

SELF-DETERMINATION CONTRACT

BETWEEN

FORT DEFIANCE INDIAN HOSPITAL BOARD, INC.

AND THE SECRETARY OF THE

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(a) Authority and Purpose

(1) Authority. -- This agreement, denoted a Self-Determination Contract (referred to in this agreement as the 'Contract'), is entered into by the Secretary of Health and Human Services (referred to in this agreement as the 'Secretary'), for and on behalf of the United States pursuant to Title I of the Indian Self-Determination and Education Assistance Act, (25 U.S.C. § 450 et seq.) and by the authority of the Fort Defiance Indian Hospital Board, Inc. (referred to in this agreement as the 'Contractor'). The provisions of Title I of the Indian Self-Determination and Education Assistance Act (25 U.S.C. § 450 et seq.) are incorporated in this Contract.

(2) Purpose. -- Each provision of the Indian Self-Determination and Education Assistance Act (25 U.S.C. § 450 et seq.) shall be liberally construed for the benefit of the Contractor to transfer the funding and the related functions, services, activities, and programs (or portions thereof), identified in the Annual Funding Agreement ('AFA') incorporated by reference in subsection (f)(2), that are otherwise contractable under section 102(a) of such Act, including all related administrative functions, from the Federal Government to the Contractor.

(b) Terms, provisions and conditions

(1) Term. -- Pursuant to section 105(c)(1) of the Indian Self Determination and Education Assistance Act (25 U.S.C. § 450j(c)(1)), the term of this Contract shall begin on January 28, 2010 and extend through September 30, 2012. Pursuant to section 105(d)(1) of such Act (25 U.S.C. § 450j(d)), upon the election by the Contractor, the period of this Contract shall be determined on the basis of a calendar year, unless the Secretary and the Contractor agree on a different period in the AFA incorporated by reference in subsection (f)(2).

(2) – Effective date. This Contract shall become effective on January 28, 2010.

(3) – Program standards. The Contractor agrees to administer the program, services, functions and activities (or portions thereof) listed in the AFA in conformity with the standards established by the national certifying and accrediting agencies and professional associations.

(4) - Funding amount. Subject to the availability of appropriations, the Secretary shall make available to the Contractor the total amount specified in the AFA incorporated by reference in subsection (f)(2). Such amount shall not be less than the applicable amount determined pursuant to section 106(a) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. § 450j-1).

(5) - Limitation of costs. The Contractor shall not be obligated to continue performance that requires an expenditure of funds in excess of the amount of funds awarded under this Contract. If, at any time, the Contractor has reason to believe that the total amount required for performance of this Contract or a specific activity conducted under this Contract would be greater than the amount of funds awarded under this Contract, the Contractor shall provide reasonable notice to the Secretary. If the Secretary does not take such action as may be necessary to increase the amount of funds awarded under this Contract, the Contractor may suspend performance of the Contract until such time as additional funds are awarded.

(6) Payment.

(A) In general. Payments to the Contractor under this Contract shall

- (i) be made as expeditiously as practicable; and
- (ii) include financial arrangements to cover funding during periods covered by joint resolutions adopted by Congress making continuing appropriations, to the extent permitted by such resolutions.

(B) Quarterly, semiannual, lump-sum, and other methods of payment.

- (i) **In general.** Pursuant to section 106(b) of the Indian Self-Determination and Education Assistance Act, and notwithstanding any other provision of law, for each fiscal year covered by this Contract, the Secretary shall make available to Contractor the funds specified for the fiscal year under the AFA incorporated by reference pursuant to subsection (f)(2) by paying to the Contractor, on a quarterly basis, one-quarter of the total amount provided for in the AFA for that fiscal year, in a lump-sum payment or as semiannual payments, or any other method of payment authorized

by law, in accordance with such method as may be requested by the Contractor and specified in the AFA.

- (ii) **Method of quarterly payment.** If quarterly payments are specified in the AFA incorporated by reference pursuant to subsection (f)(2), each quarterly payment made pursuant to clause (i) shall be made on the first day of each quarter of the fiscal year, except that in any case in which the Contract year coincides with the Federal fiscal year, payment for the first quarter shall be made not later than the date that is 10 calendar days after the date on which the Office of Management and Budget apportions the appropriations for the fiscal year for the programs, services, functions, and activities subject to this Contract.
- (iii) **Applicability.** Chapter 39 of Title 31, United States Code, shall apply to the payment of funds due under this Contract and the AFA.

(7) – Records and monitoring.

(A) In general. Except for previously provided copies of tribal records that the Secretary demonstrates are clearly required to be maintained as part of the recordkeeping system of the Department of Health and Human Services, records of the Contractor shall not be considered Federal records for purposes of Chapter 5 of Title 5, United States Code.

(B) Recordkeeping system. The Contractor shall maintain a recordkeeping system and, upon reasonable advance request, provide reasonable access to such records to the Secretary.

(C) Responsibilities of Contractor. The Contractor shall be responsible for managing the day-to-day operations conducted under this Contract and for monitoring activities conducted under this Contract to ensure compliance with the Contract and applicable Federal requirements. With respect to the monitoring activities of the Secretary, the routine monitoring visits shall be limited to not more than one performance monitoring visit for this Contract by the head of each operating division, departmental bureau, or departmental agency, or duly authorized representative of such head unless--

- (i) the Contractor agrees to one or more additional visits; or
- (ii) the appropriate official determines that there is reasonable cause to believe that grounds for reassumption of the Contract, suspension

of Contract payments, or other serious Contract performance deficiency may exist.

No additional visit referred to in clause (ii) shall be made until such time as reasonable advance notice that includes a description of the nature of the problem that requires the additional visit has been given to the Contractor.

(8) - Property.

(A) In general. As provided in section 105(f) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. § 450j(f)), at the request of the Contractor, the Secretary may make available, or transfer to the Contractor, all reasonably divisible real property, facilities, equipment, and personal property that the Secretary has used to provide or administer the programs, services, functions and activities covered by this Contract. A mutually agreed upon list specifying the property, facilities, and equipment so furnished shall also be prepared by the Secretary, with the concurrence of the Contractor, and periodically revised by the Secretary, with the concurrence of the Contractor.

(B) Records. The Contractor shall maintain a record of all property referred to in subparagraph (A) or other property acquired by the Contractor under section 105(f)(2)(A) of such Act for purposes of replacement.

(C) Joint use agreements. Upon the request of the Contractor, the Secretary and the Contractor shall enter into a separate joint use agreement to address the shared use by the parties of real or personal property that is not reasonably divisible.

(D) Acquisition of property. The Contractor is granted the authority to acquire such excess property as the Contractor may determine to be appropriate in the judgment of the Contractor to support the programs, services, functions, and activities operated pursuant to this Contract.

(E) Confiscated or excess property. The Secretary shall assist the Contractor in obtaining such confiscated or excess property as may become available to tribes, tribal organizations, or local governments.

(F) Screener identification card. A screener identification card (General Services Administration form numbered 2946) shall be issued to the Contractor not later than the effective date of this Contract. The designated official shall, upon request, assist the Contractor in securing the use of the card.

(G) Capital equipment. The Contractor shall determine the capital equipment, leases, rentals, property, or services the Contractor requires to perform the obligations of the Contractor under this subsection, and shall acquire and maintain records of such capital equipment, property rentals, leases, property, or services through applicable procurement procedures of the Contractor.

(9) - Availability of funds. Notwithstanding any other provision of law, any funds provided under this Contract –

(A) shall remain available until expended; and

(B) with respect to such funds, no further --

(i) approval by the Secretary, or

(ii) justifying documentation from the Contractor, shall be required prior to the expenditure of such funds.

(10) - Transportation. Beginning on the effective date of this Contract, the Secretary shall authorize the Contractor to obtain interagency motor pool vehicles and related services for performance of any activities carried out under this Contract.

(11) – Federal program guidelines, manuals or policy directives. Except as specifically provided in the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) the Contractor is not required to abide by guidelines, manuals, or policy directives of the Secretary, unless otherwise agreed to by the Contractor and the Secretary, or otherwise required by law.

(12) – Disputes.

(A) Third-party mediation defined. For the purposes of this Contract, the term ‘third-party mediation’ means a form of mediation whereby the Secretary and the Contractor nominate a third party who is not employed by or significantly involved with the Secretary, or the Contractor, to serve as a third-party mediator to mediate disputes under this Contract.

(B) Alternative procedures. In addition to, or as an alternative to, remedies and procedures prescribed by Section 110 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. § 450m-1), the parties to this Contract may jointly--

(i) submit disputes under this Contract to third-party mediation;

- (ii) submit the dispute to the adjudicatory body of the Contractor, including the tribal court of the Contractor;
- (iii) submit the dispute to mediation processes provided for under the laws, policies, or procedures of the Contractor; or
- (iv) use the administrative dispute resolution processes authorized in Subchapter IV of Chapter 5 of Title 5, United States Code.

(C) Effect of decisions. The Secretary shall be bound by decisions made pursuant to the processes set forth in subparagraph (B), except that the Secretary shall not be bound by any decision that significantly conflicts with the interests of Indians or the United States.

(13) - Administrative procedures of Contractor. Pursuant to the Indian Civil Rights Act of 1968 (25 U.S.C. §1301 et seq.), the laws, policies and procedures of the Contractor shall provide for administrative due process (or the equivalent of administrative due process) with respect to programs, services, functions, and activities that are provided by the Contractor pursuant to this Contract.

(14) - Successor annual funding agreement.

(A) In general. Negotiations for a successor AFA, provided for in subsection (f)(2), shall begin not later than 120 days prior to the conclusion of the preceding AFA. Except as provided in section 105(c)(2) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. § 450j (c)(2)), the funding for each such successor AFA shall only be reduced pursuant to section 106(b) of such Act (25 U.S.C. § 450j-1(b)).

(B) Information. The Secretary shall prepare and supply relevant information, and promptly comply with any request by the Contractor for information that the Contractor reasonably needs to determine the amount of funds that may be available for a successor AFA, as provided for in subsection (f)(2) of this Contract.

(15) - Contract requirements; approval by Secretary.

(A) In general. Except as provided in subparagraph (B), for the term of the Contract, Section 2103 of the Revised Statutes (25 U.S.C. § 81) and Section 16 of the Act of June 18, 1934 (48 Stat. 987, chapter 576; 25 U.S.C. § 476), shall not apply to any contract entered into in connection with this Contract.

(B) Requirements. Each contract entered into by the Contractor with a third party in connection with performing the obligations of the Contractor under this Contract shall--

- (i) be in writing;
- (ii) identify the interested parties, the authorities of such parties, and purposes of the contract;
- (iii) state the work to be performed under the contract; and
- (iv) state the process for making any claim, the payments to be made, and the terms of the contract, which shall be fixed.

(c) Obligation of the Contractor.

(1) - Contract performance. Except as provided in subsection (d)(2), the Contractor shall perform the programs, services, functions, and activities as provided in the AFA under subsection (f)(2) of this Contract.

(2) - Amount of funds. The total amount of funds to be paid under this Contract pursuant to section 106(a) shall be determined in an AFA entered into between the Secretary and the Contractor, which shall be incorporated into this Contract.

(3) - Contracted programs. Subject to the availability of appropriated funds, the Contractor shall administer the programs, services, functions, and activities identified in this Contract and funded through the AFA under subsection (f)(2).

(4) - Trust services for individual Indians.

(A) In general. To the extent that the AFA provides funding for the delivery of trust services to individual Indians that have been provided by the Secretary, the Contractor shall maintain at least the same level of service as the Secretary provided for such individual Indians, subject to the availability of appropriated funds for such services.

(B) Trust services to individual Indians. For the purposes of this paragraph only, the term 'trust services for individual Indians' means only those services that pertain to land or financial management connected to individually held allotments.

(5) - Fair and uniform services. The Contractor shall provide services under this Contract in a fair and uniform manner and shall provide access to an administrative or judicial

body empowered to adjudicate or otherwise resolve complaints, claims, and grievances brought by program beneficiaries against the Contractor arising out of the performance of the Contract.

(d) Obligations of the United States.

(1) - Trust responsibility.

(A) In general. The United States reaffirms the trust responsibility of the United States to the Navajo Nation to protect and conserve the trust resources of the Nation and the trust resources of individual Indians.

(B) Construction of contract. Nothing in this Contract may be construed to terminate, waive, modify, or reduce the trust responsibility of the United States to the Nation or individual Indians. The Secretary shall act in good faith in upholding such trust responsibility.

(2) - Good faith. To the extent that health programs are included in this Contract, and within available funds, the Secretary shall act in good faith in cooperating with the Contractor to achieve the goals set forth in the Indian Health Care Improvement Act (25 U.S.C. § 1601 et seq.).

(3) - Programs retained. As specified in the AFA, the United States hereby retains the programs, services, functions, and activities with respect to the Nation that are not specifically assumed by the Contractor in the AFA under subsection (f)(2).

(e) Other Provisions.

(1) - Designated officials. Not later than the effective date of this Contract, the United States shall provide to the Contractor a written designation of a senior official to serve as a representative for notices, proposed amendments to the Contract, and other purposes for this Contract.

(2) - Contract modifications or amendment.

