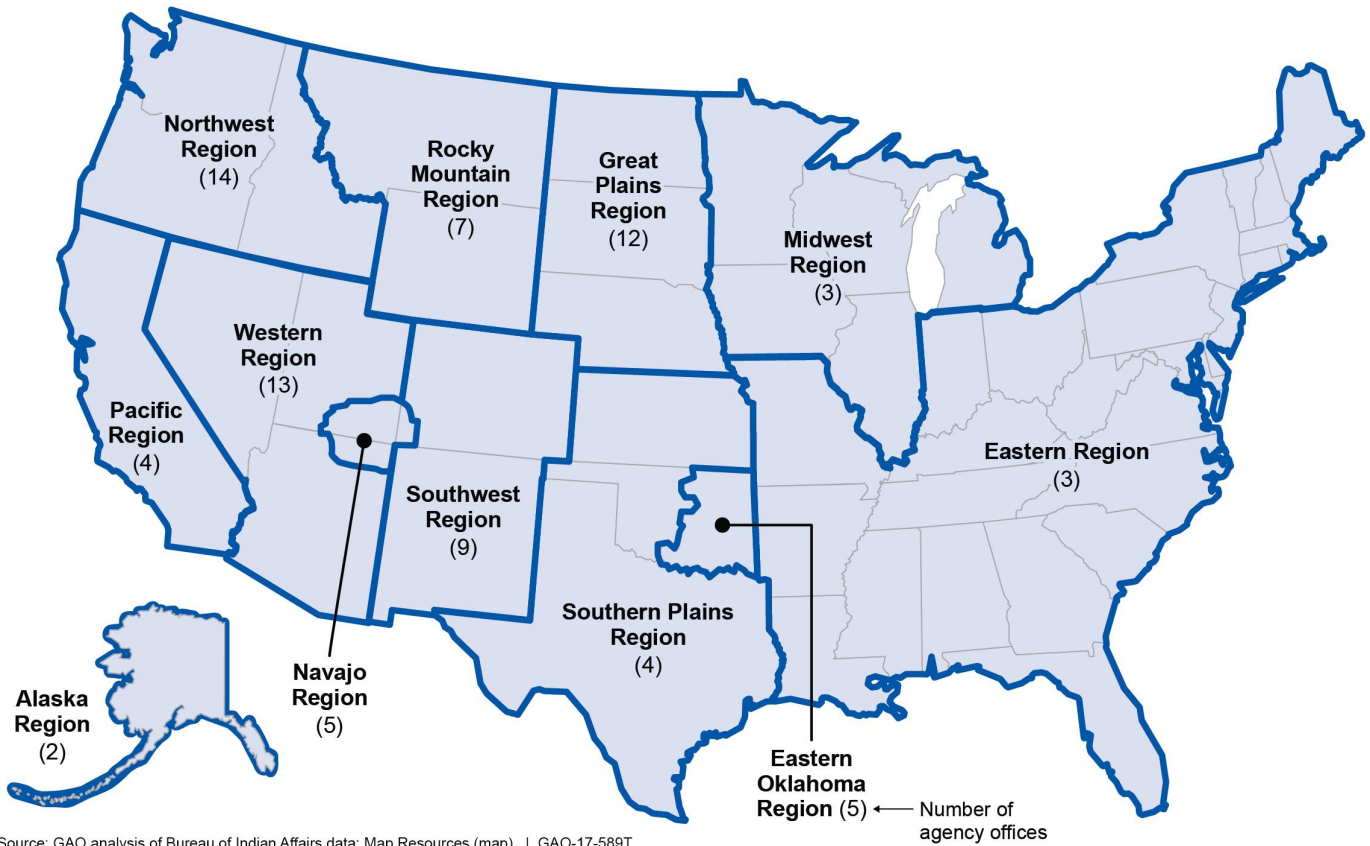
Source: GAO analysis of Bureau of Indian Affairs data; Map Resources (map). | GAO-17-589T

Data Table for Figure 3: Bureau of Indian Affairs (BIA) Regions and Number of Agency Offices

Region	Number of agency offices
Alaska Region	2
Eastern Region	3

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[10]Trust resources are held by the U.S. government for the beneficial interest of the tribe or a member, and restricted resources are owned by the tribe or a member but subject to restrictions on their sale or transfer. Trust and restricted resources generally cannot be leased without approval of the Secretary of the Interior, who has generally delegated this authority to BIA.

Region	Number of agency offices
Eastern Oklahoma Region	5
Great Plains Region	12
Midwest Region	3
Navajo Region	5
Northwest Region	14
Pacific Region	4
Rocky Mountain Region	7
Southern Plains Region	4
Southwest Region	9
Western Region	13

BIA's management of Indian energy resources and oversight of development is to be conducted pursuant to federal law, in a manner that is consistent with the federal government's fiduciary trust responsibility to federally recognized Indian tribes and their members. In addition to BIA, the development of Indian energy resources can be a complex process involving a range of additional stakeholders, including federal, tribal, and state agencies. For example, the Bureau of Land Management issues drilling permits to operators developing Indian oil and gas resources after receiving BIA concurrence to approve the permits. The Environmental Protection Agency issues permits for air emissions that may be required for some oil and gas development. Interior's Fish and Wildlife Service issues permits for incidental deaths of certain wildlife species, which may be affected by certain wind projects. If energy development affects navigable waters, the U.S. Army Corps of Engineers may need to issue a permit. The specific role of federal agencies can vary on the basis of multiple factors, such as the type of resource, location of development, scale of development, ownership of the resource, and Indian tribe involved. Figure 4 shows various roles federal agencies may have in the development of Indian energy resources.

Figure 4: Various Roles of Federal Agencies in the Development of Indian Energy Resources

| BIA | BLM | Corps | DOD | DOE | EDA | EPA | FWS | GSA | HUD | IEED | Treasury | USDA | WAPA |

Identify resource potential

Provide technical assistance

Regulate

Provide financial assistance

Provide transmission access assistance

Purchase power

BIA—Bureau of Indian Affairs
BLM—Bureau of Land Management
Corps—U.S. Army Corps of Engineers
DOD—Department of Defense
DOE—Department of Energy
EDA—Economic Development Administration
EPA—Environmental Protection Agency

U.S. FWS— U.S. Fish and Wildlife Service
GSA—General Services Administration
HUD—Department of Housing and Urban Development
IEED—Office of Indian Energy and Economic Development
Treasury—Department of the Treasury
USDA—Department of Agriculture
WAPA—Western Area Power Administration

Source: GAO analysis of federal documentation. | GAO-17-589T

Data for Figure 4: Various Roles of Federal Agencies in the Development of Indian Energy Resources

Diagram shows agencies with roles in oversight and assistance.

Identify resource potential

- Department of Energy (DOE)

- Office of Indian Energy and Economic Development (IEED)

Provide technical assistance

- Bureau of Indian Affairs (BIA)

- Department of Energy (DOE)

- Office of Indian Energy and Economic Development (IEED)

- Western Area Power Administration (WAPA)

Regulate

- Bureau of Indian Affairs (BIA)

- Bureau of Land Management (BLM)

- U.S. Army Corps of Engineers

- Environmental Protection Agency (EPA)

- U.S. Fish and Wildlife Service

- U.S. Department of Agriculture (USDA)

Provide financial assistance

- Department of Energy (DOE)

- Economic Development Administration (EDA)

- U.S. Department of Housing and Urban Development (HUD)

- Office of Indian Energy and Economic Development (IEED)

- U.S. Department of the Treasury

- U.S. Department of Agriculture (USDA)

Provide transmission access assistance

- Western Area Power Administration (WAPA)

Purchase power

- Department of Defense (DOD)

- Department of Energy (DOE)

- General Services Administration (GSA)

Source: GAO analysis of federal documentation. | GAO-17-589T

In 2014, in response to tribal requests for increased coordination and efficient management of their resources from the numerous federal regulatory agencies involved with Indian energy development, Interior took initial steps to form a new office, the Indian Energy Service Center

(Service Center)—with BIA as the lead agency. According to Interior's fiscal year 2016 budget justification, the Service Center is intended to, among other things, help expedite the leasing and permitting processes associated with Indian energy development.

