PARTNERSHIP FOR PUBLIC SERVICE

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Prepared for

The Senate Committee on Indian Affairs

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"Legislative Hearing to Receive Testimony on the Following Bills: S.1250, S.1275"

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Chairman Hoeven, Vice Chairman Udall, members of the Senate Committee on Indian Affairs, thank you for the opportunity to appear before you today to offer the views of the Partnership for Public Service on S.1250, the *Restoring Accountability in the Indian Health Service Act of 2017*.

I am Max Stier, President and CEO of the Partnership for Public Service. The Partnership is a nonpartisan, nonprofit organization committed to revitalizing our federal government by inspiring a new generation to answer the call to public service and transforming the way our government serves the American people. Our organization meets that commitment by working with colleges and universities to promote federal careers, assisting federal agencies in engaging their workforces, developing strong career and political leadership, advocating for a more modern federal personnel system and building networks of support for our country's civil servants.

The committee deserves credit for its dogged focus on the workforce challenges facing the IHS. No single factor is more critical to the ability of the IHS to deliver care than the quality of its employees and their morale. The Partnership was pleased to submit a statement for the record last year on a previous iteration of this legislation, the *Indian Health Service Accountability Act of 2016* (S.2953), and I am pleased to be part of this important conversation once again.

In the Partnership's view, the myriad challenges that confront the IHS are the result of both a broader federal civil service system that is poorly suited to the needs of a modern health care delivery organization as well as an insular, hidebound organizational culture. In our 2014 report, *Building the Enterprise: A New Civil Service Framework*, the Partnership outlined the contours of a transformed personnel system that operates under a set of common principles while giving agencies the flexibility to adapt to their specific mission needs.[1] This transformation would require fundamental reforms to the government's hiring, pay, classification, performance management, and workplace justice systems. For the IHS, it would represent an opportunity to level the playing field with other agencies that recruit health professionals as well as the ability to compete on an equal footing with private sector providers. No less significant a set of reforms will truly position the Indian Health Service to meet the physical, mental, social and spiritual health needs of native peoples. While I recognize that such government-wide reforms are outside of the purview of this committee, I strongly hope you will work with your colleagues to take them on.

Leadership turnover, poor employee engagement and lack of data hold back the Indian Health Service

Building a workforce that is engaged, accountable and committed requires a continual focus on two factors: leadership and employee morale. Unfortunately, the Indian Health Service struggles in both these areas, which tend to feed on each other as vacancies in key roles lead to a lack of institutional focus on leadership and, in turn, reduce employee morale. Low employee morale may end up driving current and potential future leaders out of the organization. Ultimately, hiring and accountability come down to strong leadership that selects the right people for leadership roles and provides those leaders the incentives and tools they need to succeed.

The critical leadership vacancies across the IHS system are well-documented. The Government Accountability Office's January 2017 report on the quality of care at the IHS found that four area offices reported having at least three area directors within the last five years.[2] Also, some individual facilities

[1] "Building Enterprise: A New Civil Service Framework." *Partnership for Public Service* with *Booz Allen Hamilton*, April 2014, http://ourpublicservice.org/publications/viewcontentdetails.php?id=18.

[2] Government Accountability Office. "Indian Health Service: Actions Needed to Improve Oversight of Quality of

reported four or more CEOs within that same period.[3] The Department of Health and Human Services Office of the Inspector General similarly found that 24 of 28 hospitals they investigated had someone acting in a leadership role.[4] Eleven of the 28 hospitals had an acting CEO, while 10 had an acting clinical director and nine reported an acting director of nursing.[5] One hospital reported an astounding three different acting CEOs in a six week period.[6]