(A) In general. Except as provided in subparagraph (B), no modification to this Contract shall take effect unless such modification is made in the form of a written amendment to the Contract, and the Contractor and the Secretary provide written consent for the modification.

(B) Exception. The addition of supplemental funds for programs, functions, services and activities (or portions thereof) already included in the AFA under subsection (f)(2),

and the reduction of funds pursuant to section 106(b)(2), shall not be subject to subparagraph (A).

(3) - Officials not to benefit. No member of Congress, or resident commissioner, shall be admitted to any share or part of any contract executed pursuant to this Contract, or to any benefit that may arise from such contract. This paragraph may not be construed to apply to any contract with a third party entered into under this Contract if such contract is made with a corporation for the general benefit of the corporation.

(4) - Covenant against contingent fees. The parties warrant that no person or selling agency has been employed or retained to solicit or secure any contract executed pursuant to this Contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.

(f) Attachments.

(1) - Approval of Contract. Unless previously furnished to the Secretary, the resolution of the Navajo Nation authorizing the contracting of the programs, services, functions, and activities identified in this Contract is attached to this Contract as Attachment 1.


(2) - Annual Funding Agreements.

(A) In general. The AFA under this Contract shall only contain--

- (i) terms that identify the programs, services, functions, and activities to be performed or administered, the general budget category assigned, the funds to be provided, and the time and method of payment; and
- (ii) such other provisions, including a brief description of the programs, services, functions, and activities to be performed (including those supported by financial resources other than those provided by the Secretary), to which the parties agree.


(B) Incorporation by reference. The AFA is hereby incorporated in its entirety in this Contract and attached to this Contract as Attachment 2.

FORT DEFIANCE INDIAN HOSPITAL
BOARD, INC.

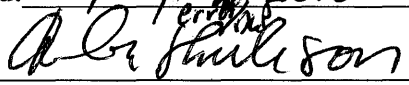


Elmer Milford, President
Dated: 1/28/10

UNITED STATES OF AMERICA,
DEPARTMENT OF HEALTH AND HUMAN
SERVICES



John Hubbard, Area Director
Navajo Area Indian Health Service
Dated: 1/28/2010



Anita Shirleson, Contracting Officer
Navajo Area Indian Health Service
Dated: 1/28/2010

Attachment 1 – Resolution of Navajo Nation
Attachment 2 – Annual Funding Agreement

RESOLUTION OF THE
INTERGOVERNMENTAL RELATIONS COMMITTEE
OF THE NAVAJO NATION COUNCIL

21ST NAVAJO NATION COUNCIL - THIRD YEAR, 2009

AN ACTION

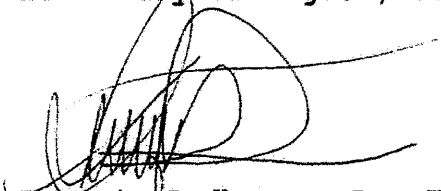
RELATING TO HEALTH AND INTERGOVERNMENTAL RELATIONS;
SANCTIONING THE FORT DEFIANCE INDIAN HOSPITAL BOARD INC.,
AS AN INDIAN TRIBAL ORGANIZATION, AUTHORIZED TO CONTRACT
FOR ALL HEALTH CARE SERVICES OF THE FORT DEFIANCE SERVICE
UNIT PURSUANT TO P.L. 93-638, THE INDIAN SELF-DETERMINATION
ACT, TITLE I, AS AMENDED

BE IT ENACTED:

1. The Navajo Nation hereby sanctions the Fort Defiance Indian Hospital Board Inc., as a Tribal Organization, as defined in P.L. 93-638, Sec. 4. (C) with authorization to contract with the Secretary of Health for all health care services of the Fort Defiance Service Unit pursuant to P.L. 93-638, The Indian Self Determination Act, Title I, as amended.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Intergovernmental Relations Committee of the Navajo Nation Council at a duly called meeting held at Window Rock, Navajo Nation (Arizona), at which a quorum was present and that the same was passed by a vote of 8 in favor, 0 opposed, this 3rd day of August, 2009.


Francis Redhouse, Pro Tem Chairperson
Intergovernmental Relations Committee

Motion: Ervin M. Keeswood, Sr.
Second: George Arthur



**Annual Funding Agreement
Between
The Secretary of the
United States Department of Health and Human Services
and the
Fort Defiance Indian Hospital Board, Inc.**

SECTION 1 - AUTHORITY AND PURPOSE.

This Annual Funding Agreement (“AFA” or “Agreement”) is executed by and between the Fort Defiance Indian Hospital Board, Inc. (“FDIHB”) and the Secretary of the Department of Health and Human Services, acting through the Indian Health Service (“IHS”), pursuant to Title I of the Indian Self-Determination and Education Assistance Act (P.L. 93-638, 25 U.S.C. Section 450 *et seq.*), as amended, (“ISDA”) and is incorporated into and governed by the ISDA contract between the FDIHB and the IHS, effective January 29, 2010 (“Contract”). Pursuant to the terms of this Agreement, the FDIHB is authorized to plan, conduct, operate, and administer the programs, functions, services and activities (“PFSAs”) identified in Attachment A to this AFA. All terms of this Agreement shall be governed by the ISDA, its implementing regulations and, to the extent expressly agreed to by the parties hereto, applicable IHS policies. To the extent that any term in this Agreement may be construed as being inconsistent with the ISDA or as exceeding the authority granted by the ISDA, the provisions of the ISDA shall govern. The attachments listed and denoted as Attachments A through G appearing at the end of this Agreement are incorporated by reference as part of this Agreement as if fully set forth herein.

SECTION 2 - EFFECTIVE DATE AND TERM.

This Agreement shall become effective January 29, 2010 and shall extend through September 30, 2010. The operational start date for the PFSAs identified herein shall be March 28, 2010.

SECTION 3- TRIBAL PROGRAMS AND BUDGETS

The FDIHB agrees to administer the Fort Defiance Service Unit (FDSU”) and to provide and be responsible for the PFSAs identified below in accordance with the Contract, this Agreement and the identified budgets set forth in Attachments B through D and G. These services include those outlined in the attached Scope of Work (see Attachment A). The FDIHB agrees to provide health care services to members of the Navajo Nation and other IHS eligible beneficiaries in accordance with the ISDA, 25 U.S.C. section 1680, 42 CFR Part 136, and any other applicable law or regulation.

The FDIHB will operate and administer the PFSAs identified in Attachment A below, except that the FDIHB reserves the right to rebudget funds among the programs and services currently provided under this AFA and to use rebudgeted funds and income generated directly through the operation of these PFSAs to add programs and services to the extent that any such programs and services are PFSAs that the Secretary could otherwise contract with the FDIHB to plan, conduct or administer under section 102(a)(1) of the ISDA, 25 USC section 450f(a)(1) and so long as any such rebudgeting would not have an adverse effect on the performance of the Contract. The

addition of such programs and services, to the extent such additions involve a redesign of any existing PFSAs, must comply with the requirements of ISDA section 105(j), 25 U.S.C. section 450j(j) and must be approved by the Secretary prior to the implementation of any such redesign. The determination of the priority and amounts of funds to be utilized for each PFSA shall be the responsibility of the FDIHB, except as limited by applicable law or otherwise contained in this Agreement.

SECTION 4- AMOUNT OF FUNDS.

A. Base Funding. The Fiscal Year 2010 Program Funding Table, attached as Attachment B, shows the amounts by IHS budget category available to FDIHB that are associated with the PFSAs FDIHB shall provide from March 28, 2010 through September 30, 2010, pursuant to the FDIHB's Contract and this AFA. As provided in subsection (E) of this Section 4, these amounts were calculated using FY 2009 funding amounts and will be adjusted to reflect any additional FY 2010 funding amounts after enactment of the FY 2010 appropriation. Agreements concerning further adjustments to these amounts are noted in Attachment B or in this AFA and funds will be transferred to FDIHB under this AFA to the extent that the FDIHB assumes the associated PFSAs during the period covered by this AFA.

B. Direct and Indirect Contract Support Costs.

B.1. Direct and Indirect Contract Support Costs: The parties agree that the CSC funding under this AFA will be calculated and paid in accordance with Section 106(a) of the Act; IHS CSC Policy (Indian Health Manual - Part 6, Chapter 3) or its successor; and any statutory restrictions imposed by Congress. In accordance with these authorities and available appropriations for CSC, the FDIHB will receive direct CSC in the amount of \$ -0-, and indirect-type CSC in the amount of \$ -0-. These amounts were determined based upon negotiations with the FDIHB and available FY 2009 CSC funding and may be adjusted as set forth in the IHS CSC Policy (IHM 6-3) as a result of changes in tribal CSC need and available CSC appropriations. Any adjustments to these amounts will be reflected in future modifications to this AFA.

B.2. New and Expanded Contract Support Costs: The IHS has informed the FDIHB that a congressional earmark has capped the amount of CSC funds available in the IHS FY 2010 appropriation. There are no ISD funds available to fund FDIHB's request for CSC funding associated with the new or expanded PSFAs being transferred to FDIHB pursuant to this AFA, including any pre-award or start-up costs.

The IHS has informed the FDIHB that Congress may not appropriate additional contract support cost funds in future years. The FDIHB has informed the IHS that it still wishes to contract for the new or expanded PSFAs identified herein, despite the unavailability of CSC and the possibility that Congress may not appropriate additional CSC funds in future years. The FDIHB assures the IHS that it can carry out the new or expanded PSFAs despite the absence of CSC.

The FDIHB and the IHS agree that the IHS will distribute FY 2010 CSC funding in

accordance with the applicable IHS CSC Policy (Indian Health Manual - Part 6, Chapter 3) or its successor. Based upon this understanding, the IHS agrees to transfer the new or expanded PSFAs identified herein to the FDIHB. The parties further agree that nothing in this AFA or the Contract creates a promise on the part of the IHS to pay the FDIHB CSC for the new or expanded PSFAs identified herein. Notwithstanding the foregoing, the FDIHB does not waive any claims it may have regarding the amounts of direct and indirect CSC it is due pursuant to Section 106(a) of the Act.

C. Competitive, Formula and Other Funds. Funds for PSFAs assumed by the FDIHB under Attachment A of this Agreement not now included in this Agreement, which are available to area offices, service units, operating units, or tribes or tribal organizations on a competitive, formula, or other basis, including non-recurring funding, shall be determined by the relevant calculation. These funds shall be made available to the FDIHB on the same basis as such funds are available to NAIHS, service units, operating units, or other tribes and tribal organizations, and any such funds due the FDIHB in FY 2010 or carried over from FY 2009 shall be added to this Agreement. This does not include grant awards, which remain subject to the conditions or restrictions set forth in the awarding instrument and applicable laws, or third party collections, which are addressed in Sections 4.H and 4.I below.

The FDIHB is included in the NAIHS M&I and Biomedical Equipment pools. The FDIHB shall participate in these pools and receive funds based on the same procedures and distribution methodologies and formulas as are applicable to all other NAIHS facilities.

D. IPA/MOA Costs: IPA/MOA costs will be determined, funded, and processed as detailed in the Buyback Agreement between IHS and the FDIHB, which is attached as Attachment F and is incorporated by reference.

E. Adjustments and Increases: The funding amounts referenced in this AFA and its attachments are subject to change based upon IHS FY 2010 appropriations, the transfer of NAIHS PSFAs, and the actual date of assumption of PSFAs by the FDIHB. Within twenty (20) calendar days of receipt of advice to the Area of adjustments to the FY 2010 base, the amounts in this Agreement will be adjusted and any increases promptly paid to the FDIHB in an advance lump sum payment. The FDIHB shall be eligible for funding for new services, service increases, inflation increases, and general increases on the same basis as NAIHS, service units, operating units, or all other tribes and tribal organizations. Amendments reflecting payment of these funds shall be provided to the FDIHB after any such funds are added to the AFA. The FDIHB retains the right to reject the addition of the funds to the AFA and return the funds to IHS, as provided in Section 18 below.

F. Headquarters and OEHE Resources: The FDIHB's IHS Headquarters Tribal Shares and the funds available in FY 2010 are shown in Attachment D. These amounts are for the FDIHB only and do not include resources benefitting or supporting other tribes or programs operated by the Navajo Nation under its separate Indian Self-Determination contract(s) with IHS, or PSFAs retained by NAIHS. The FDIHB shall use these funds in support of the PSFAs in this AFA.

The FDIHB will receive a share of the balance of funds remaining in the "Emergency Fund", and "Management Initiatives" line items (as shown on the FY 2010 Headquarters tables). Any such balance shall be distributed in accordance with the "Tribal Size Adjustment" methodology or such other methodology or program formula that is utilized to make funding available to other tribes and tribal organizations. Any such funds shall be distributed within ten (10) calendar days after they are advised to NAIHS, or at the end of the fiscal year, whichever is sooner.

G. NAIHS Area Office Resources: The NAIHS Area Office resources are identified in the tables entitled "NAIHS Tribal Shares Table" and "NAIHS Area Office Director's Reserve," attached as Attachments C and C-A, respectively. All funds for Sanitation Facilities Construction, P.L. 86-121, have been retained by NAIHS. See Attachment C. The Navajo Area will also retain funds for other PFSAs that the FDIHB will not be assuming under this AFA, as identified on Attachment C.