Indian Health Care

The Indian Health Service (IHS), an agency within HHS, is charged with providing health care to approximately 2.2 million Indians. IHS oversees its health care facilities through a decentralized system of area offices, which are led by area directors and located in 12 geographic areas. (See fig. 5 for a U.S. map showing the IHS patient population by area). Nine of these 12 IHS areas have federally operated IHS facilities—Albuquerque, Bemidji, Billings, Great Plains, Nashville, Navajo, Oklahoma City, Phoenix, and Portland.[11]

[11]The Alaska, California, and Tucson areas do not have any federally operated IHS facilities.

Figure 5: Indian Health Service (IHS) Patient Population by Area, Calendar Year 2014
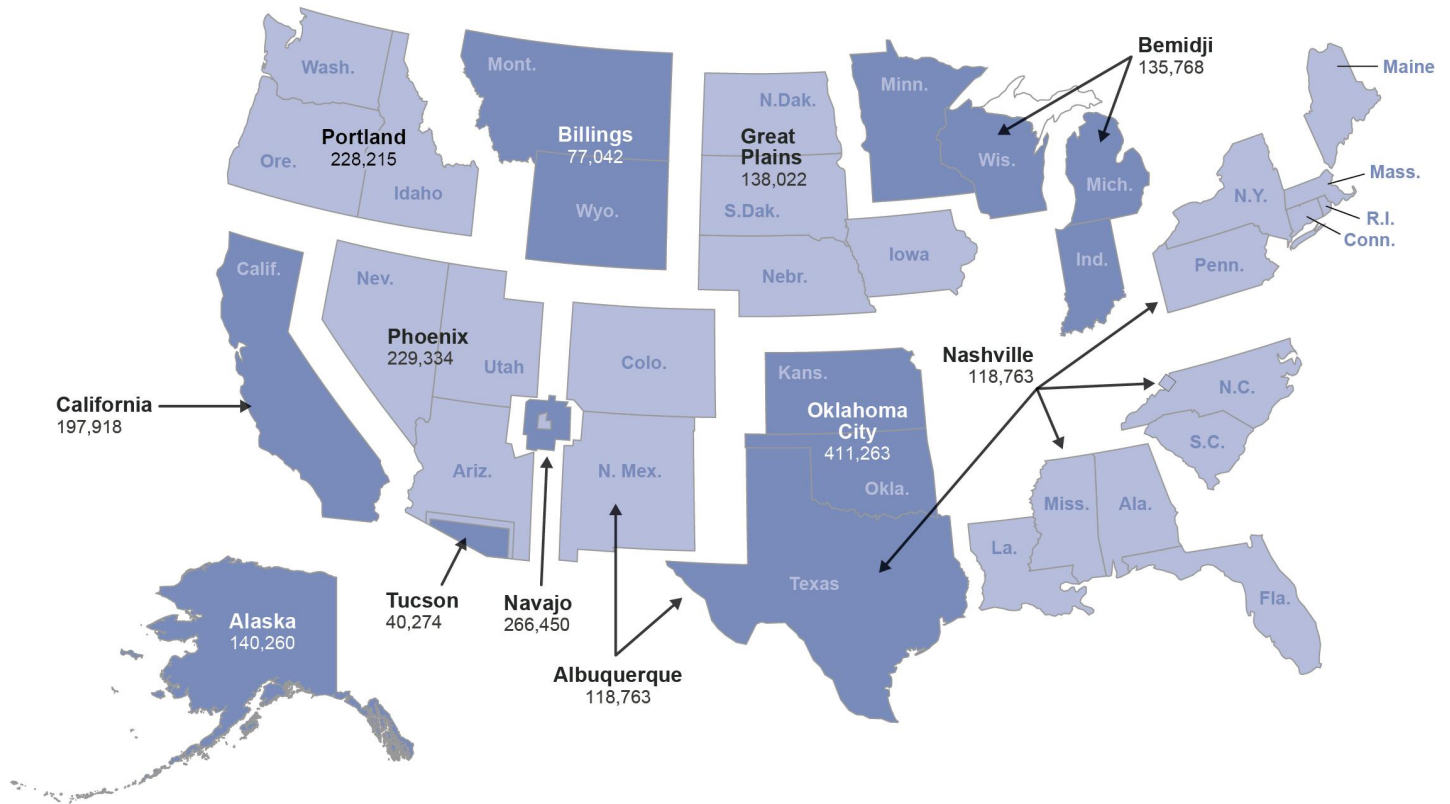
Source: Indian Health Service. | GAO-17-589T

Data Table for Figure 5: Indian Health Service (IHS) Patient Population by Area, Calendar Year 2014

Map of the continental United States delineates Indian Health Service regions

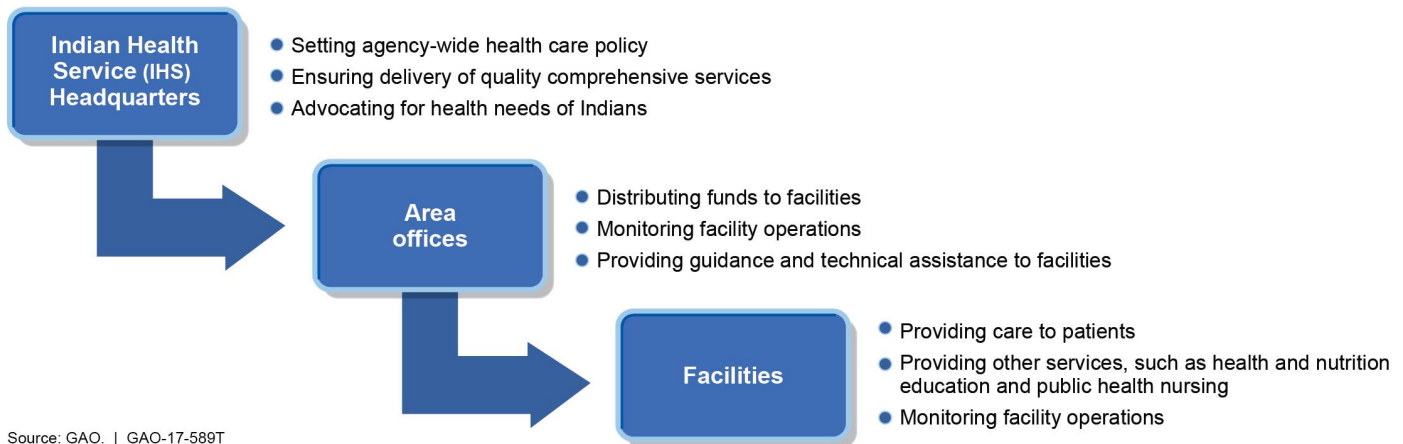| Region	Population
Alaska	140,260
Albuquerque	118,763
Bemidji	135,768
Billings	77,042
California	197,918
Great Plains	138,022
Navajo	266,450
Nashville	118,763
Oklahoma City	411,263

Region	Population
Phoenix	229,334
Portland	228,215
Tucson	40,274

Source: Indian Health Service. | GAO-17-589T

Note: The Albuquerque, Nashville, and Oklahoma City area offices oversee facilities in Texas.

