

**U.S. Department of Health and Human Services**

**Indian Health Service**

**Report on Proposed Closure of the Mescalero Indian Hospital Inpatient Department**

## Introduction and Background

*The Indian Health Care Improvement Act (IHCIA) at 25 U.S.C. § 1631(b) requires the Indian Health Service (IHS) to submit a report to Congress at least one year prior to the date that the IHS intends to close a hospital or facility (or portion thereof). The IHCIA directs the IHS to report on the following: accessibility of alternative health care resources for the population served by such hospital or facility; the cost effectiveness of such closure; the quality of health care to be provided to the population served by such hospital or facility after such closure; the availability of contract health care funds to maintain existing levels of service; the views of the Indian tribes served by such hospital or facility concerning such closure; the level of utilization of such hospital or facility by all eligible Indians; and the distance between such hospital or facility to the nearest operating Service hospital.*

The IHS has prepared this report pursuant to the directive contained in the IHCIA at 25 U.S.C. § 1631(b) to inform Congress that the IHS intends to permanently close the IHS Mescalero Indian Hospital (MIH) inpatient department, located at 318 Abalone Loop, Mescalero, New Mexico, 88340. The IHS has determined that patients of the MIH are better served by maintaining an Urgent Care department and Patient-Centered Medical Home (PCMH) Model Ambulatory Program, redeploying inpatient department resources toward these Ambulatory care services. The permanent closure of the inpatient department will occur one year after submission of this report.

Originally built in 1967, the MIH was designed and constructed with an Obstetrics/Gynecology (OB/GYN) unit, 24-hour emergency room, 13 inpatient beds, and ambulance services. The MIH is located in rural New Mexico on the Mescalero Apache Reservation. The facility provides health care delivery to American Indians and Alaska Natives residing in Mescalero, New Mexico, and the surrounding areas. The OB/GYN unit and ambulance services were suspended in 1984. There was not appropriate staff to safely treat high-risk OB/GYN patients and continue to meet American College of Obstetricians and Gynecologists standards for obstetrical care. In 2001, 24-hour emergency room services were suspended, and the emergency room was replaced with an urgent care model that offered extended hours for patients. When services changed to an urgent care model, patients who presented to the MIH were stabilized and transferred to other local emergency rooms.

There have been situations when fire and rescue staff have notified a provider at the MIH that they are en route with a patient who had a high acuity diagnosis and the determination was made that bringing the patient to the MIH would only delay critical care needed by the patient. In such situations, MIH staff make triage decisions to send the ambulance to the nearest emergency room with the appropriate level of care for the patient.

The MIH is currently a six-bed inpatient facility (the number of beds was decreased from 13 to six in 2018) that provides the following services: urgent care; dental; optometry; laboratory; x-ray; pharmacy; audiology; behavioral health; public health nursing; dietary; and low acuity inpatient services. All surgery and obstetrical care services are performed at nearby non-IHS facilities, such as the Lincoln County Medical Center in Ruidoso, New Mexico, approximately 15 miles from Mescalero and the Gerald Champion Regional Medical Center in Alamogordo, New Mexico, approximately 35 miles from Mescalero. In fiscal year (FY) 2018,

the MIH planned, designed, and set aside funding for an outpatient ambulatory clinic expansion, which will include laboratory and pharmacy departments. This expansion will increase the number of outpatient clinic examination rooms from six to 13, and add increased space for the ancillary service departments to meet the increased demand for patient access to care.

The MIH's inpatient census has declined over the years primarily due to the elimination of labor and delivery and 24-hour urgent care services, which were the primary drivers for inpatient admissions. In addition, recruitment and retention of staff has also been an issue for the MIH due to its rural location and aging facility. The expansions and higher level of diagnostic services provided by non-IHS hospitals near Mescalero have increased their ability to provide tertiary level and specialty care services for the local region.

The MIH has maintained accreditation with The Joint Commission (TJC) for several decades, including successful re-accreditation of the MIH's inpatient department in 2016. In January 2019, TJC conducted an unannounced week-long inpatient and PCMH Model re-accreditation survey of the MIH. The MIH successfully cleared all findings at the 30-45-60 day resurvey. The PCMH certification was successful and the MIH was advised their PCMH was exemplary and is a major strength in providing a strong community-based ambulatory care system. Despite this, TJC cited the MIH for a condition-level deficiency because the MIH did not meet the definition of a hospital in accordance with 42 CFR § 482.1. Specifically, in reviewing the most recent 24-month period, the MIH inpatient unit's average daily census ranged from 0.38-0.43 Average Daily Patient Load (ADPL) (See table 1), which is well below the Centers for Medicare & Medicaid Services minimum requirement of two patients per day. Organizations are generally given 45 days to correct such condition-level deficiencies. However, since the preceding 24 months is used to determine ADPL, the MIH is incapable of correcting this deficiency in the required time period.