The total amount of NAIHS Area Office resources that support or benefit the FDIHB PFSAs under this Agreement is shown on Attachments C and C-A. This amount is for the FDIHB only and does not include resources benefitting or supporting other tribes or PFSAs under contract by the Navajo Nation or retained NAIHS PFSAs. This amount does not include certain OEHE funds that are distributed separately. OEHE funds available to the FDIHB are shown on Attachment C.

H. Third Party Collections, Credits or Refunds After March 27, 2010: The parties agree that, other than as expressly set forth herein, any third party collections, credits or refunds received by the IHS, an IHS service unit or the FDIHB after March 30, 2010 that relate to care provided by the Fort Defiance Service Unit will be credited to FDIHB. These collections will be reconciled at the quarterly reconciliation provided for under subsection (K) of this Section 4.

I. Prior year funds: Other than those third-party collections that are retained by IHS under the terms of the Buyback Agreement, NAIHS shall, on or before April 5, 2010, transfer to the FDIHB all available unobligated allowances for contract health services (CHS); Medicare; Medicaid; CHEF; FMCRA; private insurance; facilities support account; and equipment held by the Fort Defiance Service Unit as of March 30, 2010. On September 1, 2010 and at the beginning of each quarter thereafter, a review of all remaining obligated funds located at the Fort Defiance Service Unit that remain unspent shall be conducted and any funds that can be deobligated shall be transferred to FDIHB within ten (10) days after the parties determine what funds, if any, are available for transfer.

M&I funds will remain available to complete existing projects and any funds remaining will be used to fund FDIHB projects.

All funds collected from employees for quarters rent shall be transferred to FDIHB, on or before April 5, 2010, for the quarters maintenance fund.

J. CHS and Other Third Party Liabilities. The FDIHB shall be responsible for all CHS and other third party liabilities incurred by the Fort Defiance Service Unit prior to March 28, 2010, and any obligations received by the IHS, an IHS service unit or the FDIHB after March

27, 2010 that relate to care provided by the Fort Defiance Service Unit shall be paid by FDIHB out of Contract funds, third party collections or other FDIHB resources. Any third party bills or other obligations received by IHS that relate to such third party liabilities shall be forwarded to FDIHB within five (5) business days of receipt of such third party obligations.

K. Reconciliation: For the term of this AFA, reconciliation meetings will be held between the FDIHB and NAIHS on a quarterly basis, or more often if needed. The parties agree that, within ten (10) calendar days of each reconciliation, the NAIHS will transfer any funds due to the FDIHB and that FDIHB will transfer to NAIHS any funds due to IHS.

SECTION 5- METHOD OF PAYMENT

The ISDA provides for payment to the FDIHB on a quarterly basis, one-quarter of the total amount provided for in the annual funding agreement for that fiscal year, in a lump-sum payment or as semiannual payments, or any other method of payment authorized by law and which is requested by the FDIHB. The payment for the period covered by this AFA shall be made in an advance lump sum payment through the system utilized by the IHS.

Specifically, except as otherwise provided in this Agreement, the IHS shall provide all FY 2010 recurring funding due under this Agreement in one lump sum payment on April 5, 2010. Competitive, formula, and other funds that require further calculation shall be paid within ten (10) calendar days of the date on which the Area Director reaches a final allocation decision following tribal consultation, or within ten (10) calendar days of the effective date of this Agreement, whichever is later. IHS shall pay to the FDIHB any interest that may be due under the Prompt Payment Act (31 U.S.C. § 3901 et seq.) for late payments under this Agreement.

SECTION 6 - MEDICARE/MEDICAID BILLING AND RECOVERIES

For health care services provided by the FDIHB, the FDIHB shall exercise its right pursuant to Section 405 of the Indian Health Care Improvement Act, as amended by P.L. 106-417, 25 U.S.C. § 1645, to submit claims directly to and recover directly from Medicare and Medicaid. **All funds recovered from Medicare and Medicaid shall be used as allowed by applicable law.**

SECTION 7 - THIRD PARTY RECOVERIES.

Any funds recovered by the FDIHB or IHS through filing, litigating, or settling a claim against a third party to pay for services previously provided to IHS-eligible beneficiaries by the FDIHB, or for such services previously provided by the IHS through a PFSA now operated by the FDIHB, shall be considered program income to be utilized by the FDIHB in any manner allowed by applicable law that furthers the general purposes of this Agreement.

SECTION 8 - USE OF FEDERAL REAL PROPERTY

Pending transfer of title to the facilities, the IHS hereby authorizes the FDIHB to utilize all of the federally-owned real property, including all lands, buildings, structures, quarters and related facilities, as evidenced by a facility inventory, presently owned by the U.S. Government/IHS, as provided in Section 105(f)(1) of the ISDA, as amended, to be used in connection with carrying out the terms, conditions, and provisions of this AFA and any successor AFA. The parties agree

that, on or before March 30, 2010, they will enter into a Use Agreement setting forth the terms and conditions for use of such federally-owned real property.

SECTION 9 - PERSONAL PROPERTY

As provided in section 105(f) of the ISDA, FDIHB may take title to personal property utilized to support the PFSAs in this Agreement. NAIHS shall prepare an inventory specifying the personal property and equipment available for transfer ("Inventory List") within 90 days from the effective date of this Agreement. FDIHB will then review the Inventory List and notify the NAIHS of the property on the list to which it will take title ("Title Selection List"). The NAIHS will then prepare a list of the property for which title is to be transferred ("Final Property List") and shall submit this Final Property List to FDIHB for final review within ten (10) days following NAIHS's receipt of the Title Selection List . Within seven (7) days after FDIHB approves the Final Property List, title to all property stated in the Final Property List will then be transferred to the FDIHB. NAIHS shall provide any documentation needed to transfer title and warranties to the listed property to the FDIHB. In addition, within 90 days of the date from the transfer of title to FDIHB of all property on the Final Property List, the NAIHS will also provide the FDIHB with warranty information of all property located at the Fort Defiance Indian Hospital for which title is not transferred to the FDIHB. The FDIHB shall take title to all personal property purchased with funds received or generated under the FDIHB ISDA contract.

SECTION 10 - PRIME VENDOR CONTRACT.

Until such time as the FDIHB may establish agreements directly with the Veterans Administration (VA), NAIHS will continue to purchase pharmaceuticals through the IHS/VA Prime Vendor contract, upon the request of the FDIHB, as an inherently federal function. Pharmaceuticals and other supplies purchased through such contract may be used for IHS-eligible persons.

SECTION 11- SPECIAL EARMARKED PROGRAMS, SERVICES, AND FUNCTIONS.

The FDIHB is not authorized under this AFA to redesign, rebudget or to transfer any of the funding for any PFSAs assumed hereunder which are subject to special restrictions imposed by Congress.

SECTION 12- CONTINUATION OF SERVICES

The FDIHB has determined that it wishes to carry out its responsibilities to provide certain PFSAs by utilizing resources of the Federal Government, as permitted by law. Any such retained PFSAs shall be expressly identified in Attachments [Area tables, HQ tables, or Buyback Agreement] attached hereto.

SECTION 13- REPORTS.

Pursuant to the Single Audit Act, as amended, 31 U.S.C. §§ 7501-7507, and the Indian Self-Determination and Education Assistance Act, 25 U.S.C. § 450c(f)(1) and § 458aaa-5, the FDIHB shall provide to the IHS Headquarters, NAIHS, the Federal Audit Clearinghouse and National External Audit Review, its annual A-133 Single Agency Audit Report. The FDIHB shall provide such other reports as agreed upon by the parties from time to time.

SECTION 14- RECORDS.

The records generated and maintained by the FDIHB shall not be treated as federal records under Chapter 5 of Title 5 of the United States Code, except that:

(A) **Patient Records Disclosure.** Patient medical records may be disclosed only in accordance with the applicable provisions of 5 U.S.C. Section 552a(b) and the HIPAA Privacy Rule, 45 C.F.R. Parts 160 and 164 and the American Recovery and Reinvestment act of 2009; and

(B) **Patient Records Storage.** Pursuant to Section 105(o) of the ISDA, the medical records generated by the FDIHB shall, at the option of the FDIHB, be stored with the National Archives and Records Administration to the same extent and in the same manner as other Department of Health and Human Services patient records.

SECTION 15- NO REDUCTION IN PROGRAMS OR SERVICES TO OTHER TRIBES.

The IHS has reviewed and determined that nothing in this Annual Funding Agreement diminishes any resources to other tribes.

SECTION 16 - SUCCESSOR FUNDING AGREEMENTS.

As provided in Section 14 of the Contract,, negotiations for a successor AFA shall begin not later than 120 days prior to the conclusion of the preceding AFA. IHS review of successor funding agreements is described in 25 C.F.R. sections 900.32 and 900.33. This AFA shall continue on a month-to-month basis until a successor AFA is negotiated and signed. The amount of funds required to be provided by Section 106(a) of the ISDA for each successor AFA, which is subject to the availability of appropriations, shall only be reduced in compliance with the requirements of Section 106(b) of the ISDA.

SECTION 17 - AMENDMENT OR MODIFICATION OF THIS AGREEMENT.

(A) **Form of Amendments.** Except as otherwise provided in this AFA, the Contract or by applicable law, any modifications to this AFA shall be in the form of a written amendment and signed by both the FDIHB and the IHS.

(B) **Amendment to Add Additional Programs.** The FDIHB reserves the right to identify other PFSA's that it wishes to include in this Agreement by amendment during the term of this Agreement. If the FDIHB's proposal(s) to include additional activities is approved by IHS, this Agreement will be amended to include such PFSA's.

(C) **Amendments to Add Additional Available Funding.** The FDIHB shall be eligible for any increases in funding or for funding for Maintenance and Improvement Funds, other reimbursements, and new programs established under the Indian Health Care Improvement Act or any other applicable law, as well as funds available to IHS Headquarters and the NAIHS, whether those funds are recurring or non-recurring funds, on the same basis as the Area Office, service units, operating units, or other tribes and tribal organizations.

(D) **Funding Increases.** Written consent of the FDIHB shall not be required for issuing amendments to this AFA to add contract funding. Such increases may include:

(1) Program/Area/HQ Mandatories;

(2) Program/Area/HQ End-of-year Distributions; CHEF and other related CHS Services; and any unused reserves as provided in this Agreement;

(3) Increases in the IHS appropriation.

Amendments reflecting payment of these funds shall be provided to the FDIHB in the form of a contract modification within ten (10) working days after any such funds are added to the AFA. The FDIHB retains the right to reject the addition of the funds to the AFA and return the funds to IHS.

(E) Program Income and Reimbursements. Except as otherwise provided for in Section 4(H), to the extent that the FDIHB or NAIHS (including any NAIHS-operated service units) receive program income otherwise payable to either the NAIHS or the FDIHB, including Medicare and Medicaid and other third-party collections, or other reimbursements, for services rendered at the Fort Defiance Indian Hospital or the Nahata Dziil Health Center, the funds will be promptly transferred to the appropriate party, unless a specific deadline for transfer is stated in this Agreement, in which case the stated deadline shall apply.

FORT DEFIANCE INDIAN HOSPITAL BOARD, INC.

BY: Elmer Milford
Elmer Milford, President

DATED: 1/28/10

DEPARTMENT OF HEALTH AND HUMAN SERVICES
INDIAN HEALTH SERVICE

BY: John Hubbard
John Hubbard, Area Director
Navajo Area Indian Health Service

Dated: 1/28/2010

BY: Anita Shirleson
Anita Shirleson, Contracting Officer
Navajo Area Indian Health Service

Dated: 1/28/2010

- Attachment A – Scope of Work
- Attachment B – FDIHB FY 2010 Program Funding Table
- Attachment C – NAIHS Area Office Shares Table
- Attachment C-A – NAIHS Area Office Director’s Reserve

Attachment C-1 – Gallup Regional Support Supply Center Shares Table
Attachment D – Headquarters Shares Table
Attachment E – Residual Table
Attachment F – Buyback Agreement
Attachment G – CSC Funding Table

ATTACHMENT A

Scope of Work Fort Defiance Indian Hospital Board, Inc. ISDA Contract for the Fort Defiance Service Area FY2010 Annual Funding Agreement

Fort Defiance Indian Hospital Board, Inc. (FDIHB) offers a wide range of acute and ambulatory care services to patients including, but not limited to, direct patient care, field clinics, telephone consultation, training, home based nursing care, and consultation services. Services are offered at various locations throughout the region by staff based primarily at the Fort Defiance Hospital and the Nahata' Dzill Health Center to provide accessibility and to maintain continuity of care for eligible patients.