In fiscal year 2016, IHS allocated about $1.9 billion for health services provided by federally and tribally operated hospitals, health centers, and health stations. Federally operated facilities provide mostly primary and emergency care, in addition to some ancillary or specialty services. The federally operated system consists of 26 hospitals, 56 health centers, and 32 health stations. IHS hospitals range in size from 4 to 133 beds.

According to IHS, the headquarters office is responsible for setting health care policy, ensuring the delivery of quality comprehensive health services, and advocating for the health needs and concerns of Indians. The IHS area offices are responsible for distributing funds to the facilities in their areas, monitoring their operation, and providing guidance and technical assistance. (See fig. 6).

Figure 6: Health Care Responsibilities of Indian Health Service (IHS) Headquarters, Area Offices, and Federally Operated Facilities

Indian Health Service (IHS) Headquarters
- Setting agency-wide health care policy
- Ensuring delivery of quality comprehensive services
- Advocating for health needs of Indians

Area offices
- Distributing funds to facilities
- Monitoring facility operations
- Providing guidance and technical assistance to facilities

Facilities
- Providing care to patients
- Providing other services, such as health and nutrition education and public health nursing
- Monitoring facility operations

Source: GAO. | GAO-17-589T

Data for Figure 6: Health Care Responsibilities of Indian Health Service (IHS) Headquarters, Area Offices, and Federally Operated Facilities

Indian Health Service (IHS) Headquarters

- Setting agency-wide health care policy
- Ensuring delivery of quality comprehensive services
- Advocating for health needs of Indians

Area offices

- Distributing funds to facilities
- Monitoring facility operations
- Providing guidance and technical assistance to facilities

Facilities

- Providing care to patients
- Providing other services, such as health and nutrition education and public health nursing
- Monitoring facility operations

Source: GAO. | GAO-17-589T

When services are not available at federally operated or tribally operated facilities, IHS may, in some cases, pay for services provided through external providers through its Purchased/Referred Care (PRC) program. IHS facilities and their associated PRC programs are located in 12 geographic areas, each overseen by an IHS office led by an area director. The PRC program is funded through annual appropriations and must operate within the limits of available appropriated funds. To be eligible for PRC services, recipients must generally meet several criteria, including being a member or descendant of a federally recognized tribe or having close social and economic ties with the tribe, and living within a Tribal Contract Health Services Area. Although funding available for the PRC program has recently increased, we have reported that the program is unable to pay for all eligible services, and that these gaps in services sometimes delay diagnoses and treatments, which can exacerbate the severity of a patient's condition and necessitate more intensive treatment.[12]

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[12]GAO, *Indian Health Service: Health Care Services Are Not Always Available to Native Americans*, GAO-05-789 (Washington, D.C.: Aug. 31, 2005).

The Patient Protection and Affordable Care Act (PPACA) expanded or created new health care coverage options that may benefit Indians, including a state option to expand Medicaid eligibility to individuals with incomes at or below 138 percent of the federal poverty level (FPL), federal premium tax credits for individuals obtaining insurance through health insurance exchanges with incomes between 100 and 400 percent of the FPL, and cost sharing exemptions for Indians who are members of federally recognized tribes with incomes at or below 300 percent of the FPL who purchase insurance through the exchanges.[13] In September 2013, we estimated that PPACA's new coverage options may allow hundreds of thousands of Indians to obtain health care benefits for which they were not previously eligible, assuming all states expanded their Medicaid programs.[14] We reported that, if Indians enroll in one of these options and choose to receive care through IHS, increased revenue from third party payers such as Medicaid could free up IHS resources and help alleviate pressure on IHS's budget.

Serious Weaknesses with Federal Agencies' Management and Oversight of Programs Serving Tribes and Their Members

We have found that Interior and HHS have ineffectively administered and implemented Indian education and health care programs and mismanaged Indian energy resources in the following broad areas: (1) oversight of federal activities; (2) collaboration and communication; (3) federal workforce planning; (4) equipment, technology, and infrastructure; and (5) federal agencies' data. Although the agencies have taken some actions to address the recommendations we have made related to Indian programs, as of our February 2017 High-Risk update, there were nearly 40 that have yet to be fully addressed.

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[13]See Pub. L. No. 111-148, 124 Stat. 119 (Mar. 23, 2010), as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152, 124 Stat. 1029 (Mar. 30, 2010).

[14]GAO, *Indian Health Service: Most American Indians and Alaska Natives Potentially Eligible for Expanded Health Coverage, but Action Needed to Increase Enrollment*, GAO-13-553 (Washington, D.C.: Sep. 5, 2013).

Indian Education

Inadequate oversight of federal activities

We have identified weaknesses in how Indian Affairs oversees school safety and construction and in how it monitors the way schools use federal funds. In a March 2016 report, we found that Indian Affairs had not taken actions to ensure that its BIA regional offices annually inspect the safety and health of all BIE school campuses, as required, or that the information it collected through inspections was complete and accurate, and we recommended that it take such actions.[15] Specifically, we found that Indian Affairs did not conduct annual inspections at about 1 in 3 BIE schools from fiscal years 2012 through 2015. Further, 4 out of 10 regions did not conduct any inspections during this period. We also found that Indian Affairs did not systematically evaluate the thoroughness of the school safety inspections it conducted or monitor the extent to which inspection procedures varied within and across regions. We concluded that it did not monitor whether safety inspectors in each of its regions are consistently following appropriate procedures and guidance and as a result inspections in different regions may continue to vary in completeness and miss important safety and health deficiencies at schools that could pose dangers to students and staff.

In response to our findings and recommendations in September 2016, Indian Affairs provided documentation that it had conducted fiscal year 2016 annual safety inspections at all BIE schools. In 2016, agency officials also reported on changes they had made to managing the performance of personnel responsible for overseeing and conducting school safety inspections. However, as of April 2017, the agency had not provided documentation that the inspection information that its safety personnel collect and report to BIE schools is complete and accurate. In addition, our findings from one of the two reports on Indian education that are being released today point to continued problems with Indian Affairs' oversight of safety inspections at BIE schools.[16] In particular, we found that BIA employees responsible for providing safety inspection reports to schools were not held accountable for late reports despite the agency's requirement and a new employee performance standard on submitting all

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[15]GAO, *Indian Affairs: Key Actions Needed to Ensure Safety and Health at Indian School Facilities*, GAO-16-313 (Washington, D.C.: Mar. 10, 2016).

[16]GAO-17-421.

reports within 30 days of an inspection. We found that some reports were submitted more than 4 months after an inspection. We will continue to monitor the agency's efforts in this area.

In February 2015, we also testified that Indian Affairs did not consistently oversee some BIE school construction projects.[17] For example, we found that at one BIE school Indian Affairs managed a $3.5 million project to replace roofs, but the new roofs had leaked continually since they were installed, causing mold and ceiling damage in classrooms, according to agency documents. At another school, Indian Affairs funded construction of a $1.5 million building for school bus maintenance and bus storage, but the size of the building did not allow a large school bus to fit on the lift when the exterior door was closed (see fig. 7).[18]

Figure 7: Exterior and Interior of Recently-Constructed School Bus Maintenance Building Where Door Does Not Close When a Large School Bus Is On Hydraulic Lift

Source: GAO. | GAO-17-589T

Further, our findings from the second report on Indian education being released today indicate that Indian Affairs has not consistently used accountability measures or conducted sufficient oversight to ensure that BIE school construction projects were completed on time, within budget,

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[17]GAO, *Indian Affairs: Preliminary Results Show Continued Challenges to the Oversight and Support of Education Facilities,* GAO-15-389T (Washington, D.C.: Feb. 27, 2015).