It goes without saying that such situations cause significant harm to an organization, and are causing harm at the IHS. The Partnership has found that high-level vacancies in federal agencies have the effect of "slowing decision-making and ultimately diluting agencies' ability to best serve the public interest" and put agencies in a neutral gear in which they delay important decisions and plans.[7] Findings from GAO confirmed that this was indeed happening at the IHS, where turnover and vacancies in key leadership positions proved "detrimental to the oversight of facility operations and the supervision of personnel," with acting leaders who were "afraid to commit to decisions" and who needed "additional supervisor training."[8] The HHS OIG reinforced this finding by reporting that in some cases individuals in non-supervisory roles were being assigned to acting leadership positions and that leadership vacancies and turnover led to inconsistent or absent oversight of the quality of care at the facility level.[9] To its credit, the agency is taking actions to address its leadership vacancies by, for example, establishing a senior executive search committee process that is recruiting highly qualified executives to the organization and beginning a succession planning process across its facilities.[10] However, the upshot of the findings of the HHS-OIG, GAO, and others is that a lack of sustained leadership and acting leaders without the training or tools to lead effectively are hurting the quality of care at service units across the country.

A dearth of leadership development opportunities is another real challenge facing the Indian Health Service. The tendency to fill agency leadership roles with individuals who have risen through the ranks strengthens the strong commitment of the IHS to the communities it serves but also reinforces an insular and inward-looking organizational culture. This insularity is true of many other government organizations as well. Research by the Partnership and McKinsey has demonstrated that the vast majority of senior executives and other senior leaders come from within their agency and that external recruitment is largely ad hoc.[11] The committee should explore ways to encourage greater investment in leadership development and efforts by the agency to seek external candidates for critical executive and senior management positions. One solution that I strongly believe would be helpful is the creation of a public-private talent exchange that would provide rich development opportunities and allow current and aspiring IHS leaders

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Care." GAO Publication No. 17-181, January 2017, p. 21, https://www.gao.gov/assets/690/681951.pdf.

[3] Ibid., 21.

[4] Department of Health and Human Services Office of Inspector General. "Indian Health Service Hospitals: Longstanding Challenges Warrant Focused Attention to Support Quality Care." OEI-06-14-00011, October 2016, p. 13, https://oig.hhs.gov/oei/reports/oei-06-14-00011.pdf.

[5] Ibid., 13.

[6] Ibid., 13.

[7] "Government Disservice: Overcoming Washington Dysfunction to Improve Congressional Stewardship of the Executive Branch." *Partnership for Public Service*, September 2015, p. 29, https://ourpublicservice.org/publications/viewcontentdetails.php?id=589.

[8] Government Accountability Office, No. 17-181, p. 15.

[9] Department of Health and Human Services Office of Inspector General, OEI-06-14-00011, p. 13.

[10] *High Risk, No Reward- GAO's High Risk List for Indian Programs: Hearing before the Committee on Indian Affairs,* Senate, 115th Cong. 1 (2017).

[11] "Preparing the People Pipeline: A Federal Succession Planning Primer." *Partnership for Public Service* with *Booz Allen Hamilton*, June 2011, http://www.govexec.com/pdfs/060611kl1.pdf.

to build managerial skills and infuse new thinking into their agency. Congress has recently created such exchanges at the Departments of Defense and Veterans Affairs. Another option would be to explore the VA model of partnering with medical schools around the country. These partnerships would allow the IHS to get a head start on recruiting new doctors by giving them hands-on opportunities to work in IHS facilities.

Beyond the impact that leadership vacancies and lack of leadership development have on the mission of the Indian Health Service, these deficiencies hurt employee morale as well. Data from the Indian Health Service bear this out. The Partnership's *Best Places to Work in the Federal Government Rankings*® have found that leadership is the single biggest factor in determining how employees view their organization.[12] In fact, leadership effectiveness has been a key driver every year since the Partnership began publishing its rankings in 2003.[13] It has also been one of the lowest-rated workplace categories overall, especially when compared to the private sector.[14] Regarding overall morale, IHS employees rank their agency 249 out of 305 subcomponents included in the Partnership's rankings with a score of 55.0 out of 100. The agency performs even worse in employees' views of leadership, ranking just 291 of 303 ranked agencies in the workplace category of "Effective Leadership." The IHS performs similarly poorly in the four leadership subcategories ranked by the Partnership: "Empowerment" (261 of 303), "Fairness" (281 of 303), "Senior Leaders" (272 of 303) and "Supervisors" (297 of 303).[15] These rankings are borne about by employee responses to questions from the *Federal Employee Viewpoint Survey* (FEVS). For example, just 36.4 percent of employees are satisfied with the policies and practices of the agency's senior leaders, while just over half (50.5 percent) believe prohibited personnel practices *are tolerated* in their organization. Though over half of employees (57 percent) believe their supervisor is doing a good job, that number is well below the government-wide score (68.2 percent) and the private sector (82 percent).[16]