I. HOSPITAL, CLINICAL AND RELATED SERVICES:

Patient care is provided through the services or departments in a 50-bed hospital in Fort Defiance, Arizona providing multiple chronic and acute medical needs. Such hospital services include, but are not limited to: surgical, obstetric, pediatric, family medicine, internal medicine, emergency, behavioral health, podiatry, and skilled nursing services. Nursing care is provided within the scope of standard nursing practices. Clinical services provided in FDIHB-operated facilities include, but are not limited to, general primary care clinics and specialty clinics on the main campus. Home based care is also provided. Training and educational services are also provided in support of the PFSA's covered by the Annual Funding Agreement (AFA). In general, subject to available resources, the services provided include, but are not limited to, the following:

A. Critical Care, Emergency and Trauma services: Provides comprehensive multi-disciplinary management of critical care services including, but not limited to, 24/7 care to any patient who presents on a non-scheduled basis for emergent or urgent care; stabilization, diagnosis and initial treatment. Staff may be involved in transport of emergency patients. Emergency services may also include the provision of health services at alternative sites in the event of a public health emergency

B. Medical/Surgical inpatient services: Provides inpatient care including, but not limited to, skilled nursing care and related services, medical, surgical, intensive care, orthopedic, gynecologic, ophthalmologic, dental, ENT, and ancillary services.

C. Pediatric inpatient services: Provides primary care for infants, children and early adolescents, **newborn care**, comprehensive pediatric specialty care from birth to mid-adolescence, and consultation with pediatric sub-specialists and ancillary services.

D. Obstetric inpatient services: Provides obstetrical and gynecological care including, but not limited to, antenatal testing, ultra-sound and support for high-risk deliveries.

E. Surgical services: Provides comprehensive inpatient/ambulatory procedures for, but not limited to, general surgical, orthopedic, gynecologic, obstetrics, dental, urologic, urogynecologic, peripheral vascular, bariatric, pediatric, ENT care and endoscopy services. Consists of, among other things, ambulatory surgery unit, operating rooms, endoscopy rooms, and sterile processing services.

F. Anesthesia services: Provides services including, but not limited to, anesthesia, post-anesthesia care and pain management.

G. Ambulatory Care services: Provides primary medical care and specialty services through an integrated service model by an inter-disciplinary team to provide services that include, but are not limited to, family medicine, pediatrics/well child care, elder care, obstetrics/gynecology, diabetic care, internal medicine, ENT, nutrition/dietetics, orthopedics, podiatry, physical rehabilitation, physical therapy, occupational and speech therapy, respiratory therapy, and general surgery services. Specialty services include, but are not limited to, cardiology, rheumatology, neurosurgery, chest, pacemaker, and telemedicine clinics.

H. Eye and Vision Care services: Provides services including, but not limited to, optometry and ophthalmologic diagnostic examinations, treatment, procedures (e.g., minor and major surgery, laser therapy) and management of diseases and disorders of the visual system, the eye, and related structures (e.g., glaucoma, amblyopia, macular degeneration) as well as in the diagnosis of related systemic conditions (e.g., diabetes) and dispensing glasses and contact lenses.

I. Dental services: Provides comprehensive adult and pediatric care to increase dental health and decrease the incidence of oral health disease through services including, but not limited to, general dentistry, oral surgery, orthodontics, endodontics, dental residency and dental research activities.

J. Mental Health services: Provides outpatient counseling and psychiatric services to individuals and families, including, but not limited to, counseling, psychiatric services, evaluations, including court-ordered evaluations and evaluations pursuant to memoranda of agreement, telephone consultation to providers, ER consultations, 24-hour on-call services, and inpatient consultations. Provides social services, including but not limited to, assisting with psychosocial issues, consulting, training, developing care and placement plans and coordinating patient case-management with other patient services. As a Navajo Area wide resource, provides inpatient adolescent subacute care, accepting referrals from across the entire Navajo reservation, as well as from other IHS, tribal and urban Indian health facilities across the United States.

K. Alcohol and Substance Abuse services: Provides services including, but not limited to, screening, assessment and referrals to appropriate inpatient/outpatient centers, and short-term counseling and group activities for youth and young adults.

L. Clinical Laboratory services: Provides a full range of laboratory services including, but not limited to, chemistry, hematology, pathology, microbiology, and transfusion services that include clinical tests in support of patient diagnosis and treatment. Also serves as a referral laboratory. Reference laboratory service as available by contract for testing not performed in-house.

M. Radiology services: Includes, but is not limited to, providing diagnostic examinations that include general radiography, mammography, ultrasound, echocardiogram, teleradiology, computed tomography (CT) scans, and bone density studies.

N. Pharmacy services: Provides comprehensive inpatient and outpatient pharmaceutical care including, but not limited to, prescribing therapies (e.g., anti-coagulation clinics), recommending therapies, dispensing medications and monitoring of medication treatment plans to assure appropriate, safe, cost effective therapies and provides patient information regarding treatment to assure compliance and mediate potential side effects (e.g., lipid clinic and other patient related counseling).

O. Respiratory Therapy services: Provides diagnostic evaluation and a wide range of other therapeutic modalities including, but not limited to, arterial blood gases, pulmonary function testing, pulse oximetry, nebulizers, IPPBG therapy, sleep evaluation, and ventilator support.

P. Rehabilitation services: Provides comprehensive physical and occupational evaluation and treatment, including but not limited to, services to patients with acute and chronic neurological problems, orthopedic and arthritic problems, a wide variety of wound care, ongoing care for diabetic patient, self-care education and coordination with other patient services.

Q. Speech – Language Pathology and Occupational Therapy: Provides speech-language therapy, including but not limited to, screening, diagnosis, rehabilitation and prevention services to both inpatients and outpatients with a wide variety of neurological and developmental diagnoses. Provides occupational therapy to individuals who have conditions that are mentally, physically, developmentally, or emotionally disabling, to help them to develop, recover, or maintain daily living and work skills.

R. Nutrition and Dietetics Services: Provides medical nutritional therapy including, but not limited to, screening and assessment, nutritional education and patient monitoring, supplemental feedings, consultative assistance for selected patients, and food service that is responsible for providing patient meals and cafeteria service for patients, visitors and employees.

S. Public Health Nursing: Provides public health nursing services in patient homes and various community-based settings.

T. Diabetes Care Program services: Provides primary, secondary and tertiary prevention services, including, but not limited to, diabetes education, research, screening, clinical follow-up and case management services.

U. Telehealth services: Provides services including, but not limited to, the investigation, consultation, monitoring and management of patients through interactive audio, video and data. Teleradiology services provide interpretation of diagnostic images by contract providers. Specialty care services are supported by telemedicine at FDIHB and at satellite sites.

V. Health Promotion Program services: Provides an integrated holistic approach that is directed at individual and community empowerment with positive, proactive approaches to making healthy lifestyle changes. Includes, but is not limited to, employee health programs and health promotion program sponsored events to promote health services and disease prevention activities.

W. Home Based Care services: Includes, but is not limited to, care provided at home as part-time skilled nursing care in the home; speech pathology and therapy services, physical, respiratory or occupational therapy, durable medical equipment, hospice and end of life services and part-time services of home health aides.

X. Contract Health services: Authorizes funds within established medical priorities for certain services provided by non-IHS or non-tribal providers and facilities both inside and outside of the service area. Access by qualified beneficiaries to CHS may be obtained only by authorization of FDIHB staff that has been delegated the authority to approve CHS. This requires that beneficiaries must be referred by a FDIHB provider to the CHS program for consideration of their CHS request prior to approval, or must obtain required approval for care as provided by applicable federal regulations. FDIHB has elected to follow a "he who refers pays" approach to CHS coverage. Specifically, NAIHS federal facilities will be financially responsible for all Fort Defiance Service Area CHS eligible patients referred from federally-operated sites. FDIHB will be financially responsible for NAIHS CHS-eligible patients referred from FDIHB-operated facilities.

Y. Podiatry services: Provides services including, but not limited to, prevention, examination, diagnosis and medical, surgical and adjuvant treatment of any disease, injury, deformity or other condition of the human foot and ankle. Includes prescription and administration of drugs.

Z. Medical Gases: Provides liquefied, dissolved, vaporized and cryogenic compressed medical gases alone or in combination as defined in the Federal Food, Drug and Cosmetic Act, 21 USC 321(g)(1).

AA. FDIHB Employee Health: Provides health services for FDIHB employees including, but not limited to, health services under the FDIHB employee assistance program, screenings and immunizations.

II. SUPPORT SERVICES:

A. Administrative services: Includes, but is not limited to, program planning, including both strategic and operational planning; financial management, grant applications and management, personnel management, legal services and ensuring that the executive direction meets or exceeds the requirements of regulatory programs. Numerous specific services listed below are closely related to, or part of, administrative services.

B. Human Resources: Includes, but is not limited to, administering and implementing policies and procedures related to human resource programs. Includes all organizational/employee training, education and development functions for all departments and services.

C. Medical Records services: Maintains a comprehensive medical record system that is manual and/or electronic that includes, but is not limited to, record storage and retrieval, review and analysis of medical records, transcription, inpatient data collection and management, and managing release of medical information.

D. Finance services: Provides financial services including, but not limited to, organizing, coordinating and executing budget and financial operations for the organization.

E. Facilities Management: Includes, but is not limited to, performance and management of contracting activities and facility construction, procurement, maintenance of related grounds, associated physical plant equipment, security, and renovation activities, including Maintenance & Improvement (M&I) funded projects and activities.

F. Housekeeping services: Provides services including, but not limited to, waste, trash and infectious waste removal, linen management, routine and urgent cleaning for the facility.

G. Infection Control: Provides services including, but not limited to, management of the coordinated process to reduce the risks of endemic and epidemic hospital-acquired (nosocomial) infections in patients, health care workers, and other employees that is accomplished through surveillance methodologies, education and reporting internally and when appropriate, to outside public health agencies.

H. Information Resource Management services: This function includes, but is not limited to, the provision of all aspects of technical (computerized) information management. The information and technology services support function provides hardware, software, applications development, telecommunications, remote data services, overall systems and operations management including executive leadership level information management.

I. General services: This function includes, but is not limited to, providing technical and logistical management for all support services and operations for capitalized and non-capitalized equipment, vehicles, drugs, medical supplies and forms. Material support services range from management and distribution of supplies, equipment and mail, to inventory control of equipment assets.

J. Standards and Performance Improvement: This function includes, but is not limited to, monitoring and evaluating quality and value of services by providing education, coordination and support in the areas of continuous quality improvement, risk management, and issues related to FDIHB complying with national certifying and regulatory agencies' standards promulgated by the Centers for Medicare and Medicaid Services (CMS), the College of American Pathologists, Occupational Safety and Health Administration, the Food and Drug Administration, as well as State Medicaid and dental and nursing and other professional licensure boards, as applicable. Utilization review functions are also provided.

K. Safety Department: Provides services including, but not limited to, technical and professional consultation and directs services to all departments including, but not limited to, safety management programs; hazard surveillance monitoring; hazardous materials and waste management; monitoring of contracts for pest control, regulated medical waste and hazardous waste; and activities involved with CMS surveys and applicable OSHA requirements.

L. Business Office: Includes, but is not limited to, providing complete and accurate patient data for providers, collecting data on reimbursable expenses incurred by patients, generating bills for collection from other payers (primarily Medicare, Medicaid, and private insurance), conducting utilization review, insurance verification, and collection activities.

M. Educational Programs: Includes, but is not limited to, providing training, educational services and clinical rotations established in support of the PFSAs covered by the AFA. Also includes providing programmatic consultations, proctoring and training of health care providers from other IHS facilities, P.L. 93-638 facilities and Navajo Nation P.L. 93-638 programs.

N. Research and Training: Didactic material and clinical experience to support the PFSAs covered by the AFA.

O. Biomedical services: Provides services including, but not limited to, biomedical engineering to repair and maintain medical and dental equipment and durable medical equipment.

P. Housing services: Provides services including, but not limited to, management and maintenance of FDIHB-controlled employee residences, if any.

Q. Health services Planning and Development: Under the direction of the Board of Directors and in cooperation with the Navajo Nation, provides long-term planning and development activities to improve the health care services delivery systems and the facilities of the FDIHB, including development of nursing home services.

FT DEFIANCE INDIAN HOSPITAL BOARD, INC.
106 (a) (1) Service Unit Base Funding (Includes Sanders)
FY 2010
March 28, 2010 - September 30, 2010

	1	2	3	4	5	6	7	8	9				
						(2 thru 5=6)			(1+6+7+8=9)				
	FY-2008 Recurring Base	FY-2009 Current Services Increases - Pay Act, Inflation, Pop Growth	FY-2009 HQ Program Increases	FY-2009 NAIHS Adjustments (+ / -)		FY-2009 Adjustment FDIH/SAGE	Total FY-09 Adjustment (+ / -)	FY-2010 Adjustment FDIH/SAGE	FY-2010 Return GRSSC Stores funding	Total FY-2009 For FY-2010 Funding Base			
Hospital & Clinic	20,132,130	1,085,000	-	(220,669)	1)	(750,000)	2)	114,331	(250,000)	2)	1,313,876	5)	21,310,337
Dental	3,851,507	25,094	-	-		-		25,094	-		53,963	5)	3,930,564
Mental Health	4,580,296	25,136	-	-		-		25,136	-				4,605,432
Alcohol	97,954	2,046	-	-		-		2,046	-				100,000
PHN	2,225,969	11,435	-	-		-		11,435	-				2,237,404
Contract Health	4,021,779	100,786	196,000	70,211	3)	750,000	2)	1,116,997	250,000	2)			5,388,776
Facilities Support	4,383,943	168,754	-	-		-		168,754	-				4,552,697
4. Environmental Health Support	0		0	0		0		0					0
TOTAL	39,293,578	1,418,251	196,000	(150,458)		0		1,463,793	0		1,367,839		42,125,210

I	II	III
Total 106(a) (1) to be paid to FDIHB		
GRSSC Stores 51.233% FY-2009 for FY-2010 Funding Base	187/365 Days = 51.233% FY-2009 for FY-2010 Funding Base (Less GRSSC)	I + II = III Total
673,138	10,244,787	10,917,925
27,647	1,986,099	2,013,746
	2,359,501	2,359,501
	51,233	51,233
	1,146,289	1,146,289
	2,760,832	2,760,832
	2,332,483	2,332,483
	0	0
700,785	20,881,224	21,582,009

NOTES:

All numbers above reflect FY-2009 appropriations; to be updated when FY-2010 increases/adjustments received.