The MIH has had past discussions with the Mescalero Apache Tribe regarding participation in a joint venture (JV) project to replace the existing hospital with an ambulatory clinic. The Mescalero Apache Tribe applied for the IHS Joint Venture Construction Program in 2020; however, the MIH was not selected to participate in phase 2 of the JV application process. The Mescalero Apache Tribe will continue to pursue and consider a JV project in the near future.

Based on the MIH's evaluation of the Critical Access Hospital (CAH) Data Report, the MIH shows a progressive decrease in revenue for the inpatient acute care unit from 2012 – 2017, if the facility used their cost report rate compared to the all-inclusive rate. In addition, due to the age of the facility, there is no depreciation on the value to the building that can be considered. The cost report also reveals the MIH would experience loss of revenue if it became a CAH.

## Factors Related to 25 U.S.C. § 1631(b) of the IHCA

### A. The accessibility of alternative health care resources for the population served by such hospital or facility:

- The closest hospital is Lincoln County Medical Center, located at 211 Sudderth Drive, Ruidoso, New Mexico, which is approximately 15 miles from the MIH. The Lincoln County Medical Center is a 25-bed, CAH, which provides the following services: an Emergency Room; Obstetrics; ICU; General Surgery; full diagnostic radiology services including MRI, CT scan, and ultrasound, as well as physical therapy and rehabilitation services.
- The second closest hospital is Gerald Champion Regional Medical Center, located at 2669 North Scenic Drive, Alamogordo, New Mexico, which is approximately 35 miles from the MIH. The Gerald Champion Regional Medical Center is a full service, 99-bed hospital, which provides the following services: an Emergency Room; Obstetrics; ICU, General Surgery; a psychiatric unit; and full diagnostic radiology services, including MRI, CT scan, ultrasound, and routine radiology.

These two non-IHS facilities serve as alternative health care resources for emergency and inpatient services. Based on our Purchased/Referred Care review, most patients seek care at these two facilities after hours for emergent services. Due to MIH's limited diagnostic services and inability to provide a full range of services, such as a blood bank, respiratory, CT scan, MRI, and surgery, most patients requiring a higher level of care are referred to one of these two hospitals. With the current population including projected growth, the two nearby facilities have more than adequate services to meet the needs of emergency services after hours and inpatient beds.

Other specialty care services such as oncology, neurology, psychiatry, and higher levels of pediatric services, such as trauma units and major surgery, are available at the following facilities:

- MountainView Medical Center, 4311 East Lohman, Las Cruces, New Mexico  
(Emergency department, comprehensive inpatient services)  
Distance to MIH: approximately 85 miles
- Memorial Medical Center, 2450 South Telshor Blvd., Las Cruces, New Mexico  
(Emergency department, comprehensive inpatient services)  
Distance to MIH: approximately 85 miles
- University Medical Center of El Paso, 4815 Alameda Ave., El Paso, Texas  
(Emergency department, comprehensive inpatient services, trauma unit)  
Distance to MIH: approximately 120 miles

- Sierra Providence East Medical Center, 3280 Joe Battle Blvd., El Paso, Texas  
(Emergency department, comprehensive inpatient services)  
Distance to MIH: approximately 125 miles
- Las Palmas Medical Center, 1801 North Oregon St., El Paso, Texas  
(Emergency department, comprehensive inpatient services)  
Distance to MIH: approximately 125 miles
- Del Sol Medical Center, 10301 Gateway Blvd. W, El Paso, Texas  
(Emergency department, trauma, maternity and child, inpatient services)  
Distance to MIH: approximately 122 miles
- University of New Mexico Medical Center, 2211 Lomas Blvd. NE, Albuquerque, New Mexico  
(Emergency department, comprehensive inpatient services, trauma)  
Distance to MIH: approximately 214 miles
- Presbyterian Hospital, 1100 Central Ave. SE, Albuquerque, New Mexico  
(Emergency department, comprehensive inpatient services, trauma)  
Distance to MIH: approximately 220 miles
- Presbyterian Rust Medical Center, 2400 Unser Blvd. SE, Rio Rancho, New Mexico  
(Emergency department, comprehensive inpatient services)  
Distance to MIH: approximately 250 miles
- Eastern New Mexico Medical Center, 405 West Country Club Rd., Roswell, New Mexico  
(Emergency department, comprehensive inpatient services)  
Distance to MIH: approximately 100 miles
- University Medical Center-Lubbock, 602 Indiana Ave., Lubbock, Texas  
(Emergency department, comprehensive inpatient services, trauma, maternity newborn)  
Distance to MIH: approximately 260 miles