[18]As a result, staff at the school were required to maintain or repair a large bus with the door open, which is not practical in the cold South Dakota winters.

and met schools' needs.[19] For instance, of the 49 school construction projects we reviewed that had been completed from fiscal years 2003 to 2016, 16 were 3 or more years behind schedule and 1 was nearly 10 years behind schedule (see fig. 8).

Figure 8: Timeliness of Indian Affairs' School Replacement Projects Completed, Fiscal Years 2003 - 2016

On time or early	Up to 3 years late	3 to 5 years late	More than 5 years late
10	23	11	5

Source: GAO analysis of Indian Affairs' annual submissions to the President's budget. | GAO-17-589T

Data table for Figure 8: Timeliness of Indian Affairs' School Replacement Projects Completed, Fiscal Years 2003 - 2016

Timeliness criteria	Number of projects
On time or early	10
Up to 3 years late	23
3 to 5 years late	11
More than 5 years late	5

Source: GAO analysis of Indian Affairs' annual submissions to the President's budget. | GAO-17-589T

In a November 2014 report, we also identified serious weaknesses in Indian Affairs' oversight of school expenditures.[20] For example, we reported that BIE does not have written oversight procedures and risk criteria for ensuring schools use funds provided by Interior for their intended purpose of providing BIE students a quality education. As a result of Indian Affairs' lack of oversight, we identified several instances of funds being misused, including $1.7 million for a school that were improperly transferred to off-shore accounts. Our report contained several recommendations that, if implemented, could help BIE accurately track and oversee BIE school expenditures to ensure that federal funds are being used for their intended purposes. Specifically, we recommended that Interior develop both written procedures and a risk-based approach to monitor school expenditures. In response to our recommendations in May 2016, Indian Affairs' officials said they were in the process of establishing a new Office of Financial Accountability within BIE that,

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[19]GAO-17-447.

[20]GAO-15-121.

among other duties, would oversee school expenditures. They noted they were planning to hire auditors and grants management specialists who would be responsible for developing written procedures to oversee school expenditures. In April 2017, agency officials also reported that they had filled the BIE Deputy Director for School Operations position. In addition, they noted that newly hired personnel were being trained in risk assessment and fraud prevention policy. However, the agency did not provide documentation that it had developed and implemented written procedures and risk criteria to ensure accountability of BIE school expenditures as we recommended. Further, it reported that the target date for fully implementing our recommendations was October 1, 2018. Therefore, we will continue to monitor the agency's efforts to implement these recommendations.

Limited federal workforce planning

We have found limited workforce planning in several key areas related to BIE schools. Specifically, in a February 2015 testimony, we noted that the capacity of Indian Affairs and BIE school staff to address school facility needs is limited due to gaps in expertise, steady declines in staffing levels, and limited institutional knowledge.[21]

In November 2014 we reported that the lack of financial expertise and training, among other things, hindered BIE administrators' effectiveness in overseeing school expenditures.[22] For example, although BIE line office administrators made key decisions about schools' single audit report findings—such as whether funds are being spent appropriately—they were not auditors or accountants. Additionally, the administrators responsible for the three BIE offices we visited said they did not have the financial expertise to understand the content of single audits. We recommended that the agency develop a comprehensive workforce plan to ensure that BIE has an adequate number of staff with the requisite knowledge and skills to effectively oversee BIE school expenditures. Interior agreed to implement this recommendation, but as of April 2017, it had not provided documentation that it had done so.

In September 2013, we reported that Indian Affairs could not ensure that staffing levels at Indian Affairs' regional offices were adjusted to meet the

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[21]GAO-15-389T.

[22]GAO-15-121.

needs of BIE schools in regions with varying numbers of schools—ranging from 2 to 65—because it had not updated its strategic workforce plan.[23] We recommended that Indian Affairs revise its strategic workforce plan to ensure that its employees who provide administrative support to BIE are placed in the appropriate offices to ensure that regions with a large number of schools have sufficient support. Indian Affairs agreed to implement this recommendation. In September 2016, Interior provided us with a revised workforce plan for Indian Affairs. However, this plan did not include information about the workforce needs of the Indian Affairs offices that provide administrative support to BIE and its schools and therefore did not address our recommendation. As of April 2017, we had not received any further updates from Indian Affairs. We will continue to monitor its efforts in this area.

Outdated and deteriorating equipment, technology, and infrastructure

Aging BIE school facilities and equipment have contributed to degraded and unsafe conditions for students and staff. In a March 2016 report, we found one school with 7 boilers that failed inspection because of multiple high-risk safety deficiencies, including elevated levels of carbon monoxide and a natural gas leak (see fig. 9).

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[23]GAO, *Indian Affairs: Better Management and Accountability Needed to Improve Indian Education,* GAO-13-774 (Washington, D.C.: Sept. 24, 2013).

Figure 9: Failed Boiler Inspection Tag in a Bureau of Indian Education (BIE) School Classroom Building
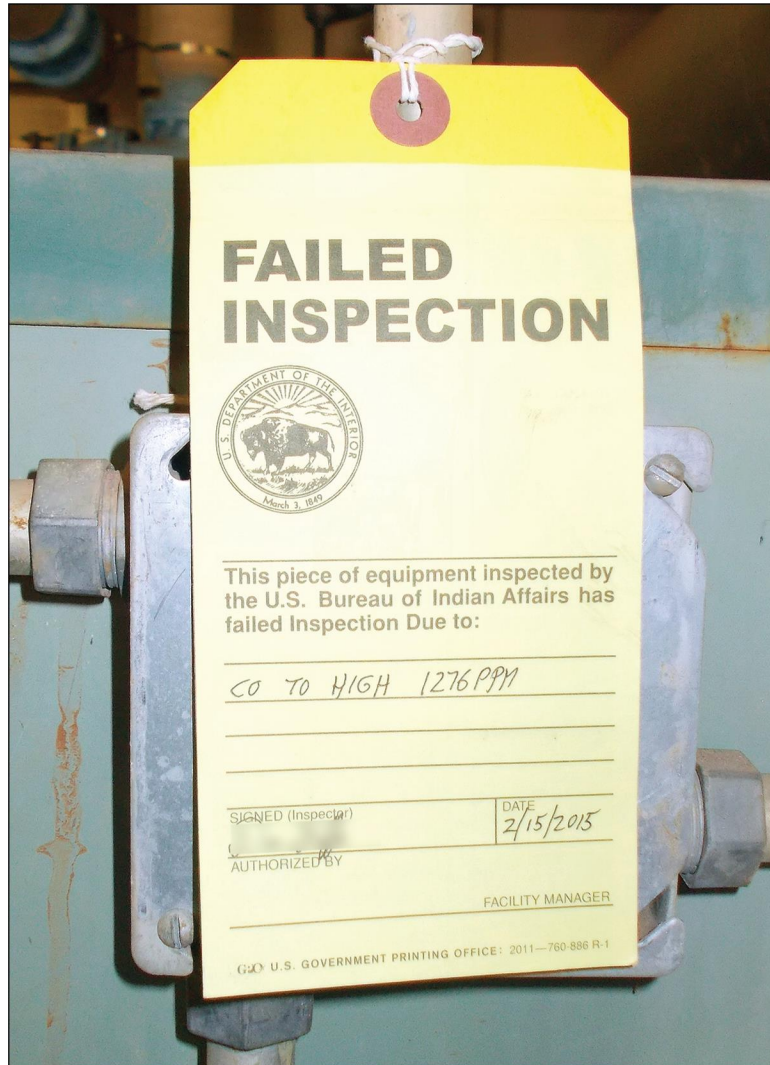
Source: GAO. | GAO-17-589T

Four of the boilers were located in a student dormitory, and three were located in classroom buildings. All but one of the boilers were about 50 years old. Although the poor condition of the boilers posed an imminent danger to the safety of students and staff, most of the boilers were not repaired until about 8 months after failing their inspection, prolonging safety risks to students and staff.