There are, however, a few bright spots for the agency: this past year the IHS increased its score in every category but satisfaction with pay and its overall employee satisfaction score, or index score, by 0.5 points. Further, the agency saw its largest increase, of 2.4 points, in the workplace category of "Effective Leadership – Fairness." It is also worth noting that low morale was not always the norm. From 2003 to 2007 the IHS scored above the government-wide average in overall employee satisfaction, and survey data show that Indian Health Service employees are exceptionally committed to their jobs. In the category of "Employee-Skills Mission Match," which measures the extent to which employees get satisfaction from their work, the IHS scored 80.6 out of 100 (53 of 304). These findings, combined with the fact that

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[12] The Best Places to Work rankings offer the most comprehensive assessment of how federal public servants view their jobs and workplaces, providing employee perspectives on leadership, pay, innovation, work–life balance and other issues. The vast majority of the data used to develop the scores and rankings was collected by the Office of Personnel Management's Federal Employee Viewpoint Survey (FEVS) from April through June 2016.

[13] Partnership for Public Service. "Government-Wide Analysis: Category Findings." *Best Places to Work*, 2017, http://bestplacestowork.org/BPTW/analysis/categories.php.

[14] Partnership for Public Service. "Government-Wide Analysis: Overall Findings and Private Sector Comparison." *Best Places to Work*, 2017, http://bestplacestowork.org/BPTW/analysis/.

[15] The "Empowerment" subcategory measures the extent to which employees believe leadership at all levels of the organization generates motivation and commitment, encourages integrity and manages people fairly; the "Fairness" subcategory measures the extent to which employees believe disputes are resolved fairly, whether employees believe arbitrary action and personal favoritism are tolerated and if employees feel comfortable reporting illegal activity; the "Senior Leaders" subcategory measures the level of respect employees have for senior leaders and perceptions about senior leaders' honesty, integrity and ability to motivate employees; the "Supervisors" category measures employee opinions about their immediate supervisor's job performance.

[16] These data are based on the Partnership's analysis of OPM's FEVS data.

IHS has seen its index score increase for two consecutive years, should give the agency's leadership as well as the committee a foundation to build on going forward.

A lack of good data about its performance also hampers the Indian Health Service. It is a well-acknowledged maxim of management that an organization cannot manage what it does not measure. For the IHS, the lack of meaningful data has a very real impact on its ability to achieve its mission. For example, GAO found that while the IHS did review some clinical quality data consistently, other performance data, such as on customer satisfaction, was not "consistently obtained or reviewed by all area offices because IHS has not required that they be reviewed or reported."[17] To truly and measurably improve, IHS must begin consistently collecting quality data that leaders can immediately see and react to. Especially valuable would be information on customer satisfaction, health outcomes, employee performance data, hiring process information and disciplinary outcomes that encompass the key aspects of the IHS mission.