1. Transfer of funds to GRSSC for store items (NAO-81)
2. Transfer of funds H&C & CHS swap for Sage. Balance adjusted in FY-2010.
3. Transfer of funds for Contract Health Service Deferred Services
4. All EHS funds are centrally managed at the Area Office. Service Unit and Area Office shares are shown in Attachment C.
5. In FY-2010 stores shares (Hospital & Clinic \$1,313,876 and Dental funds \$53,963) returned to FDIHB recurring base.

ATTACHMENT C

FT. DEFIANCE INDIAN HEALTH BOARD, INC.
 FY 2010 Area Office Shares - Recurring Base Only
 March 28, 2010 thru September 30, 2010

	FY-2009 Recurring Base	Less 2010 Residual	FY-2009 for FY-2010 Funding Base	% of 1998 Total Users 253,822	Annualized Ft. Defiance & Sanders Share Amount @ 100%	March 28, 2010 thru Sep 30, 2010 @ 51.233%	Liquidity Formula Year 1 15% x col. 6	100% Liquidity 100% x col. 6	Foot Notes	FY 2010 Shares Taken col. 7 + col. 8	FY 2010 Shares Retain (10)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		(9)	(10)
Hospitals & Clinics											
101 Office of the Area Director	69,793		69,793	9.138%	6,378	3,267	490			490	0
171 Attorney	388,596	(195,744)	192,852	9.138%	17,623	9,029	1,354			1,354	0
182 Office of Ind Self Deter.	377,997		377,997	9.138%	34,541	17,697	2,654			2,654	0
1A8 EEO	4,444		4,444	9.138%	406	208		208		208	0
123 Contract Health Services	149,365		149,365	9.138%	13,649	6,993	1,049			1,049	0
102 Financial Management	1,488,482	(470,399)	1,018,083	9.138%	93,032	47,663	7,149			7,149	0
105 Admin Services	354,837		354,837	9.138%	32,425	16,612	2,492			2,492	0
128 MIS	405,656	(194,147)	211,509	9.138%	19,328	9,902	N/A	N/A		0	9,902
107 Contract & Grants	807,294	(515,258)	292,036	9.138%	26,686	13,672	2,051			2,051	0
103 Personnel Management	1,109,220	(126,704)	982,516	9.138%	89,782	45,998	6,900			6,900	0
117 Medical Records	5,000		5,000	9.138%	457	234		234		234	0
147 EMS	15,000		15,000	N/A	N/A	N/A	N/A	N/A		N/A	N/A
118 Nursing Admin	200,696		200,696	9.138%	18,340	9,396	1,409			1,409	0
109 Professional Stds & Recruit	305,410		305,410	9.138%	27,908	14,298	N/A	N/A		0	14,298
sub-total:	5,681,790	(1,502,252)	4,179,538		380,555	194,970	25,549	442		25,991	24,199
114 BIA/CSA	0		0	N/A	N/A	N/A	N/A	N/A		N/A	N/A
189 Health Board	47,858		47,858	9.138%	4,373	2,241		2,241		2,241	0
114 Assessments	0		0	N/A	N/A	N/A	N/A	N/A		N/A	N/A
134 Model Diabetes Prog	300,815		300,815	N/A	N/A	N/A	N/A	N/A		N/A	N/A
2B4 HP/DP (SR)	200,000		200,000	P/F	16,260	8,330		8,330	1)	8,330	0
sub-total:	6,230,463	(1,502,252)	4,728,211		401,189	205,541	25,549	11,013		36,562	24,199
Pinon Support	200,000		200,000	N/A	N/A	N/A	N/A	N/A		N/A	N/A
Ft. Defiance Support	100,000		100,000	N/A	100,000	51,233		51,233	2)	51,233	0
Red Mesa Support	200,000		200,000	N/A	N/A	N/A	N/A	N/A		N/A	N/A
sub-total:	500,000	0	500,000		100,000	51,233	0	51,233		51,233	0
Dental Health											
268 Dental Program minus Flouride	556,821		556,821	9.138%	50,882	26,068	N/A	N/A		0	26,068
Dental OEH Flouridation	60,000		60,000	N/A	N/A	N/A	N/A	N/A		N/A	N/A
Jeddito (MOA - PHXIHS)	86,582		86,582	N/A	N/A	N/A	N/A	N/A		N/A	N/A
Biomedical Support	253,963		253,963	9.138%	23,207	11,890		N/A		0	11,890
sub-total:	957,366	0	957,366		74,089	37,958	0	0		0	37,958
Mental Health											
261 Mental Health Program	0	0	0	N/A	N/A	N/A	N/A	N/A		N/A	N/A
Alcohol & Substance Abuse											
239 ASAP minus None for the Road	314,481		314,481	9.138%	28,737	14,723		14,723		14,723	0
None for the Road	9,844		9,844	N/A	N/A	N/A	N/A	N/A		N/A	N/A
sub-total:	324,325	0	324,325		28,737	14,723	0	14,723		14,723	0

ATTACHMENT C

FT. DEFIANCE INDIAN HEALTH BOARD, INC.
 FY 2010 Area Office Shares - Recurring Base Only
 March 28, 2010 thru September 30, 2010

	FY-2009 Recurring Base	Less 2010 Residual	FY-2009 for FY-2010 Funding Base	% of 1998 Total Users 253,822	Annualized Ft. Defiance & Sanders Share Amount @ 100%	March 28, 2010 thru Sep 30, 2010 @ 51.233%	Liquidity Formula Year 1 15% x col. 6	100% Liquidity 100% x col. 6	Foot Notes	FY 2010 Shares Taken col. 7 + col. 8	FY 2010 Shares Retain (10)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		(9)	(10)
Public Health Nursing											
264 Public Health Nursing	0	0	0	N/A	N/A	N/A	N/A	N/A		N/A	N/A
Direct Operations											
101 Office of the Area Director	905,332	(895,132)	10,200	9.138%	932	478	72			72	0
111 Office of the Area Director-Travel	25,000		25,000	9.138%	2,285	1,170		1,170		1,170	0
1A8 EEO	96,267		96,267	9.138%	8,797	4,507	676			676	0
106 Third Party Resources	132,198		132,198	9.138%	12,080	6,189	928			928	0
123 Contract Health Services	132,259		132,259	9.138%	12,086	6,192	929			929	0
102 Financial Management	244,594	(213,427)	31,167	9.138%	2,848	1,459	219			219	0
105 Admin Services	298,369		298,369	9.138%	27,265	13,969	2,095			2,095	0
104 Property Management	269,161	(213,427)	55,734	9.138%	5,093	2,609	391			391	0
128 MIS	312,492		312,492	9.138%	28,556	14,630	N/A	N/A		0	14,630
107 Contracts & Grants	0		0	9.138%	0	0	0			0	0
103 Personnel Management	346,616	(199,695)	146,921	9.138%	13,426	6,878	1,032			1,032	0
108 Program Planning & Evaluation	343,172		343,172	9.138%	31,359	16,066	2,410			2,410	0
109 Professional Stds & Recruit	58,408		58,408	9.138%	5,337	2,734	N/A	N/A		0	2,734
sub-total:	3,163,868	(1,521,681)	1,642,187		150,063	76,882	8,752	1,170		9,922	17,364
Facilities Support											
115 Bio-Med	618,770		618,770	N/A	N/A	N/A	N/A	N/A		N/A	N/A
Pinon Support	67,079		67,079	N/A	N/A	N/A	N/A	N/A		N/A	N/A
Red Mesa Support	152,174		152,174	N/A	N/A	N/A	N/A	N/A		N/A	N/A
sub-total:	838,023	0	838,023		0	0	0	0		0	0
104 Real Property	179,520		179,520	N/A	N/A	N/A	N/A	N/A		N/A	N/A
Pinon Support	20,327		20,327	N/A	N/A	N/A	N/A	N/A		N/A	N/A
Red Mesa Support	46,112		46,112	N/A	N/A	N/A	N/A	N/A		N/A	N/A
sub-total:	245,959	0	245,959		0	0	0	0		0	0
114 Facility Management	903,678	(431,464)	472,214	N/A	N/A	N/A	N/A	N/A		N/A	N/A
Pinon Support	105,814		105,814	N/A	N/A	N/A	N/A	N/A		N/A	N/A
Red Mesa Support	240,041		240,041	N/A	N/A	N/A	N/A	N/A		N/A	N/A
sub-total:	1,249,533	(431,464)	818,069		0	0	0	0		0	0
Quarters, SU Funded	94,881		94,881	N/A	N/A	N/A	N/A	N/A		N/A	N/A
Pinon Support	10,164		10,164	N/A	N/A	N/A	N/A	N/A		N/A	N/A
Red Mesa Support	23,057		23,057	N/A	N/A	N/A	N/A	N/A		N/A	N/A
sub-total:	128,102	0	128,102		0	0	0	0		0	0
Total FS:	2,461,617	(431,464)	2,030,153		0	0	0	0		0	0

ATTACHMENT C

FT. DEFIANCE INDIAN HEALTH BOARD, INC.
 FY 2010 Area Office Shares - Recurring Base Only
 March 28, 2010 thru September 30, 2010

	FY-2009 Recurring Base	Less 2010 Residual	FY-2009 for FY-2010 Funding Base	% of 1998 Total Users 253,822	Annualized Ft. Defiance & Sanders Share Amount @ 100%	March 28, 2010 thru Sep 30, 2010 @ 51.233%	Liquidity Formula Year 1 15% x col. 6	100% Liquidity 100% x col. 6	Foot Notes	FY 2010 Shares Taken col. 7 + col. 8	FY 2010 Shares Retain (10)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		(9)	(10)
Environmental Health Support											
DOH -638 Contract	241,603		241,603	N/A	N/A	N/A	N/A	N/A		N/A	N/A
Area Office Support	605,454	(281,432)	324,022	9.138%	29,609	15,170	N/A	N/A		0	15,170
S.U. Operation	1,332,561		1,332,561	9.138%	121,769	62,386	N/A	N/A		0	62,386
Chinle/Pinon	33,872		33,872	N/A	N/A	N/A	N/A	N/A		N/A	N/A
Ft. Defiance	175,849		175,849	N/A	N/A	N/A	N/A	N/A		N/A	N/A
Shiprock/Red Mesa	74,586		74,586	N/A	N/A	N/A	N/A	N/A		N/A	N/A
Winslow	258,949		258,949	N/A	N/A	N/A	N/A	N/A		N/A	N/A
S.U. Non-Recurring	0		0	9.138%	0	0	0	N/A		0	0
sub-total:	2,722,874	(281,432)	2,441,442		151,379	77,556	0	0		0	77,556
Occup. Health & Safety Managem	491,430		491,430	9.138%	44,907	23,007	N/A	N/A		0	23,007
sub-total:	491,430	0	491,430		44,907	23,007	0	0		0	23,007
Sanitation Fac. Const.											
Area Wide Operations	5,418,522	(506,006)	4,912,516	N/A	N/A	N/A	N/A	N/A		N/A	N/A
Chinle/Pinon	66,609		66,609	N/A	N/A	N/A	N/A	N/A		N/A	N/A
Ft. Defiance	344,964		344,964	N/A	N/A	N/A	N/A	N/A		N/A	N/A
Shiprock/Red Mesa	147,180		147,180	N/A	N/A	N/A	N/A	N/A		N/A	N/A
SFCB - 86-121	0		0	N/A	N/A	N/A	N/A	N/A		N/A	N/A
O&M Training (NTUA)	0		0	N/A	N/A	N/A	N/A	N/A		N/A	N/A
NECA contract	133,816		133,816	N/A	N/A	N/A	N/A	N/A		N/A	N/A
sub-total:	6,111,091	(506,006)	5,605,085		0	0	0	0		0	0
Injury Prevention											
Area & SU Projects	278,284		278,284	N/A	N/A	N/A	N/A	N/A		N/A	N/A
IP - NAO	105,000		105,000	9.138%	9,595	4,916	N/A	N/A		0	4,916
IP - Ft Defiance	23,800		23,800	N/A	N/A	N/A	N/A	N/A		N/A	N/A
IP - Chinle	43,300		43,300	N/A	N/A	N/A	N/A	N/A		N/A	N/A
IP - Sage	12,884		12,884	N/A	N/A	N/A	N/A	N/A		N/A	N/A
IP - GIMC	51,616		51,616	N/A	N/A	N/A	N/A	N/A		N/A	N/A
IP - Crownpoint	25,900		25,900	N/A	N/A	N/A	N/A	N/A		N/A	N/A
IP - Winslow	25,716		25,716	N/A	N/A	N/A	N/A	N/A		N/A	N/A
sub-total:	566,500	0	566,500		9,595	4,916	0	0		0	4,916
Total OEH:	9,891,895	(787,438)	9,104,457		205,880	105,478	0	0		0	105,479
Totals:	23,529,534	(4,242,835)	19,286,699		959,959	491,815	34,301	78,139		112,440	185,001

1) P/F (Program Formula). \$25,000 available for each of 8-Service Units minus \$8,740 for Sage contract = \$16,260
 2) \$100K to be included in 106 (a) (1) amount for FY-2011.