IHS beneficiaries of the MIH have ample access to multiple emergency departments and inpatient units other than the MIH. The Mescalero Apache Reservation is approximately 460,000 acres with members living within a radius of approximately 25 miles. Emergency rooms and immediate urgent health care are located within a 30-minute drive from Mescalero, New Mexico, to Ruidoso, New Mexico, or Alamogordo, New Mexico. Both non-IHS facilities in these locations provide higher levels of diagnostic and inpatient services than the MIH. Mescalero Apache tribal members have the option to seek services at either of the off-reservation facilities noted above, or at the MIH after-hours clinic.

## **B. The cost effectiveness of such closure.**

Due to the MIH's low inpatient census, staffing is covered 24 hours per day/7 days per week by four nurses, two security staff, one physician, one maintenance worker, one laboratory technician, one x-ray technician, one pharmacist, and two dietary staff to provide inpatient services. Medication, food, medical supplies, and other related inpatient supplies are needed to support the inpatient department. The cost to fully staff and support inpatient services is approximately \$1.2 million per year. For calendar years 2014 to the present, the MIH's exceedingly low inpatient census has resulted in third-party collections well under \$250,000 per year. This third-party collections cost estimate does not consider the loss of Medicare collections if the MIH's inpatient department is closed. These estimates suggest it would be cost effective to refer inpatient services to surrounding hospitals that can provide a higher level of care. This will allow the MIH to focus on providing high quality ambulatory services with increased space and access to care. Expansion of available examination rooms will allow for greater availability of appointments and increased staff.

The MIH has kept this 50-year-old facility operational as a means of providing culturally appropriate care to eligible patients. The facility has exceeded its life span. The depreciation value further makes conversion to a CAH cost prohibitive. Based on the cost report for the MIH, CAH designation will not benefit the facility, due to the reduction in third-party revenue and the anticipation that patients may still need to be transferred to the appropriate level of care.

Critical access status requires 24 hours per day/7 days per week urgent care or emergency room services, which will result in the need for increased staffing of all ancillary departments for a minimal number of patients. The MIH continues to provide exceptionally high quality outpatient services to approximately 6,093 patients. Indian Health Service beneficiaries currently receive health care through the PCMH model, which supports a level of care coordination of onsite and offsite services that is truly patient-centered. Patient-Centered Medical Home certification allows for both high quality primary care delivery and a more seamless coordination of medical services that are more cost effective and outcome focused.

## **C. The quality of health care to be provided to the population served by such hospital or facility after such closure.**

The permanent closure of the inpatient department at the MIH will not impact services negatively due to the current low patient census. The facility has experienced months of time when there were no inpatient admissions, due to the lower acuity level of care that MIH staff can safely provide. There is an extremely high cost to maintaining staff competency and ensuring the overall safety of our patients, given the absence of higher-level diagnostic services, like CT and MRI scanners, which typically support inpatient hospitals.

The Government Performance and Results Act of 1993 (GPRA) includes clinical care performance measures, along with non-clinical measures that are reported annually to Congress, which validate the high quality of clinical care delivered by the MIH staff. The MIH utilizes comprehensive performance measures to report on their success in meeting or exceeding the annual GPRA clinical performance measures to IHS Area Offices and IHS Headquarters. The

IHS clinical performance measures include screening for early detection of acute and chronic diseases and preventive care that can help improve the long-term health of our patients. In addition, the MIH has also implemented the PCMH model, which provides the ability to have onsite specialty services, such as endocrinology, to address the higher incidence of diabetes among MIH patients. Additional specialty services can be expanded onsite by utilizing much-needed space freed up by referring inpatient care to surrounding hospitals. There is a higher need for access to specialty and telemedicine services, rather than continuing to support low acuity, high-cost inpatient services. This will allow the MIH to utilize case managers to actively coordinate patient care with all services, including primary care providers, communicating with specialists, and receiving patient medical reports and results to ensure appropriate and comprehensive care for patients.

**D. The availability of Purchased/Referred Care (PRC) (formerly contract health care) funds to maintain existing levels of service.**

The PRC service delivery area is comprised of Otero, Lincoln, and Chavez counties. American Indian and Alaska Native patients who meet PRC eligibility criteria are eligible for PRC, subject to the availability of funding and the establishment of medical priority, pursuant to the relevant regulations at 42 CFR § 136.21 through § 136.25. The FY 2020 PRC budget for the MIH was approximately \$3.5 million.