Faster firing is not a path to sustained accountability

The Partnership supports the committee's goal of an Indian Health Service that holds employees accountable for their performance and prevents bad actors from tarnishing the reputation of the thousands of committed employees who have dedicated their professional careers to serving Native communities. Misconduct such as that described in the committee's 2010 report, "In Critical Condition: The Urgent Need to Reform the Indian Health Service's Aberdeen Area" clearly has no place in government. In fact, IHS employees themselves believe there is an accountability problem in their organization – according to the 2016 FEVS, three-quarters of IHS employees believe that their work unit *does not* take steps to deal with poor performers and that pay raises *do not* depend on how well employees perform their jobs. But as the committee strives towards the goal of a more accountable Indian Health Service, I strongly urge you to consider whether the changes to due process laid out in Section 106 of S.1250 represent the right approach.[18] In the Partnership's view, simply making it easier to remove employees without addressing larger management challenges will fail to create sustained improvement or accountability and will further hinder the agency's recruitment of needed talent.

The authority created in Section 106 is meant to be in addition to statutory authorities already available under Chapters 43 and 75 of Title 5, but I believe that such additional authority is unnecessary. As I noted in my statement for the record of June 17, 2016, the Indian Health Service already has the statutory and other authorities it needs to take corrective action to remove, suspend, demote or transfer an employee.[19] Data from the Merit Systems Protection Board bear this out: though data for the IHS alone is not available, its parent agency, the Department of Health and Human Services, had just 2.1 percent of its decisions reversed at MSPB.[20] The MSPB appeals process is just not a significant barrier to holding employees accountable, and reducing the time that an employee facing an adverse action has to appeal to MSPB will not bring real accountability. Section 106 also presents a potential constitutional issue. Last May, the Department of Justice declined to enforce a nearly identical provision in the Veterans Access,

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[17] Government Accountability Office, No. 17-181, p. 10.

[18] *In Critical Condition – The Urgent Need to Reform Indian Health Service's Aberdeen Area: Hearing before the Committee on Indian Affairs,* Senate, 111th Cong. 1 (2010).

[19] United States. Cong. Senate. Committee on Indian Affairs. *Improving Accountability and Quality of Care at the Indian Health Service through S.2953.* June 17, 2016. 114th Cong. 2nd sess. Washington: GPO, 2016 (statement of Max Stier, President and CEO, Partnership for Public Service).

[20] U.S. Merit Systems Protection Board. "Annual Report for FY 2016." January 2017, p. 24, https://www.mspb.gov/mspbsearch/viewdocs.aspx?docnumber=1374269&version=1379643&application=ACROBAT.

Choice, and Accountability Act of 2014 (P.L. 113-146), citing concerns that the law violated the Constitution's Appointments Clause.[21] Passing a law that immediately faces constitutional challenges will only set back the cause of accountability at the agency further. Instead, the IHS and this committee should take steps to empower IHS managers to deal with poor performers and bad actors as well as to motivate the best and brightest.

There is much the committee can do to improve the quality of supervision and performance at the IHS, particularly by focusing on the beginning of an employee's or supervisor's tenure when the opportunity to affect employee habits and attitudes is greatest. For instance, the committee should require additional training to supervisors and managers on rewarding high performers and dealing with poor performers, and work to ensure that funding is available to make the requirement real. In many cases, agencies select for supervisory roles technical experts who may lack the people skills or training to be successful.[22] Without these skills, supervisors are being set up for failure from the very beginning. Additionally, the committee should provide further support to the agency by instituting a dual-track promotional system by which both aspiring managers and technical experts can advance their careers by focusing on their strengths, and the agency can allow those individuals who want to become leaders to self-select into those roles. Finally, the committee should strengthen the probationary period at the IHS for both new employees and newly promoted supervisors and managers. The probationary period represents an important continuation of the assessment process – an opportunity for the agency to see how the employee performs on the job. More often than not the probationary period is treated as a formality. MSPB has found that managers tend to treat probationers the same as tenured employees and that more than half of supervisors would be likely to keep a probationer on regardless of performance.[23] The committee should address this by holding IHS supervisors and managers accountable for using the probationary period as Congress originally intended by making an affirmative decision to retain an employee once their probation ends.The committee should also encourage the IHS to deal with employee conduct and performance issues through Chapter 75 of Title 5 to the extent possible, as it is less administratively burdensome than procedures under Chapter 43. Given that many employee performance issues have conduct elements as well, this shift should cover the vast majority of adverse actions in the Service.