ATTACHMENT C-A

**FT. DEFIANCE INDIAN HEALTH BOARD, INC.
 FY 2010 Area Office Reserve Shares - Recurring Base Only
 March 28, 2010 thru September 30, 2010**

	FY-2009 Recurring Base	Less 2010 Residual	FY-2009 for FY-2010 Funding Base	Annualized Ft. Defiance & Sanders Share Amount @ 100%	March 28, 2010 thru Sep 30, 2010 @ 51.233%	FY 2010 Shares Taken	FY 2010 Shares Retain
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Hospital and Clinics				9.138%	51.233%		
201 AW Reserve	5,756,957	0	5,756,957	526,071	269,521	269,521	0
Contract Health Care							
523 CHS Reserve	127,702	0	127,702	11,669	5,979	5,979	0
Totals:	5,884,659	0	5,884,659	537,740	275,500	275,500	0

revised by v.barney 1/27/2010

FORT DEFIANCE INDIAN HOSPITAL BOARD, INC.
GALLUP REGIONAL SUPPLY SERVICE CENTER OPERATION & STORES SHARES
FISCAL YEAR 2010
MARCH 28, 2010 TO SEPTEMBER 30, 2010

	FY 2009 SHARES AVAILABLE	FY 2010 SHARES AVAILABLE @51.233%	FDIHB Election Taken	FDIHB Election Retained	FY 2010 SHARES TAKEN (Footnote 3)	FY 2010 SHARES RETAINED
Hospital & Clinics (HC)						
Operational (12.242% of \$2,261,177)	276,813	141,820		X		141,820
FDIH Stores	1,309,519	670,906	X		670,906	
NaHaTa Dził Stores	4,357	2,232	X		2,232	
Dental						
Operational (12.242% of \$57,852)	7,082	3,628		X		3,628
Stores	53,963	27,647	X		27,647	
TOTAL	1,651,734	846,233			700,785	145,448

NOTES:

- 1) All numbers above reflect FY-2009 appropriations and will be adjusted when FY-2010 appropriations are received.
- 2) On March 28, 2010, FDIH will pay a "deposit on file" of \$542,000 for one (1) month of anticipated stores and prime vendor for the remainder of the fiscal year on purchases from GRSSC.
- 3) FY 2010 shares taken will be reflected in Attachment "B", Program Funding Table.

Table #4

HQ PFSAs for FY 2010 TSA and Program Formula Lines
\$ in Pool, Allocable Shares, Shares for Contracted SUs, and Transfer Schedule
Based on FY 2009 Appropriation.

Ft. Defiance Indian Hospital Board, Inc.		9.138% of Service Unit Contracted				\$12,334,426									
		TSA	P	\$ in Shares Pool	Tribes Allocable Shares	% SUs Contracted	FY 2010 Annualized Shares	Mar. 28 to Sep. 30, 2010 = 187/365 Days = 51.233%	Liquid %	FY 2010 Shares Available	FDIHB Election Taken	FDIHB Election Retained	IHS Declined	FY 2010 Taken	FY 2010 Retained
				(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(8)	(8)	(9)	(10)
Hospitals & Clinics				\$58,074,796	\$8,443,196		\$734,843	\$376,483		\$188,811				\$71,333	\$121,115
101	Emergency Fund		x	\$4,073,455	\$0		\$0	\$0							
105	Management Initiatives		x	\$2,109,528	\$0		\$0	\$0							
106	A.C.O.G. Contract		x	\$101,064	\$16,973	9.138%	\$1,551	\$795	100%	\$795		X		\$0	\$795
107	H.P./D.P. Initiatives		x	\$3,824,498	\$307,928	9.138%	\$28,138	\$14,416	100%	\$14,416	X			\$14,416	\$0
110	N.E.C.I.		x	\$1,134,619	\$190,722	9.138%	\$17,428	\$8,929	35%	\$3,125	X			\$3,125	\$0
111	Nurse Initiatives		x	\$1,314,403	\$215,551	9.138%	\$19,697	\$10,091	100%	\$10,091	X			\$10,091	\$0
112	Nursing Costeps		x	\$659,677	\$110,881	9.138%	\$10,132	\$5,191	54%	\$2,803	X			\$2,803	\$0
113	Chief Clinical Consultant		x	\$283,530	\$47,665	9.138%	\$4,356	\$2,232	100%	\$2,232	X			\$2,232	\$0
118	Research Projects		x	\$1,307,823	\$218,729	9.138%	N/A	N/A			X		X (Note 1)	\$0	\$0
119	A.A.I.P. Contract		x	\$27,401	\$4,607	9.138%	\$421	\$216	100%	\$216	X			\$216	\$0
120	Clinical Support Center-Phoenix		x	\$1,747,282	\$310,744	9.138%	\$28,396	\$14,548	25%	\$3,637	75%	25%		\$3,637	\$3,637
121	Costeps-Non Physicians		x	\$83,400	\$14,003	9.138%	\$1,280	\$656	100%	\$656	X			\$656	\$0
123	Physician Residency		x	\$282,707	\$47,527	9.138%	\$4,343	\$2,225	39%	\$868	X			\$868	\$0
124	Recruitment/Retention		x	\$2,120,945	\$356,536	9.138%	\$32,580	\$16,692	100%	\$16,692	X			\$16,692	\$0
125	U.S.U.H.S., etc.		x	\$3,107,415	\$522,387	9.138%	\$47,736	\$24,456	39%	\$9,538	X			\$9,538	\$0
126	D.I.R. Support Fund		x	\$22,124,311	\$3,719,923	9.138%	\$339,927	\$174,155	67%	\$116,684		X		\$0	\$116,684
127	Evaluation		x	\$1,087,520	\$182,846	9.138%	N/A	N/A			X		X (Note 1)	\$0	\$0
128	National Indian Health Board		x	\$470,638	\$78,580	9.138%	\$7,181	\$3,679	100%	\$3,679	X			\$3,679	\$0
129	Albuq/HQ Administration		x	\$910,834	\$173,105	9.138%	\$15,818	\$8,104	0%	\$0	X			\$0	\$0
130	Nutrition Training Center		x	\$353,643	\$64,266	9.138%	\$5,873	\$3,009	0%	\$0	X			\$0	\$0
131	Diabetes Program-Albuq HQ		x	\$1,310,238	\$229,557	9.138%	\$20,977	\$10,747	26%	\$2,794	X			\$2,794	\$0
132	Cancer Prevention-Albuq HQ		x	\$728,680	\$128,465	9.138%	\$11,739	\$6,014	0%	\$0	X			\$0	\$0
133	Health Records		x	\$139,697	\$18,514	9.138%	\$1,692	\$867	0%	\$0	X			\$0	\$0
135	Handicapped Children		x	\$354,492	\$62,634	9.138%	\$5,723	\$2,932	20%	\$586	X			\$586	\$0
137	National DIR Support-Albuq HQ		x	\$8,416,996	\$1,421,051	9.138%	\$129,856	\$66,529	0%	\$0		X		\$0	\$0

Table #4

HQ PFSAs for FY 2010 TSA and Program Formula Lines
\$ in Pool, Allocable Shares, Shares for Contracted SUs, and Transfer Schedule
Based on FY 2009 Appropriation.

Ft. Defiance Indian Hospital Board, Inc.		9.138% of Service Unit Contracted							\$12,334,426						
		T S A	P F	\$ in Shares Pool	Tribes Allocable Shares	% SUs Con- tracted	FY 2010 Annualized Shares	Mar. 28 to Sep. 30, 2010 = 187/365 Days = 51.233%	Liquid %	FY 2010 Shares Available	FDIHB Election Taken	FDIHB Election Retained	IHS Declined	FY 2010 Taken	FY 2010 Retained
				(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(8)	(8)	(9)	(10)
Dental Health				\$5,177,753	\$222,013		\$20,288	\$10,394		\$5,197				\$5,197	
201	IHS Dental Program	x		\$1,041,724	\$222,013	9.138%	\$20,288	\$10,394	50%	\$5,197	X			\$5,197	\$0
202	IHS Dental Program-PgmFormula	x		\$4,136,028	\$0		\$0	\$0							
Mental Health				\$2,271,462	\$385,091		\$35,189	\$18,028		\$10,120				\$10,120	
301	Technical Assistance	x		\$1,526,443	\$259,862	9.138%	\$23,746	\$12,166	35%	\$4,258	X			\$4,258	\$0
302	C.M.I. Grants	x		\$636,152	\$106,943	9.138%	\$9,772	\$5,007	100%	\$5,007	X			\$5,007	\$0
303	National Conference	x		\$108,867	\$18,285	9.138%	\$1,671	\$856	100%	\$856	X			\$856	\$0
Contract Health Care				\$9,844,026	\$435,379		\$39,785	\$20,383		\$20,383				\$20,383	
501	Fiscal Intermediary	x		\$7,256,795	\$0		\$0	\$0							
504	C.H.S. Reserve & Undistributed	x		\$2,587,231	\$435,379	9.138%	\$39,785	\$20,383	100%	\$20,383	X			\$20,383	\$0
Direct Operations				\$16,955,715	\$2,848,747		\$260,320	\$133,369		\$20,005				\$20,005	\$21,873
1301	Direct Operations-Rockville	x		\$16,955,715	\$2,848,747	9.138%	\$260,319	\$133,369	15%	\$20,005	83.60%	16.40%		\$20,005	\$21,873
Facilities & Envr.Hlth.Support				\$7,467,970	\$0		\$0	\$0						\$0	
2401	San. Facilities Constr. Support	x		\$2,212,093	\$0		\$0	\$0						\$0	
2402	Environ. Health Svcs. Support	x		\$1,332,691	\$0		\$0	\$0						\$0	
2403	Facilities & Realty Support	x		\$2,150,388	\$0		\$0	\$0						\$0	
2404	Facilities Engineering Support	x		\$1,316,924	\$0		\$0	\$0						\$0	
2405	Engineering Services Support	x		\$455,875	\$0		\$0	\$0						\$0	
<i>Other:</i>										\$244,516				\$127,038	\$142,989

Table #4

HQ PFSA's for FY 2010 TSA and Program Formula Lines
\$ in Pool, Allocable Shares, Shares for Contracted SUs, and Transfer Schedule
Based on FY 2009 Appropriation.

Ft. Defiance Indian Hospital Board, Inc.			9.138% of Service Unit Contracted				\$12,334,426									
			TSA	PF	\$ in Shares Pool	Tribes Allocable Shares	% SUs Contracted	FY 2010 Annualized Shares	Mar. 28 to Sep. 30, 2010 = 187/365 Days = 51.233%	Liquid %	FY 2010 Shares Available	FDIHB Election Taken	FDIHB Election Retained	IHS Declined	FY 2010 Taken	FY 2010 Retained
					(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(8)	(8)	(9)	(10)
TOTALS																
	TSA	Program Formula			\$ in Shares Pool	Tribes Allocable Shares		FY 2010 Annualized Shares	Mar. 28 to Sep. 30, 2010 = 187/365 Days = 51.233%							
	\$72,663,988	\$27,127,735			\$99,791,723	\$12,334,426		\$1,090,424	\$558,657							
<i>Enter % of year covered by Period of Performance</i>																
<i>Multiply with 12 month total to get amount due</i>																
<i>Final Negotiated Amount Considered Factors</i>																
<i>The IHS negotiator is responsible for discounting the eligible amount IF: 1) the Tribe elects not to take 100% of the respective PFSA, and/or.</i>																
<i>2) the period is not a full year</i>																
<i>Tribal Size Adjustment (TSA) LINES: The amount shown in the Shares column was determined based on the TSA formula during April 1997 (FY 1997 budget). Since then, annual adjustments were made to shares that are proportional to increases/decreases in the IHS appropriations.</i>																
<i>Annual adjustments will be applied to FY 2002 shares.</i>																
<i>PROGRAM FORMULA (PF) LINES: The amounts shown in the Shares column is determined annually by separate formula in which results may differ from year to year. If program formula line shows zero shares, the AFA may qualify for an amount when the program formula is applied later in the year.</i>																
NOTE:																
1) Navajo Nation has contracted the Research & Evaluation Project shares.																