In February 2015, we also testified that BIE schools faced a variety of challenges associated with their facilities, such as aging buildings and problems that result from years of deferred maintenance.[24] For example, at one school built in 1959 we observed extensive cracks in concrete block walls and supports, which a BIA official said had resulted from a shifting foundation.

Incomplete and inaccurate data

A lack of internal controls and other weaknesses hinder Indian Affairs' ability to collect complete and accurate information on the physical conditions of BIE schools. In addition to our March 2016 findings on Indian Affairs' lack of sound safety inspection information on BIE school facilities, as discussed above, in February 2015 we also testified on problems with the quality of data on overall BIE school conditions. These issues included inconsistent data entry by schools and insufficient quality controls, which made it difficult to determine the actual number of schools in poor condition and undermined Indian Affairs' ability to effectively track and address problems at school facilities.[25]

Open Recommendations on Indian Education

When we issued our February 2017 High-Risk update, we had made 13 recommendations to Indian Affairs regarding improvements needed in the management of BIE schools, of which 11 recommendations remain unaddressed. Specifically,

- To help ensure that BIE schools provide safe and healthy facilities for students and staff, we made 4 recommendations, including that Indian Affairs ensure the inspection information it collects on BIE schools is complete and accurate; develop a plan to build schools' capacity to promptly address safety and health deficiencies; and consistently monitor whether BIE schools have established required safety committees.

- To help ensure that BIE conducts more effective oversight of school spending, we made 4 recommendations, including that Indian Affairs develop a workforce plan to ensure that BIE has the staff to effectively oversee school spending; put in place written procedures and a risk-

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[24]GAO-15-389T.

[25]GAO-15-389T.

based approach to guide BIE in overseeing school spending; and improve information sharing to support the oversight of BIE school spending.

- To help ensure that Indian Affairs improves how it manages Indian education, we made 5 recommendations of which 3 remain open, including that Indian Affairs develop a strategic plan for BIE that includes goals and performance measures for how its offices are fulfilling their responsibilities to provide BIE with support; revise Indian Affairs' strategic workforce plan to ensure that BIA regional offices have an appropriate number of staff with the right skills to support BIE schools in their regions; and develop and implement decision-making procedures for BIE to improve accountability for BIE schools.

Indian Energy Resources

Inadequate oversight of federal activities

We reported in June 2015 that BIA's review and approval is required to develop Indian energy resources, including the approval of leases, right-of-way (ROW) agreements, and appraisals.[26] However, BIA does not have a documented process or the data needed to track its review and response times—such as data on the date documents are received, the date the review is considered complete by the agency, and the date documents are approved or denied.

Stakeholders we interviewed and literature we reviewed suggested that BIA's review and approval can be a lengthy process and increase development costs and project development times, resulting in missed development opportunities, lost revenue, and jeopardized viability of projects.[27] For example, in 2014, the Acting Chairman for the Southern Ute Indian Tribe reported that BIA's review of some of its energy-related documents took as long as 8 years. Specifically, as of April 30, 2014, the

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[26]GAO, *Indian Energy Development: Poor Management by BIA Has Hindered Energy Development on Indian Lands*, GAO-15-502 (Washington, D.C.: June 8, 2015).

[27]See, for example*,* Hearing on the Indian Tribal Energy and Self-Determination Act Amendments (S. 2132), 113th Cong. (April 30, 2014). Statement of the Honorable James M. Olguin, Acting Chairman, Southern Ute Indian Tribal Council on behalf of the Southern Ute Indian Tribe; and Prepared statement of Hon. Nathan Small, Chairman, Fort Hall Business Council, Shoshone-Bannock Tribes. Strengthening Self-Sufficiency: Overcoming Barriers to Economic Development in Native Communities, Field Hearing Before the Committee on Indian Affairs, United States Senate 112th Cong. 1st sess. (Aug. 17, 2011).

tribe had been waiting for at least 5 years for BIA to review 81 pipeline ROW agreements—11 of these 81 ROW agreements had been under review for 8 years. According to the tribal official, had these ROW agreements been approved in a timely manner, the tribe would have received revenue through various sources, including tribal permitting fees, oil and gas severance taxes, and royalties. The tribal official noted that, during the period of delay, prices for natural gas rose to an historic high but had since declined. Therefore, the official reported that much of the estimated $95 million in lost revenue would never be recovered by the tribe.

In another example from our June 2015 report, one lease for a proposed utility-scale wind project took BIA more than 3 years to review and approve and according to a tribal official, the lease was only reviewed and approved after multiple calls and letters from the tribe to BIA headquarters. According to a tribal official, the long review time contributed to uncertainty about the continued viability of the project because data used to support the economic feasibility and environmental impact of the project became too old to accurately reflect current conditions.

In our June 2015 report, we recommended that Interior direct BIA to develop a documented process to track its review and response times. In response, Interior stated it has taken initial steps to develop a documented process to track its review and response times for oil and gas leases and estimates it will have a fully documented process by September 30, 2018. However, it did not indicate whether it intends to track and monitor the review of other energy-related documents that must be approved before development can occur. Without comprehensively tracking and monitoring its review process, BIA cannot ensure that documents are moving forward in a timely manner, and lengthy review times may continue to contribute to lost revenue and missed development opportunities for Indian tribes.

Moreover, in a June 2016 report, we found that BIA took steps to improve its process for reviewing revenue-sharing agreements, but it still had not established a systematic mechanism for monitoring or tracking.[28] With respect to revenue sharing agreements, we recommended, among other

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[28]*GAO, Indian Energy Development: Interior Could Do More to Improve Its Process for Approving Revenue-Sharing Agreement,* GAO-16-553 (Washington, D.C.: June 13, 2016).

things, that BIA develop a systematic mechanism for tracking these agreements through the review and approval process. Interior concurred with this recommendation and stated that BIA will develop such a mechanism, however in the meantime it would use a centralized tracking spreadsheet.

Ineffective collaboration and limited communication

In June 2015, we reported that the added complexity of the federal regulatory process, which can include multiple regulatory agencies, prevents many developers from pursuing Indian energy resources for development.[29] Subsequently, in November 2016 we reported that Interior had recognized the need for collaboration in the regulatory process and described the creation of the Service Center as a center point of collaboration for permitting that will break down barriers between federal agencies.[30] We found that BIA had taken steps to form a Service Center that was intended to, among other things, help expedite the permitting process associated with Indian energy development. We reported that the Service Center had the potential to increase collaboration between BIA and BLM on some permitting requirements associated with oil and gas development. However, we found that BIA did not coordinate with other key regulatory agencies, including Interior's Fish and Wildlife Service, the U.S. Army Corps of Engineers, and the Environmental Protection Agency. As a result, the Service Center was neither functioning as the central point for collaborating with all federal regulatory partners generally involved in energy development, nor did it serve as a single point of contact for permitting requirements. Without serving in these capacities, we concluded that the Service Center was limited in its ability to improve efficiencies in the federal regulatory process. We also found that in forming the Service Center, BIA did not involve key stakeholders, such as the Department of Energy (DOE)—an agency with significant energy expertise—and BIA employees from agency offices. By not involving key stakeholders, BIA was missing an opportunity to incorporate their expertise into its efforts.

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[29]GAO-15-502.

[30]GAO, *Indian Energy Development: Additional Actions by Federal Agencies Are Needed to Overcome Factors Hindering Development*, GAO-17-43 (Washington, D.C.: Nov. 10, 2016).