Hiring reforms are a strong start, but more can be done

The talent challenges of the Indian Health Service have been widely publicized. Remote locations, uncompetitive pay, and a lengthy and inefficient hiring process all contribute to the agency's problems recruiting, hiring and retaining mission-critical talent. The IHS contends with a vacancy rate of 33 percent for physicians in its hospitals, while across the system overall vacancy rates are 23 percent for physicians and 17 percent of nursing positions.[24] The agency's 1,550 medical professional vacancies represent the largest obstacle to improving the quality of care, according to GAO.[25] The complex and rigid hiring process does little to help. Witnesses before this committee have noted that IHS officials feel they are

[21] "Helman v. Department of Veterans Affairs, No. 15-3086 (Fed. Cir.)." Loretta E. Lynch to Patricia Bryan, Senate Legal Counsel. May 31, 2016. Office of the Attorney General, Washington, DC.

[22] U.S. Office of Personnel Management. "Supervisors in the Federal Government: A Wake-Up Call." January 2001, p. 6, http://www.au.af.mil/au/awc/awcgate/opm/sups.pdf.

[23] U.S. Merit Systems Protection Board. "The Probationary Period: A Critical Assessment Opportunity." August 2005, p. 7, https://www.mspb.gov/MSPBSEARCH/viewdocs.aspx?docnumber=224555&version=224774&application=ACROBAT.

[24] Department of Health and Human Services Office of Inspector General, OEI-06-14-00011, p. 11.

[25] Government Accountability Office. "High-Risk Series: Progress on Many High Risk Areas, While Substantial Efforts Needed on Others." GAO Publication No. 17-317, February 2017, p. 212, http://www.gao.gov/assets/690/682765.pdf.

held back by the current system, noting that the agency has lost many candidates who are forced to wait six or more months before the agency can hire them.[26] Findings of the Inspector General of the Department of Health and Human Services reinforce these concerns, noting that while time-to-hire at the IHS was just under OPM's 80-day benchmark, it could still take up to six months to hire new staff.[27] Employees themselves are aware of these challenges – just 38.3 percent believed that their work unit was able to recruit people with the right skills.[28] The result is that IHS facilities like the Blackfeet Community Hospital in Browning, Montana cannot provide the level of care that patients deserve.[29]

With these interconnected challenges in mind, I am pleased to see the aggressiveness with which the committee is working to address IHS staffing challenges. The authorities made available by S.1250 should help the agency bring in and keep top talent. In particular, direct hire authority represents a valuable tool, and the IHS has already found it to be useful in streamlining the hiring process for medical professionals.[30] I urge the committee to ensure, however, that this authority is, on the one hand, used responsibly by hiring managers and, on the other, made flexible enough to meet the agency's needs. At the very least, this authority should be implemented immediately for mission-critical positions of demonstrated need that have been vacant at least six months.

The committee is also right to include in Section 101 of S.1250 language allowing the IHS to establish a pay system for its medical professionals that establishes pay parity with individuals compensated under Title 38 of the U.S. Code. But while this authority will help the IHS close the gap, it is worth noting VA itself struggles to recruit and retain medical professionals even under Title 38.[31] The committee should also make clear that this pay authority works not just for medical professionals but to hospital CEOs and other senior healthcare administrators in the agency whose positions remain hard to fill. The committee must go further in reforming the IHS compensation system, recognizing the added difficulties that the agency faces in recruiting providers to facilities located in rural and remote locations. In the Partnership's view, this means a market-sensitive compensation system for IHS medical and healthcare administration professionals. Individuals in private sector medical leadership positions typically see compensation multiple times greater than that of federal executives with similar responsibilities. Though the IHS already has limited ability to provide special pay rates to medical professionals who fill critical needs, granting broad market-sensitive pay would eliminate the need for lengthy application processes.[32] Implementing a new pay system will also require that IHS conduct a comprehensive compensation survey which allows the agency to understand the positions for which it underpays, those for which it overpays, and how it can adjust its compensation to ensure that it can be competitive in recruiting the talent it needs. While the federal government will likely never be able to match private sector compensation levels, Congress must be willing to invest in its leaders if it is to expect results.