The proposed closure of the inpatient department should have minimal impact on the MIH. High acuity patients still require transfers to a higher level of care. The inpatient admission rate at the MIH is very low, with an average inpatient census of less than 1. Our data shows that our primary inpatient admissions are low acuity such as 72-hour medical management of alcohol withdrawal, end of life, and intravenous antibiotic treatments for infections. Nearby hospitals are able to provide these services. Our referral process is active and continues to fund all PRC priority levels (I-IV).

MIH data shows that the low inpatient census has not made a significant change in the number of patients receiving PRC services and primary care services at the MIH. Additionally, the MIH is located in New Mexico, a state that expanded Medicaid in 2014, with full implementation of the Patient Protection and Affordable Care Act. This has allowed a significant proportion of the MIH beneficiary population to be enrolled in New Mexico Medicaid. The implementation of Medicare-Like Rates and the new PRC rates have also increased the buying power for the MIH's PRC program for improved access to preventive and specialty care services.

**E. The views of the Indian tribes served by such hospital or facility concerning such closure.**

On September 26, 2019, a tribal consultation meeting was held with the Mescalero Apache Tribal Council. The tribal council relayed their preference and concerns supporting a change to an ambulatory care focus. With changes in tribal leadership from the latest tribal election, the current leadership continues to support the transition of the MIH to an ambulatory status.

**F. The level of utilization of such hospital or facility by all eligible Indians.**

Based on historical data, the MIH expects most patients will continue to seek primary care and urgent care services at the MIH. The utilization of inpatient services is represented as very low, with the Average Daily Census (ADC refers to the average number of inpatients receiving care each day) of less than one for calendar years 2010-2020. In 2007, the MIH had an ADC of 2.6, which is the last time that the MIH met the annual ADC requirement of two or more patients.

Current trends of services suggest the majority of our patients present for primary care or urgent care services. These patients continue to be treated at the facility for needs such as non-complicated fractures, wound care, influenza-like illnesses, and minor respiratory issues. In addition, our greatest community need is specialty services for diabetes, neurology, orthopedic services, cardiology, and oncology. Per TJC standards, the MIH has an outstanding PCMH Program. The inpatient wing will become available for expansion of ambulatory care and onsite specialty services.

**G. The distance between such hospital or facility and the nearest operating service hospital.**

Due to the ongoing low acuity capability at the MIH, long-standing relationships have been established with nearby facilities, which include the following: Gerald Champion Regional Medical Center (35 miles); Lincoln County Medical Center (15 miles) and the nearest trauma unit, University Medical Center, located in El Paso, Texas (approximately 125 miles); and the University of New Mexico Medical Center (220 miles) located in Albuquerque, New Mexico. The MIH's current transfer practice allows patients the reassurance of receiving care at any of these facilities.



## Appendix

**Table 1: MIH Average Daily Inpatient Census since 2012**

Calendar Year	Admissions	MIH Average Daily Patient Load (ADPL)
2012	312	2.60
2013	228	2.02
2014	124	1.17
2015	53	0.49
2016	51	0.47
2017	22	0.23
2018	45	0.38
2019	13	0.14
2020 (up to 3rd QTR)	0	0

**Table 2: MIH Ambulatory Visits since 2012**

Calendar Year	Ambulatory Visits
2012	47,877
2013	47,915
2014	45,409
2015	40,248
2016	35,919
2017	35,253
2018	34,851
2019	36,782
2020 (up to 3rd QTR)	31,832

**Table 3. Distance from Mescalero Tribal Communities to MIH**

<b>Tribal Community</b>	<b>Distance to MIH</b>
Mescalero Community	1 Mile
Three Rivers	35 Miles
White Tail	31 Miles
Cow Camp	47 Miles
Elk	38 Miles

**Table 4: Distance from MIH to Nearest Hospitals**

<b>Hospital Name/Location</b>	<b>Distance to MIH</b>
Lincoln County Medical Center/ Ruidoso, NM	15 Miles
Gerald Champion Regional Medical Center/ Alamogordo, NM	35 Miles
MountainView Medical Center/ Las Cruces, NM	85 Miles
Memorial Medical Center/ Las Cruces, NM	85 Miles
Eastern New Mexico Medical Center/ Roswell, NM	100 Miles
University Medical Center of El Paso/ El Paso, TX	120 Miles
Del Sol Medical Center/ El Paso, TX	122 Miles
Las Palmas Medical Center/ El Paso, TX	125 Miles
Sierra Providence East Medical Center/ El Paso, TX	125 Miles
University of New Mexico Medical Center/ Albuquerque, NM	214 Miles
Presbyterian Hospital/ Albuquerque, NM	220 Miles
Presbyterian Rust Medical Center/ Rio Rancho, NM	250 Miles
University Medical Center-Lubbock/ Lubbock, TX	260 Miles