ATTACHMENT E

NAVAJO AREA INDIAN HEALTH SERVICE
FY 2010 TITLE I CORE RESIDUAL PLAN

TITLE	GRADE/ STEP	SALARY	BENEFITS	TOTAL S & B	31.00% OPERATION COST	TOTAL COST	
OFFICE OF THE DIRECTOR							
AREA DIRECTOR	ES 00/0	185,760	47,812	233,572	72,408	305,980	DO
AREA CHIEF MED OFCR	GP 15/1	232,882	58,930	291,812	90,462	382,274	DO **
ATTORNEY	GS 15/1	119,248	30,175	149,423	46,321	195,744	HC
SECRETARY (TYP)	GS 09/9	63,015	15,946	78,961	24,478	103,439	DO
SECRETARY (TYP)	GS 09/9	63,015	15,946	78,961	24,478	103,439	DO
		663,920	168,809	832,729	258,147	1,090,876	
FINANCIAL MANAGEMENT BRANCH							
FINANCIAL MANAGER	GS 14/0	129,571	33,350	162,921	50,506	213,427	DO
AUDITOR	GS 12/3	76,952	19,472	96,424	29,892	126,316	HC
BUDGET OFFICER	GS 12/5	81,761	20,689	102,450	31,760	134,210	HC
ACCOUNT TECH	GS 07/5	46,094	11,664	57,758	17,905	75,663	HC
ACCOUNTING OFFICER	GS 12/5	81,761	20,689	102,450	31,760	134,210	HC
		416,139	105,864	522,003	161,823	683,826	
DIVISION OF ADMINISTRATIVE SERVICES							
SUPVY GEN SUP SPEC.	GS 14/0	129,571	33,350	162,921	50,506	213,427	DO
		129,571	33,350	162,921	50,506	213,427	
CONTRACTS & GRANTS BRANCH							
SUPVY CONTRACT SPEC.	GS 14/5	114,896	29,074	143,970	44,631	188,601	HC
SUPVY CONTRACT SPEC.	GM 13/0	109,647	28,222	137,869	42,739	180,608	HC
CONTRACT SPECIALIST	GS 12/8	88,974	22,514	111,488	34,561	146,049	HC
		313,517	79,810	393,327	121,931	515,258	
PERSONNEL MANAGEMENT BRANCH							
PERSONNEL OFFICER	GS 14/7	121,655	30,784	152,439	47,256	199,695	DO*
PERSONNEL STAFFING SPEC	GS 11/0	76,922	19,799	96,721	29,983	126,704	HC
		198,577	50,583	249,160	77,239	326,399	
MANAGEMENT INFORMATION SYSTEM							
SUPVY COMPUTER SPEC	GS 14/6	118,275	29,929	148,204	45,943	194,147	HC
		118,275	29,929	148,204	45,943	194,147	
OFFICE OF ENVIRONMENTAL HEALTH & ENGINEERING							
Facilities Management:							
SUPVY GENERAL ENGINEER	GM 14/0	129,571	33,350	162,921	50,506	213,427	FM
CIVIL ENGINEER	GS 12/7	86,569	21,906	108,475	33,627	142,102	FM
		216,140	55,256	271,396	84,133	355,529	
Office of OEHE Director:							
ADMINISTRATIVE OFFICER	GS 12/0	92,200	23,731	115,931	35,939	151,870	50% @ OEH/FM
DIRECTOR	CO 06/+37	124,757	32,111	156,868	48,629	205,497	OEH/EHS
		216,957	55,842	272,799	84,568	357,367	
Sanitation Facilities Construction:							
SUPVY GENERAL ENGINEER	GS 14/0	129,571	33,350	162,921	50,506	213,427	OEH
GENERAL ENGINEER	GS 13/0	109,647	28,222	137,869	42,739	180,608	OEH
GENERAL ENGINEER	GS 11/5	68,213	17,261	85,474	26,497	111,971	OEH
		307,431	78,833	386,264	119,742	506,006	
TOTAL TITLE I RESIDUAL PLAN	24	2,580,527	658,276	3,238,803	1,004,032	4,242,835	

* STEP INCREASE

** GRADE CHANGE FROM CO TO GP

prepared by v.barney 05/27/2009

FY 2010 BUYBACK AGREEMENT

BETWEEN

FORT DEFIANCE INDIAN HOSPITAL BOARD, INC.

AND

THE NAVAJO AREA INDIAN HEALTH SERVICE

SECTION 1 - General. Pursuant to Section 5(A) of the FY 2010 Annual Funding Agreement (“AFA”) between the Navajo Area Indian Health Service (“NAIHS”) and the Fort Defiance Indian Hospital Board, Inc. (“FDIHB”), FDIHB has determined that it wishes to carry out its responsibility to provide certain programs, functions, services and activities (“PFSAs”) utilizing services of personnel of the Federal Government, under Article V, Section 5 of the Indian Self-Determination Act (“ISDA”) contract between NAIHS and FDIHB, effective January 29, 2010 (“Contract”), as permitted by law. The terms of this buyback agreement (“Buyback Agreement”) are set forth below. The cost of providing the purchased services to FDIHB shall be determined under Section 2 below. FDIHB’s purchase of services is contingent upon the availability of Indian Health Service (“IHS”) resources to provide those services.

SECTION 2 - Determination of Costs and FDIHB Payment Obligations.

2.1 General Payment Obligations of FDIHB. FDIHB shall be responsible for reimbursing NAIHS for the total costs of all NAIHS employees assigned to work for FDIHB during FY 2010 pursuant to either an Intergovernmental Personnel Act assignment (“IPA”) or commissioned officer assignment under a Memorandum of Agreement (“MOA”), including administrative support costs detailed in Section 2.4 below (collectively, “Total IPA/MOA Costs”). FDIHB shall reimburse NAIHS for the Total IPA/MOA Costs through the placement of certain funds in an escrow account, as described in Section 2.2 below, as well as through monthly payments as provided for in Section 3.1.2 below.

2.2 Escrow Account. The Total IPA/MOA Costs will be paid to FDIHB as a lump sum advance payment for the term of the AFA in accordance with Section 5 of the AFA. Pursuant to the terms of the Escrow Agreement (as defined below), FDIHB shall thereafter place an amount equal to two months of the Total IPA/MOA Costs, based on the initial mutually agreed upon estimate of the total IPA/MOA costs as provided in Section 3.1.1.1 and Appendix A attached hereto, into an account established by FDIHB with Wells Fargo Bank, N.A. (“Escrow Account”). All funds placed into the Escrow Account (“Escrow Withhold Amount”) shall be managed and disbursed in accordance with the terms of an escrow agreement, substantially in the form of Appendix B hereto, entered into between FDIHB, Wells Fargo Bank, N.A. and NAIHS (“Escrow Agreement”). For the last two months of the Annual Funding Agreement (“AFA”) term, the costs for IPA/MOA salaries and other costs under this Buyback Agreement will be adjusted under Section 3.2.1 to project a zero balance in the Escrow Account at the end of the

AFA term. All other expenses described in Section 2.3.1 will be calculated and included in the next bill following the quarterly reconciliation provided for in Section 5(J) of the AFA.

2.3 Determination of IPA/MOA Costs.

2.3.1 List of Costs. Except as expressly set forth below, it is agreed by the parties that the Total IPA/MOA Costs, including costs associated with the initiation, maintenance, and termination of the assignments, are the responsibility of FDIHB. NAIHS must be reimbursed for all such costs, which include but are not limited to the following:

2.3.1.1 Salary and employee benefit costs;

2.3.1.2 Permanent change of station costs for employees relocating to Fort Defiance, and for commissioned officers separating or retiring and returning to their home of record;

2.3.1.3 Recruitment, relocation and retention bonuses, allowances and special pays if necessary to attract or retain employees;

2.3.1.4 Severance pay for employees who voluntarily terminate their IPA/MOA or who are released by FDIHB and who are then involuntarily separated by NAIHS, provided, however, that NAIHS shall make a good faith effort to place these employees in other vacant positions in the NAIHS, and NAIHS must be reimbursed for that portion of any severance pay attributable to the pro-rated length of time the employee was on IPA or MOA assignment to FDIHB prior to separation pursuant to a reduction in force by IHS, unless a greater portion of such costs are made available to FDIHB from IHS through contract support costs or other funds. In the event a greater portion of such costs are made available to FDIHB from IHS through contract support costs or other funds, FDIHB shall reimburse that portion or all of such cost commensurate with the amount provided by IHS for that purpose.

2.3.1.5 To the extent that IHS has not assumed responsibility for this cost, Unemployment Insurance compensation paid to employees who voluntarily terminate their IPAs or MOAs or who are released by FDIHB and separated without cause by NAIHS.

2.3.1.6 That portion of any lump sum leave payment (“Lump Sum Leave”) due an employee at the end of their IPA/MOA assignment attributable to the pro-rated length of time the employee was on IPA or MOA assignment to FDIHB, unless a greater portion of such costs are made available to FDIHB from IHS through contract support costs or other funds, and in that event, FDIHB shall reimburse that portion or all of such cost commensurate with the amount provided by IHS for that purpose. All leave accrued by an employee prior to his/her assignment to FDIHB shall be identified in the IPA/MOA negotiated between the parties. In calculating each party’s pro-rata share of Lump Sum Leave, the parties will use a first-in, first-out method of determining an employee’s leave balance on the date the employee becomes eligible to receive such Lump Sum Leave. For example, if an IHS employee begins her IPA

assignment with 100 hours of accrued annual leave and uses 80 hours of annual leave between the beginning of the IPA assignment and the date the IPA is terminated, IHS's pro rata share of Lump Sum Leave costs would be 20 hours (100 hours at start of IPA minus 80 hours used).

2.3.1.7 Costs associated with settling or resolving employment-related disputes, subject to the terms specified in Section 2.3.2 below, provided that the dispute arose while the employee was assigned to FDIHB as an IPA/MOA.

2.3.2 Costs Related to Employment-Related Disputes.

2.3.2.1 Responsibilities of the IHS. IHS shall be responsible for the payment of all costs of the IHS Headquarters and NAIHS Human Resources and any other section of the IHS, Department of Health and Human Services ("DHHS") Office of General Counsel, and other DHHS offices associated with the processing, settlement or other resolution of disciplinary actions, grievances, requests for investigations, or appeals to the Merit System Protection Board, the Equal Employment Opportunity Commission, the Office of Special Counsel, the Federal Labor Relations Authority or any other forum initiated by Federal employees assigned to FDIHB under an IPA or MOA, or by a union on behalf of such employees ("Covered Disputes"). FDIHB will pay for or reimburse the IHS for such costs to the extent provided in section 2.3.2.2.

2.3.2.2 Reimbursable Employment-Related Dispute Costs FDIHB will pay for or reimburse the IHS for costs associated with processing, settlement or other resolution of employment-related disputes such as those listed in Section 2.3.2.1 under the following conditions:

2.3.2.2.1 Only costs associated with Covered Disputes that arose from conduct, performance, or other circumstances alleged to have occurred during the course of the employee's assignment to FDIHB. Such costs include, but are not limited to, awards and settlements consisting of back pay, compensatory/consequential damages and attorney fees and costs, travel costs necessary to investigate the case and represent the IHS at hearings or in other proceedings during the applicable appeal process, costs of obtaining and preserving witness testimony, and other similar costs incurred as a result of the IHS defending itself in these matters.

2.3.2.2.2 FDIHB will not be responsible for any salary costs of IHS, DHHS Office of General Counsel or other DHHS employees for time expended in connection with employment-related disputes.

2.3.2.3 IPA/MOA Employment Related Dispute Costs. The parties recognize the need to ensure that IHS recovers the full costs associated with employment-related disputes involving employees assigned to FDIHB under IPAs/MOAs (to the extent that such disputes arise from conduct, performance, or other circumstances alleged to have occurred during the course of the employee's assignment to FDIHB). The IHS may seek payment or reimbursement from FDIHB for such costs as provided in Section 2.3.2. FDIHB will make

payments for such costs within 10 business days of receipt of a written request for payment by NAIHS.

2.4 Administrative Support Costs and Costs for Expenses Associated with IPAs/MOAs.

2.4.1. IHS Headquarters Amount. For FY 2010 FDIHB will pay NAIHS \$450,000 per year to cover IHS Headquarters expenses charged to NAIHS, including human resources assessments. These funds will also be used to provide for those costs associated with IPA and MOA employees that are paid centrally by IHS Headquarters and reimbursed from NAIHS and service unit funds. These include costs associated with financial management, Commissioned Corps, Personnel and Payroll and Human Resources assessments. For the purposes of this Buyback Agreement, these amounts will be reconciled based on actual costs, with the exception of the amounts attributable to finance charges, which will be calculated based on seventy-five percent (75%) of the actual full time employee finance charges incurred by NAIHS for IHS employees employed at directly-operated IHS facilities. Monthly payments shall be made pursuant to the payment schedule set forth in Section 3.1.2 below and A.2 of Appendix A.