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[26] United States. Cong. Senate. Committee on Indian Affairs. *Reexamining the Substandard Quality of Indian Health Care in the Great Plains*. Feb. 3, 2016. 114th Cong. 2nd sess. Washington: GPO, 2016 (statement of Victoria Kitcheyan, Treasurer, Winnebago Tribal Council).

[27] Department of Health and Human Services Office of Inspector General, OEI-06-14-00011, p. 12.

[28] These data are based on the Partnership's analysis of OPM's FEVS data.

[29] Department of Health and Human Services Office of Inspector General. "OIG Site Visits to Indian Health Service Hospitals in the Billings, Montana Area." OEI-09-13-00280, August 2015, p. 3, https://oig.hhs.gov/oei/reports/oei-09-13-00280.pdf.

[30] Department of Health and Human Services Office of Inspector General, OEI-06-14-00011, p. 12.

[31] The White House Office of the Press Secretary. (2017). *Press Briefing by Secretary of Veterans Affairs David Shulkin* [Press release]. Retrieved from https://www.whitehouse.gov/the-press-office/2017/05/31/press-briefing-secretary-veterans-affairs-david-shulkin.

[32] Department of Health and Human Services Office of Inspector General, OEI-06-14-00011, p. 12.

There are other actions the committee can take to grant the IHS short-term flexibilities to recruit and retain top talent. The committee could allow the IHS to noncompetitively rehire former federal government medical professionals to any grade for which they qualify, providing an additional incentive to former IHS medical professionals to return to the agency after having gained experience outside of government. Sen. Heitkamp, a member of this committee, introduced legislation, the *CBP HiRe Act,* to improve recruitment and retention of Customs and Border Patrol officers in rural and remote locations. The bill allows the agency to "use existing hiring and retention authorities with more flexibility" and is a narrower version of legislation the Senator introduced last year that would have provided the same flexibility to all agencies.[33] The Partnership supports this legislation and believes it represents a potential model for addressing the unique hiring challenges of the IHS. Finally, I hope the committee might take another look at recommendations from the Partnership's previous statement, including implementing an IHS exit survey, collecting data on hiring process outcomes, providing training to hiring managers on flexibilities available to their agency and better utilizing student interns as a pipeline for entry-level talent.

Recommendations

Provide Training to IHS Supervisors and Managers on Rewarding High Performers and Managing Poor Performers

As I have noted elsewhere in this statement, many supervisors and managers are poorly prepared and ill equipped for supervisory and management roles. Particularly difficult for new supervisors may be the challenge of dealing with employees who cannot or will not perform. In many cases, going through the disciplinary process may be a period of "discovery learning" for these supervisors. The IHS and this committee should help support new supervisors by mandating immediate as well as recurring training for new supervisors on leading people, managing performance, understanding whistleblower protections, and engaging their teams. By better equipping new supervisors to lead from the very beginning of their tenure, the IHS can actively address performance issues when they occur.

Establish a Dual-Track Career Path That Allows Aspiring Leaders to Self-Select Into Supervisory Roles

The rigid structure of the General Schedule system tends to force employees to take on supervisory roles because it is the only way advance their careers, regardless of whether the employee has the skills or inclination to be an effective manager. For employees with valuable technical expertise but who are not suited for or interested in supervisory duties, this is especially problematic. A dual-track career path that allows employees to become managers or advance as technical experts would give employees more options and provide agencies with a cadre of managers who have chosen to lead people. The result is more effective managers throughout the organization and more satisfied employees overall.