In our November 2016 report, we recommended that BIA include other regulatory agencies in the Service Center so that it can act as a single point of contact or a lead agency to coordinate and navigate the regulatory process. We also recommended that BIA establish formal agreements with key stakeholders, such as DOE, that identify the role of each stakeholder, and establish a process for seeking and obtaining input from key stakeholders, such as BIA employees, on the Service Center's activities. Interior agreed with our recommendations and stated it will implement Memoranda of Understanding to include the Corps, FWS, and EPA that defines roles and responsibilities of each agency by December 31, 2017.

In 2005, Congress provided an option for tribes to enter into an agreement with the Secretary of the Interior that allows tribes, at their discretion, to enter into leases, business agreements, and rights-of-way agreements for energy resource development on tribal lands without review and approval by the Secretary. However, in a June 2015 report, we found that uncertainties about Interior's regulations for implementing this option had contributed to deterring tribes from pursuing such agreements. We therefore recommended that Interior provide clarifying guidance.[31] In response to our recommendation, Interior stated it will provide additional energy development-specific guidance on provisions of tribal energy resource agreement regulations tribes have identified as unclear by September 30, 2018.

Limited federal workforce planning

In our June 2015 report, we found that BIA's long-standing workforce challenges, such as inadequate staff resources and staff at some offices without the skills needed to effectively review energy-related documents, were factors hindering Indian energy development.[32] Further, in November 2016, we found BIA had high vacancy rates at some agency offices and that the agency had not conducted key workforce planning activities, such as identifying the key workforce skills needed to achieve agency goals and assessing any skill gaps.[33] We concluded that these workforce issues contributed to BIA's management shortcomings that

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[31]GAO-15-502.

[32]GAO-15-502.

[33]GAO-17-43.

have hindered Indian energy development; and until BIA undertakes necessary workforce planning activities, it cannot ensure that it has a workforce with the right skills, appropriately aligned to meet the agency's goals and tribal priorities. We recommended that BIA assess critical skills and competencies needed to fulfill its responsibilities related to energy development and identify potential gaps. We also recommended BIA establish a documented process for assessing BIA's workforce composition at agency offices taking into account BIA's mission, goals, and tribal priorities. Interior agreed with our recommendations and stated it is taking steps to implement them by September 30, 2017.

Outdated and deteriorating equipment, technology, and infrastructure

In June 2015, we found that BIA does not have the necessary geographic information system (GIS) mapping data for identifying who owns and uses resources, such as existing leases. Interior guidance states that efficient management of oil and gas resources relies, in part, on GIS mapping technology because it allows managers to easily identify resources available for lease and where leases are in effect.[34] According to a BIA official, without GIS data, the process of identifying transactions, such as leases and access agreements for Indian land and resources, can take significant time and staff resources to search paper records stored in multiple locations. We recommended BIA should take steps to improve its GIS capabilities to ensure it can verify ownership in a timely manner. In response, Interior stated it will enhance mapping capabilities by developing a national dataset composed of all Indian land tracts and boundaries in the next 4 years.

Incomplete and inaccurate data

In June 2015, we found that BIA did not have the data it needs to verify who owns some Indian oil and gas resources or identify where leases are in effect.[35] In some cases, BIA cannot verify ownership because federal cadastral surveys—the means by which land is defined, divided, traced, and recorded—cannot be found or are outdated. We concluded that the ability to account for Indian resources would assist BIA in fulfilling its federal trust responsibility, and determining ownership was a necessary

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[34]GAO-15-502.

[35]GAO-15-502.

step for BIA to approve leases and other energy-related documents. We recommended that Interior direct BIA to identify land survey needs. In response, Interior stated it will develop a data collection tool to identify the extent of its survey needs in fiscal year 2016. As of April 2017, Interior had not provided information on the status of its efforts to develop a data collection tool.

Open Recommendations on Indian Energy Development

When we issued our February 2017 High-Risk update, we had made 14 recommendations to BIA regarding actions needed to help develop Indian energy resources. All 14 recommendations remain open. Specifically,

- To help ensure BIA can verify ownership in a timely manner and identify resources available for development, we made 2 recommendations, including that Interior take steps to improve its geographic information system mapping capabilities.

- To help ensure BIA's review process is efficient and transparent, we made 2 recommendations, including that Interior take steps to develop a documented process to track review and response times for energy-related documents that must be approved before tribes can develop energy resources.

- To help improve clarity of tribal energy resource agreement regulations, we recommended BIA provide additional guidance to tribes on provisions that tribes have identified to Interior as unclear.

- To help ensure that BIA's effort to streamline the review and approval process for revenue-sharing agreements achieves its objectives, we made 3 recommendations, including that Interior establish time frames for the review and approval of Indian revenue-sharing agreements for oil and gas, and establish a system for tracking and monitoring the review and approval process to determine whether time frames are met.

- To help improve efficiencies in the federal regulatory process, we made 4 recommendations, including that BIA take steps to coordinate with other regulatory agencies so the Indian Energy Service Center can serve as a single point of contact or lead agency to navigate the regulatory process.

- To help ensure that it has a workforce with the right skills that are appropriately aligned to meet the agency's goals and tribal priorities, we made 2 recommendations, including that BIA establish a

documented process for assessing BIA's workforce composition at agency offices.

Indian Health Care

Inadequate oversight of federal activities

IHS provides inadequate oversight of health care, both of its federally operated facilities and through the PRC program. In January 2017, we reported that IHS provided limited and inconsistent oversight of the quality of care provided in its federally operated facilities.[36] As a result, the agency cannot ensure that patients receive quality care. IHS has recently finalized a quality framework designed to address these deficiencies and improve its oversight. We recommended that, as part of implementing the quality framework, IHS ensure that agency-wide standards for the quality of care provided in its federally operated facilities are developed, and that facility performance in meeting these standards is systematically monitored over time. HHS agreed with our recommendation and cited steps it already has underway to improve the quality of care in IHS's federally-operated facilities. HHS described the development of the IHS Quality Framework and Implementation Plan released in November 2016. However, as of April 2017, IHS had not developed agency-wide standards for the quality of care provided in its federally operated facilities.

In March 2016, we reported that IHS had not set any agency-wide standards for patient wait times at IHS federally operated facilities, including how long it should take to schedule an appointment and complete an office visit.[37] According to tribal representatives, patients reported difficulty scheduling primary care visits because of extended wait times. For example, one facility reported that new patients may wait 6 weeks for an initial exam with a family medicine physician, and new patients in internal medicine may wait 3 to 4 months for an initial exam.

We found that IHS has delegated this responsibility to its area offices and has not conducted any systematic, agency-wide oversight of the

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[36]GAO, *Indian Health Service: Actions Needed to Improve Oversight of Quality Care*, GAO-17-181 (Washington, D.C.: Jan. 9, 2017).

[37]GAO, *Indian Health Service: Actions Needed to Improve Oversight of Patient Wait Times,* GAO-16-333 (Washington, D.C.: Mar. 29, 2016).

timeliness of primary care. We concluded that, without these standards, IHS cannot know whether it is providing sufficient primary care to meet the needs of its patients. We recommended that IHS develop and communicate specific agency-wide standards for patient wait times in federally operated facilities, monitor patient wait times, and take corrective actions when standards are not met. HHS stated that it agreed with the need to improve patient wait times at IHS federally-operated facilities to ensure that primary care is available and accessible to Indians. In response to our recommendation, HHS described its plan to establish an Office of Quality Health Care at IHS Headquarters to provide for national policy and oversight of critical quality improvement strategies and ensure their success and accountability. As of April 2017, IHS has not established the Office of Quality Health Care and has not developed agency-wide standards for patient wait times in federally operated facilities.