Strengthen the Probationary Period for New Hires and Supervisors

As noted above, agencies typically select supervisors for their technical expertise rather than their leadership abilities. The selection process, and the fact that government does not treat leadership as a discipline leaves managers without the tools or incentives to manage effectively. The committee should include as part of S.1250 language requiring managers to make an affirmative determination to continue a new employee or supervisor past their probationary period – the period during which the individual is supposed to demonstrate successful performance in their position – only if the individual has demonstrated their fitness for the role. Managers should be held accountable in their performance plans for making this determination and providing feedback to probationers throughout this time. Raising the

[33] Office of Senator Heidi Heitkamp. (2017). *CBP Heeds Heitkamp's repeated Calls to Proactively Address Federal Hiring, Recruitment & Retention Issues* [Press release]. Retrieved from https://www.heitkamp.senate.gov/public/index.cfm/2017/1/cbp-heeds-heitkamp-s-repeated-calls-to-proactively-address-federal-hiring-recruitment-retention-issues.

profile of the probationary period is one of the quickest and most effective ways by which the committee can ensure that poor performers do not find a permanent place in the IHS.

Hold Political Appointees Accountable

The Indian Health Service deserves credit for requiring its Director to have a performance plan connected to the organization's strategic goals and which cascades down into the plans of other employees, though the plan itself does not appear to be publically available.[34] The committee should request that plan and hold the Director accountable for the goals contained therein. In reviewing the plan, the committee should also ensure that it includes goals relating to building a pipeline of future leaders within the organization, creating a culture of accountability, filling mission-critical positions with high-quality talent, and ensuring that employees are engaged in their work and committed to the goals of the organization. Additionally, the performance plan of the Director should be widely available and accessible to both employees within the agency and the public. Having these goals as part of the Director's performance plan, and by connection, the plans of other senior leadership will help drive greater focus on employee engagement and leadership development.

Require IHS to Use the "Highly-Qualified" Standard When Hiring Individuals Through the Direct Hire Authority Granted By S.1250

Direct hire authority provides agencies much greater flexibility to fill mission-critical and hard-to-fill jobs. The committee should ensure that the direct hire authorized by Section 105 truly meets the agency's need by including a requirement that candidates be "highly-qualified" to be appointed directly to a career position in the IHS. Current law allows the use of direct hire authority requires only that a candidate is minimally qualified for the position. By making clear that the candidate must be highly qualified, IHS can ensure that it is appointing top talent into these critical jobs. The Partnership believes the government should seek only the most highly-qualified candidates, as opposed to individuals who meet only the minimal qualifications for the job. Further, this change would better focus the agency's use of direct hire authority on the quality of its hires, rather than simply the time it takes to fill a position.

Authorize the IHS to Noncompetitively Rehire Former Employees to Any Position for Which They Qualify

According to current law, federal employees who have held a career or career-conditional position can be reinstated non-competitively within the federal government only to a job that is at or below the grade level they last held in the federal government regardless of the experience they may have gained during their time outside of government. The result is that government unnecessarily disincentivizes talented former federal employees from returning to public service. This proposal would encourage more movement between the IHS and the private sector, particularly private sector hospitals, and encourage talented individuals to return to government service.

Better Align Pay for IHS Medical Professionals and Healthcare Administrators with the Private Sector

Executives and medical professionals at Indian Health Service facilities take on exceptionally difficult jobs in unique, sometimes challenging environments. If the IHS is to attract and retain individuals with the skills needed to meet its mission, it must be able to compensate them at a level that is at least roughly comparable to the private sector. Unfortunately, the General Schedule does not allow for the kind of flexibility that the IHS needs. While the legislation under discussion today would create pay parity with medical professionals under Title 38 of the United States Code, which provides for limited market-sensitivity, the problem of private sector comparability will remain. Ideally, Congress would revamp the federal pay system to enable all federal agencies to act on a level playing field to attract the best and

[34] Government Accountability Office, No. 17-181, p. 7.

brightest. As a first step, however, the committee should look for ways to more aggressively close the gap between IHS medical and healthcare administration professionals and the private sector.