In June 2012, we found that IHS had taken few steps to evaluate variations in the funds it allocates for the Contract Health Services program (now called PRC), which varied from $299 to $801 per capita across the 12 IHS geographic areas in fiscal year 2010.[38] IHS did not know the origin of the base funding formula, which, according to IHS officials, had existed since the 1930s and accounted for 82 percent of the funds allocated to the area offices in fiscal year 2010. Annual adjustments for population growth and inflation were made as a percentage of base funding and are the same across all areas. Additional program increases were not large enough to alter funding variations because these additional increases had been a relatively small proportion of PRC funds that area offices received. Because IHS continued to use this methodology, we concluded that it could not equitably allocate funds to meet the health care needs of Indians. In order to ensure IHS equitably allocates PRC funds, we recommended that Congress consider requiring IHS to develop and use a new method to allocate funds to account for variations across areas. Legislation introduced in the House and reported out of committee in 2016 would have addressed this issue by requiring the agency to establish regulations to develop and implement a revised PRC distribution formula taking into account certain factors that may vary across areas. Also, a House Report partially addressed this issue by directing the agency to allocate an increased funding increment resulting

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[38]GAO, *Indian Health Service: Action Needed to Ensure Equitable Allocation of Resources for the Contract Health Services Program,* GAO-12-446 (Washington, D.C.: June 15, 2012).

from Interior's 2017 regular appropriation, H.R. 5538, pursuant to a specified allocation formula that may vary across areas. However, neither bill became law.

Ineffective collaboration and limited communication

In a June 2012 report, we found that IHS does not require its area offices to inform IHS headquarters if they distribute program increase funds to local PRC programs using different criteria than the PRC allocation formula suggested by headquarters.[39] As a result, we concluded that IHS may be unaware of additional funding variation across areas. We recommended that IHS develop written policies and procedures to require area offices to notify IHS when they diverge from the formula for allocating funds to PRC programs. HHS concurred with this recommendation and noted that guidance requiring area offices to report these changes to IHS headquarters would be added to the PRC manual, but it did not specify a date for doing so. As of April 2017, IHS had not added this guidance to the manual.

Limited federal workforce planning

In a March 2016 report, we reported that, according to IHS officials, an insufficient workforce was the biggest impediment to ensuring patients could access timely primary care.[40] According to IHS's 2016 budget justification, there were over 1,550 vacancies for health care professionals throughout IHS's health care system including: physicians, dentists, nurses, pharmacists, physician assistants, and nurse practitioners. According to IHS officials, staffing vacancies had created obstacles for facilities working to provide primary care.
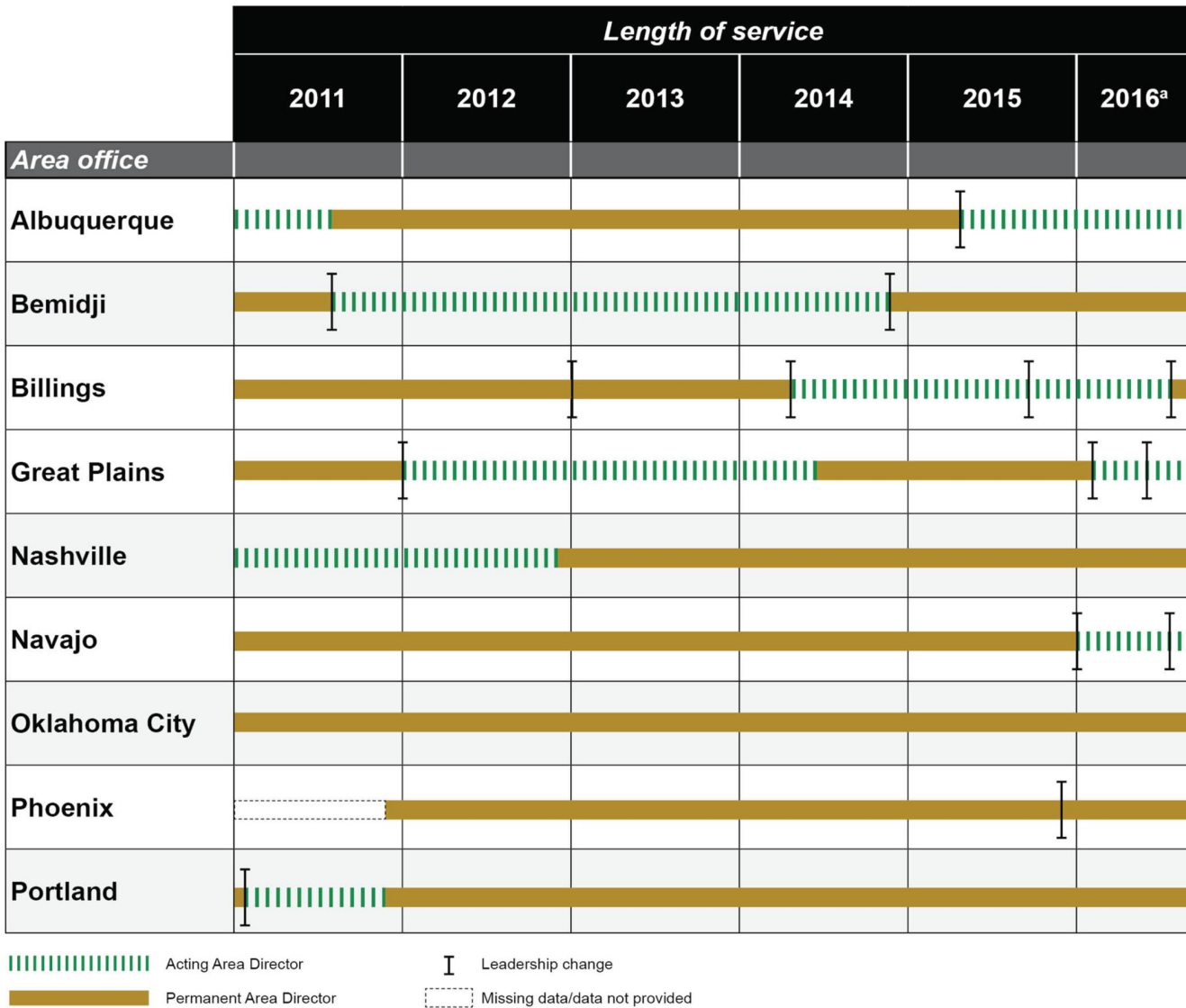
In January 2017, we found that inconsistencies in IHS's oversight of quality of care provided in its federally operated facilities were exacerbated by significant turnover in area leadership.[41] Officials from four of the nine area offices in our review reported that they had at least three area directors in the past 5 years. (See fig. 10).

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[39]GAO-12-446

[40]GAO-16-333

[41]GAO-17-181

Figure 10: Reported Indian Health Service (IHS) Area Director Turnover, January 2011 through July 2016

Area office	Length of service					
	2011	2012	2013	2014	2015	2016[a]
Albuquerque						
Bemidji						
Billings						
Great Plains						
Nashville						
Navajo						
Oklahoma City						
Phoenix						
Portland						

Acting Area Director
Permanent Area Director
Leadership change
Missing data/data not provided

Source: GAO analysis of Indian Health Service (IHS) data. | GAO-17-589T

Note: This figure reflects the number of positions held for a designated time period. One individual could be counted multiple times if that individual held both acting and permanent positions for different non-adjacent time periods. In four areas—Albuquerque, Great Plains, Nashville, and Portland—an acting director transitioned to a permanent position. In these situations, we counted this as one area director.

[a]Area officials reported information through July 2016.

In September 2013, we found that IHS did not have an effective plan to ensure that sufficient staff would be in place to assist with increased

enrollment and third party billing under expanded Medicaid or the exchanges beginning in 2014 under PPACA.[42] We concluded that without a plan, IHS may not be able to ensure that a sufficient number of staff were available to assist with enrollment and to process increased third-party payments. We recommended that IHS realign current resources and personnel to increase capacity to assist with these efforts. HHS neither agreed nor disagreed with our recommendation, and as of April 2017, IHS had not implemented it.

In December 2013, we reported that, according to local PRC program officials, insufficient staffing for the PRC program affected their ability to issue timely purchase orders for health care services approved by the program.[43] IHS's staffing standards model established a staffing ratio based on the annual number of purchase orders authorized for health services at a facility, and some PRC program officials noted that their number of staff was below these standards, contributing to delays in determining eligibility for the program and processing payments to providers. We recommended that IHS use available PRC funds to pay for PRC program staff. HHS disagreed with this recommendation, stating its intent to use PRC funds to pay only for services, not staff, since PRC funding was not sufficient to pay for all needed services. We acknowledged the difficult challenges and choices faced by PRC programs when program funds are not available to pay for all needed services. However, we maintained that without using funds to pay for staff, some PRC programs would continue to have staffing levels below IHS's staffing standards model, which contributes to delays in administering the program. As of April 2017, IHS had not implemented this recommendation.

Outdated and deteriorating equipment, technology, and infrastructure

In March 2016, we reported that, according to IHS officials, access to timely primary care at some health care facilities serving Indian communities is hindered by outdated medical and telecommunications

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[42]GAO-13-553.

[43]GAO, *Indian Health Service: Opportunities May Exist to Improve the Contract Health Services Program*, GAO-14-57 (Washington, D.C.: Dec. 11, 2013).

equipment, such as analog mammography machines and telephones with an insufficient number of lines for scheduling patient appointments.[44]

Incomplete and inaccurate data

In a June 2012 report, we found that IHS officials do not believe that its PRC program data are complete or that areas collect these data in the same manner.[45] We concluded that, without accurate data, IHS cannot know if the proportion of actual PRC users is consistent across areas. We made three recommendations to improve the accuracy of the PRC data for future allocations, including using actual counts of PRC users, using variation in levels of available hospital services in the funding formula, and, as mentioned above, requiring area offices to notify headquarters when they diverge from the formula for allocating funds to PRC programs. HHS did not concur with our recommendation to use actual counts of PRC users, rather than all IHS users, in any formula for allocating PRC funds that relies on the number of active users, stating that IHS's combined count of all users is intended to reflect the health care needs of PRC users. HHS concurred with our recommendation that IHS use variations in levels of available hospital services to allocate PRC funds. As of April 2017, IHS had not implemented these recommendations.

In December 2013, we reported that one of the measures IHS uses to assess the time it takes to approve and process payments to providers in the PRC program did not provide a clear picture of timeliness because it combines data for two different types of PRC services.[46] We recommended that IHS take steps to improve its ability to measure timeliness by modifying its claims data system to distinguish between two types of referrals and establish separate timeframe targets for each type. HHS concurred with this recommendation, but as April 2017, IHS had not implemented it.

Open Recommendations on Indian Health Care

When we issued our February 2017 High-Risk update, we had made over a dozen recommendations to HHS regarding improvements needed in the

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[44]GAO-16-333

[45]GAO-12-446

[46]GAO-14-57

management of IHS facilities, all of which remain unaddressed. Although IHS has taken several actions in response to our recommendations, such as improving the data collected for the PRC program and adopting Medicare-like rates for non-hospital services, additional steps are needed. Specifically,

- To help ensure that Indian people receive quality health care, we recommended that the Secretary of HHS direct the Director of IHS to take the following two actions: (1) as part of implementing IHS's quality framework, ensure that agency-wide standards for the quality of care provided in its federally operated facilities are developed and systematically monitor facility performance in meeting these standards over time; and (2) develop contingency and succession plans for replacing key personnel, including area directors.

- To help ensure that timely primary care is available and accessible to Indians, we recommended that IHS: (1) develop and communicate specific agency-wide standards for wait times in federally-operated facilities, and (2) monitor patient wait times in federally-operated facilities and ensure that corrective actions are taken when standards are not met.

- To help ensure that IHS has meaningful information on the timeliness with which it issues purchase orders authorizing payment under the PRC program, and to improve the timeliness of payments to providers, we recommended that IHS: (1) modify its claims payment system to separately track IHS referrals and self-referrals, revise the Government Performance and Results Act measures for the PRC program so that it distinguishes between these two types of referrals, and establish separate timeframe targets for these referral types; and (2) better align PRC staffing levels and workloads by revising its current practices, where available, used to pay for PRC program staff. In addition, as HHS and IHS monitor the effect that new coverage options available under PPACA have on PRC funds, we recommended that IHS concurrently develop potential options to streamline requirements for program eligibility.

- To help ensure successful outreach efforts regarding PPACA coverage expansions, we recommended that IHS realign current resources and personnel to increase capacity to deal with enrollment in Medicaid and the exchanges and prepare for increased billing to these payers.

- If payments for physician and other nonhospital services are capped, we recommended that IHS monitor patient access to these services.

- To help ensure a more equitable allocation of funds per capita across areas, we recommended that Congress consider requiring IHS to develop and use a new method for allocating PRC funds. To make IHS's allocation of PRC program funds more equitable, we recommended that IHS (1) develop written policies and procedures to require area offices to notify IHS when changes are made to the allocation of funds to PRC programs; (2) use actual counts of PRC users in any formula allocating PRC funds that relies on the number of active users; and (3) use variations in levels of available hospital services, rather than just the existence of a qualifying hospital, in any formula for allocating PRC funds that contain a hospital access component.

- To develop more accurate data for estimating the funds needed for the PRC program and improve IHS oversight, we recommended that IHS develop a written policy documenting how it evaluates need for the PRC program, and disseminate it to area offices so they understand how unfunded services data are used to estimate overall program needs. We also recommended that IHS develop written guidance for PRC programs outlining a process to use when funds are depleted but recipients continue to need services.

In conclusion, although Interior and HHS have taken some actions to address the recommendations we have made related to Indian programs, as of our February 2017 High-Risk update, there were nearly 40 recommendations that have not been fully resolved. We plan to continue monitoring the agencies' efforts to address these open recommendations. To this end, we have ongoing work focusing on accountability for safe schools and school construction and tribal control of energy delivery, management, and resource development.

In order for these areas to be removed from our High-Risk List, Interior and HHS need to show improvement on the 5 key elements described earlier: leadership commitment, capacity, action plan, monitoring, and demonstrated progress. These five criteria form a road map for agencies' efforts to improve and ultimately address high-risk issues.

We also believe that it is vital for Congress to maintain its focus on improving the effectiveness with which federal agencies meet their responsibilities to serve tribes and their members. We look forward to continuing our work with this committee in overseeing Indian Affairs, including BIA and BIE, and IHS to ensure that they are operating in the most effective and efficient manner, consistent with the federal

government's trust responsibilities, and working toward improving services to tribes and their members.

Chairman Calvert, Ranking Member McCollum, and Members of the Subcommittee, this completes our prepared statement. We would be pleased to respond to any questions that you may have.

GAO Contacts and Staff Acknowledgments

If you or your staff have any questions about education issues in this testimony or the related reports, please contact Melissa Emrey-Arras at (617) 788-0534 or emreyarrasm@gao.gov. For questions about energy resource development, please contact Frank Rusco at (202) 512-3841 or ruscof@gao.gov. For questions about health care, please contact Kathleen King at (202) 512-7114 or kingk@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. Key contributors to this statement and the related report include Elizabeth Sirois (Assistant Director), Edward Bodine (Analyst-in-Charge), James Bennett, Richard Burkard, David Chrisinger, Kelly DeMots, Jyoti Gupta, Christine Kehr, Lara Laufer, James Rebbe, William Reinsberg, Lisa Rogers, Jay Spaan, and Emily Wilson.

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