Require IHS To Conduct Regular Succession Planning Exercises

One of the key findings from GAO's January 2017 report on the quality of care at the IHS is the pressing need for stronger succession planning activities across the organization. IHS reportedly had not defined succession or contingency plans for key personnel across the organization.[35] Such planning is especially critical because 45.3 percent of IHS medical professionals are over the age of 50 while just 30 percent are under 40.[36] The agency deserves credit for taking up GAO's recommendation and beginning the succession planning process by distributing succession planning instructions and descriptions of competencies for leadership positions to office and area directors. However, this should be an ongoing process. The Partnership and Booz Allen Hamilton found, in *Preparing the People Pipeline: A Federal Succession Planning Primer,* that such planning is an effective tool for dealing with both departures and retention by helping managers understand the critical skills within their organizations and retain needed talent.[37] The committee should require that the IHS regularly regular succession planning exercises and ask GAO to report on the quality of those plans.

Collect and Use High-Quality Performance Data Benchmarked to the Private Sector

To effectively achieve its mission, the Indian Health Service must collect, report and, most importantly, use high-quality data that allows it to understand the needs of the individuals and communities it serves. While the Service collects some clinical quality data used by area offices in performance evaluation and decision-making, it could and should do more. Data should include the customer experience, employee engagement, healthcare quality, and human resources metrics like time-to-hire, quality of hire, and disciplinary process outcomes. Further, the Service should make this information publically available and assure stakeholders through its actions that it is acting on it to improve performance. The committee should mandate that this information is collected and reported and make it a subject of ongoing oversight. The native communities served by the IHS deserve no less.

Promote Greater Mobility between the IHS and the Private Sector

Breaking down the walls between the Indian Health Service and the outside world is a proven way to improve the agency's performance. Creating exchange programs that temporary assign high-performing employees to private sector organizations, or other agencies with similar missions like the Department of Veterans Affairs, would allow the IHS to offer unique development opportunities for aspiring leaders, strategically fill critical vacancies, and bring innovative ideas into the organization. A well-designed exchange program would also IHS employees that the agency values their development. Assignments could last from six months to one year with options to extend and would be in addition to the talent exchange authority already available under the Intergovernmental Personnel Act. The committee should also encourage and, where necessary, authorize the Service to develop academic partnerships with local medical schools, as the VA does today.

Reform of the Indian Health Should Serve as a Catalyst for Government-Wide Changes

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[35] Government Accountability Office, No. 17-181, p. 15.

[36] U.S. Office of Personnel Management. FedScope: Federal Human Resources Data, 2017, https://www.fedscope.opm.gov/.

[37] "Preparing the People Pipeline: A Federal Succession Planning Primer." *Partnership for Public Service* with *Booz Allen Hamilton*, June 2011, http://www.govexec.com/pdfs/060611kl1.pdf.

The current political moment and pressing need for reform present valuable opportunities to pursue a fundamental overhaul of the way in which agencies like the Indian Health Service manage their talent. Leaders in the public and private sector, in academia and the good government stakeholder community all agree that the federal government's personnel system is in desperate need of reform. That system is nearly 70 years and has not kept up with the demands of modern government. Reforms enacted over the last few years both government-wide and within individual agencies like the Department of Defense represent an important starting point, and your efforts are building on this foundation. I urge the committee to work with your colleagues in the House and Senate to pursue broader government-wide reforms so that we can improve our civil service system not just for some agencies, but for all.

Conclusion

Chairman Hoeven, Vice Chairman Udall, members of the Committee on Indian Affairs, thank you for the opportunity to share the views of the Partnership on S.1250, the *Restoring Accountability at the Indian Health Service Act of 2017*, and the challenges facing the Indian Health Service. I greatly appreciate your committee's engagement on this important topic and hope to continue to work with you and your staffs on these important issues going forward. I am happy to answer any questions you may have.