2.4.2 Division of Commissioned Personnel Administrative Support Amount. For FY 2010, FDIHB will pay NAIHS \$67 per MOA employee per month to cover Division of Commissioned Personnel Administrative support costs. These costs supports the salary, benefits, travel, training, and supplies for the Division of Commissioned Personnel Support Regional Liaison Offices. Liaisons serve as a crucial link between Headquarters and officers in the field by providing subject matter expertise in policy and administrative guidance. Empower Commissioned Officers to make informed career decisions. Advise and counsel Commissioned Officers, Civil Service supervisors and IHS Officials on Commissioned Officer policy, procedures and career development. Serve as advocates for Commissioned Officers promoting culture of Commissioned Officers (vision, mission and values). Advise upon and process vital personnel actions such as: assignments, electronic official personnel folder (e-OPF), promotions, adverse actions, grievances, pay, separations, performance evaluations, facilitate the deployment process, recruitment, awards and compliance with basic readiness. The cost is calculated based on the projected operating expenses of these Division of Commission Personnel Support Regional Offices divided by the number of all Commissioned Officers serving the Indian Health Service multiplied by the number of Commissioned Officers serving at FDIHB at a certain point in time. Monthly payments shall be made pursuant to the payment schedule set forth in Section 3.1.2 below and A.4 of Appendix A.

2.4.3. NAIHS Amount. For IPA/MOA support costs incurred at the Area Office level, FDIHB shall pay NAIHS \$37.50 per IPA/MOA employee per month based on the actual number of IPA/MOA employees working at FDIHB each month. Monthly payments shall be made pursuant to the payment schedule set forth in Section 3.1.2 below and A.3 of Appendix A. These funds will be used to cover costs of human resources and accounting/finance support to NAIHS related to IPA/MOAs assigned to FDIHB.

2.4.4 Limitation on Charges. Except as provided in Sections 2.3, 2.4 or 2.5, there shall be no additional overhead, user, or administrative charges or assessments for providing services under this Buyback Agreement to FDIHB, unless otherwise agreed to by the parties. The parties agree to negotiate any necessary amendment to this Buyback Agreement in the event that NAIHS should incur any unforeseen costs in connection with provision of such services.

2.5 Agency Contingent Liability Pool

The parties agree that NAIHS shall pay for (1) severance costs incurred by NAIHS pursuant to the terms of Section 2.3.1.4; (2) Lump Sum Leave costs incurred by NAIHS pursuant to the terms of Section 2.3.1.6; and (3) employment-related dispute costs incurred pursuant to Section 2.3.2 by using funds set aside by NAIHS from the Fort Defiance Service Unit third party reimbursement carryover balance as of January 29, 2010 (hereinafter the “Contingent Liability Pool”). The parties agree that the amount of funds initially placed in the Contingent Liability Pool shall be \$975,000. The parties further agree that, should FDIHB enter into a successor ISDA contract with NAIHS for the operation of the Fort Defiance Service Area, any funds remaining in the Severance and Leave Pool at the end of the current Contract term (September 30, 2012) shall be transferred to FDIHB’s new contract on or before October 15, 2012. Ninety (90) days prior to the end of each fiscal year, NAIHS shall conduct a review and prepare a report for transmittal to FDIHB that states the expenditures from the Contingent Liability Pool during the prior year and the current, reasonable funding needs for the Pool.

2.6 Buyback of Other Goods or Services

The parties acknowledge that from time to time, FDIHB may request to buyback other goods or services from NAIHS. Upon request by FDIHB, NAIHS will evaluate whether it has the resources necessary to carry out the proposed buyback arrangement and determine the cost of the proposed buyback using the procedures set forth in the DOI/DHHS Title I Internal Agency Procedures Manual. Any services that the parties have agreed shall be provided through a buyback arrangement shall be identified in Appendix A attached hereto. The amount of such services, and the method of payment for such services, shall be identified in Appendix A.

SECTION 3 - Method of Payment.

3.1 Purchases through Buyback under Section 2.3 and 2.5.

3.1.1 Calculations.

3.1.1.1 Initial Estimated Monthly Payment. The initial estimated monthly payment is determined by calculating the monthly cost of services to be purchased from NAIHS, including IPA/MOA costs listed in Sections 2.3.1.1, 2.3.1.3, and administrative support

costs and centrally paid expenses described in Section 2.4. See Appendix A for calculation of the amount of the initial estimated monthly payment.

3.1.2 Payment Schedule.

3.1.2.1 First Payment. For the month of April 2010, NAIHS will send FDIHB a bill of collection (“BOC”) on or before April 10, 2010 which shall be an estimate of IPA/MOA costs to be incurred by NAIHS for April 2010. FDIHB shall pay NAIHS the full amount set forth in the April 2010 BOC within five (5) business days of receipt of such Bill of Collection.

3.1.2.2 Payroll Data. For each federal IPA/MOA employee, IHS shall provide to FDIHB a detailed, accurate and timely accounting of all costs to be paid under this Buyback Agreement. This accounting shall be based on actual payroll costs and shall include detailed costs for salaries, bonuses, allowances and benefits and any other costs enumerated in Section 2.3 of this Buyback Agreement. The data shall include the full name and the last four digits of the Social Security number of the IPA/MOA employee and any other data available to the IHS and requested by FDIHB to permit FDIHB to positively identify the IPA/MOA employee. The data shall be provided in machine readable form or alternatively IHS shall provide FDIHB with direct access to the described IPA/MOA employee payroll information through access to govnet-ng.gov or some other data system.

3.1.2.3 Subsequent Estimated Monthly Payments. For the months of May 2010 through July 2010, FDIHB's monthly payments for IPA/MOA costs for each month will be estimated by NAIHS, based on the actual costs for payroll and associated benefits as provided in the IHS data flowback payroll data and NAIHS shall send a BOC to FDIHB on or before the 25th day of the month immediately preceding the month for which payment is due. For example, on or before April 25, 2010, NAIHS will send FDIHB a BOC for May 2010 IPA/MOA costs. FDIHB shall thereafter be responsible for paying the full amount set forth in the BOC on or before the 10th day of the month following the month in which it receives the BOC. For example, payment for the May 2010 IPA/MOA costs shall be due on or before May 10, 2010.

3.1.2.4 Use of Escrow Funds. Unless NAIHS chooses to exercise its rights under this Buyback Agreement and the Escrow Agreement to exercise an early withdrawal of funds in the Escrow Account due to a Default, as defined in Section 3.1.2.5, on the part of FDIHB, the final two months of payments for IPA/MOA costs for the AFA term shall be covered by the Escrow Withhold Amount, and shall be paid to NAIHS by the Escrow Agent via wire transfer pursuant to the following schedule:

- (a) **August 10, 2010:** \$ 2,384,027
- (b) **September 10, 2010:** \$2,384,027

3.1.2.5. Late Payment Notice and Opportunity to Cure. If a payment is not received by the 10th day of the month in which it is due (or the first working day thereafter if the 10th day falls on a weekend or Federal holiday), the NAIHS shall give FDIHB written notice via facsimile or e-mail (“Late Payment Notice”) that payment has not been timely received and that payment must be made within five (5) business days from the date of such Late Payment Notice. Failure by FDIHB to pay the full amount of funds owed (“Late Payment Amount”) within such five (5) business day period shall be deemed a default under this Buyback Agreement (“Default”), and shall entitle NAIHS to exercise the rights identified in Section 3.1.2.6 below and in the Escrow Agreement. In addition, in the event that one or more Defaults occur during the term of this Buyback Agreement, NAIHS may, in its sole discretion, choose in subsequent years during the term of the Contract to withhold three (3) months of IPA/MOA costs out of funds that would otherwise be payable to FDIHB in subsequent AFAs, rather than using the Escrow Withhold mechanism.

3.1.2.6 Default Provisions. In the event that FDIHB has committed a Default as defined in Section 3.1.2.5 above, NAIHS shall have the right to do one or both of the following:

(a) NAIHS may exercise its rights under the Escrow Agreement to require that the Escrow Agent withdraw from the Escrow Account an amount of funds equal to the Late Payment Amount and immediately transfer such funds to NAIHS.

(b) NAIHS may terminate the IPAs/MOAs and institute a reduction in force (“RIF”) or redeploy federal employees assigned to FDIHB. In the event that NAIHS chooses to exercise its right to terminate the IPAs/MOAs pursuant to Section 3.1.2.6, it shall not be required to provide the 65-day advance notice otherwise required to terminate IPAs or MOAs. In the event that NAIHS chooses to terminate the IPAs/MOAs under this Subsection 3.1.2.6(b), it shall also have the right to require the Escrow Agent to withdraw from the Escrow Account all of the Escrow Withhold Funds then remaining in the Escrow Account, other than any interest earned thereon, which shall remain the property of FDIHB.

3.1.2.7 Continuing Payment Obligations of FDIHB. FDIHB acknowledges and agrees that NAIHS’s decision to exercise its rights under Subsection 3.1.2.6 above to withdraw funds from the Escrow Account does not in any way relieve FDIHB of its obligation under this Buyback Agreement to pay to NAIHS any Late Payment Amount that remains unpaid, and FDIHB shall pay such Late Payment Amount to NAIHS as expeditiously as possible.

3.2 Reconciliation and Adjustment.

3.2.1 IPA/MOA Costs. An accounting of all known IPA/MOA costs covered under Section 2.3 will be provided to FDIHB at the reconciliation meetings provided for in the AFA. At the end of each quarter of the federal fiscal year, NAIHS and FDIHB will review the expenses and the funds withheld to cover such expenses for the preceding quarter. The monthly

estimated payment due for the balance of the AFA term will be adjusted accordingly to account for IPA/MOA costs under Section 2.3.1 not withheld in the initial monthly estimated payment under Section 3.1.1.1 or any over or under collections in order to project a zero balance at the end of the AFA term. A full accounting and reconciliation of all IPA/MOA costs shall be completed within sixty (60) days of the end of the last day of the AFA term ("Final Reconciliation"). Within 30 days of delivery of the Final Reconciliation to FDIHB, NAIHS shall return any over recovery to FDIHB. If there is an under recovery by NAIHS, FDIHB shall pay NAIHS the amount of the under recovery within 30 days from delivery of the Final Reconciliation.

3.2.2 Adjustment in Estimated Monthly Payment. In addition to adjustments in estimated payments that may occur under Section 3.2.1, the parties may at any time mutually agree, based on a change in circumstances or costs, to change the estimated monthly payment due from FDIHB. If either party seeks such a change, it shall give notice to the other party of the basis for any such request, and if necessary, the parties shall meet as soon as practicable after receipt of such notice to mutually agree to change the estimated monthly payment. Any such agreed change shall become effective for the next monthly payment due which has not yet been paid.

3.3 Use of Other Funds Due From FDIHB to Avoid Default or Satisfy Obligations to NAIHS and other Remedies. Any amount due to NAIHS by reason of FDIHB's failure to pay in full all amounts owing under this Buyback Agreement or any buyback provisions of the AFA for the previous fiscal year may be recouped by NAIHS from any funds due to FDIHB under the current or subsequent AFA, provided that NAIHS first gives written notice identifying the amounts of funds due.

SECTION 4 - Dispute Resolution. The parties shall endeavor to resolve any disputes concerning amounts due by FDIHB under this Buyback Agreement in a manner agreeable to FDIHB and to NAIHS. In the event of a failure to reach agreement on the resolution of any such dispute, FDIHB may, after providing written notice to NAIHS, choose not to include the disputed amount in any subsequent payment due. Payment or nonpayment in such a manner shall not be considered as a resolution of the dispute. The parties shall thereafter attempt to resolve the dispute through alternative dispute resolution following, as appropriate, the principles and processes set forth in Executive Order 12988 (Feb. 5, 1996), and may jointly agree to utilize any of the alternate dispute resolution procedures described in Article II, Section 12 of the Contract. Any unresolved disputes are subject to the provisions of section 110(d) of the ISDA and Subpart N of 25 C.F.R. Part 900.

SECTION 5 - Effective Date. This Buyback Agreement shall become effective on January 29, 2010, and shall remain in effect for the term of the FY 2010 AFA, unless otherwise extended.

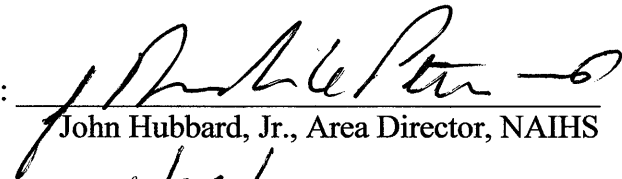
SECTION 6 - Successor Buyback Agreements. The provisions of this Buyback Agreement will be in effect only for the period shown in Section 5. Notwithstanding any

provision in the Contract, AFA or Escrow Agreement to the contrary, the parties agree that this Buyback Agreement will be renegotiated annually. In the event that the parties cannot reach agreement on the terms of a successor buyback agreement prior to the beginning of any subsequent fiscal year during the Contract term, the parties agree that, in lieu of placing funds in an Escrow Account pursuant to the terms of Section 2.2 above, NAIHS shall withhold an amount equal to three (3) monthly payments for Total IPA/MOA Costs, based on the initial mutually agreed upon estimate of the Total IPA/MOA Costs as provided in Section 3.1.1.1 above and Appendix A hereto, from the lump sum advance payment paid in accordance with Section 5 of the AFA.

SECTION 7 - Counting of Days. Except where reference is made to business or working days, any time period specified in this Buyback Agreement will be measured by calendar days.

SECTION 8 - Advance Notice of IPA/MOA Termination. Except as provided in Subsection 3.1.2.6(b), or unless a different notice period is agreed to in writing by the parties to the applicable IPA or MOA, each party hereto shall provide the other party with 30 days advance notice before terminating any IPA or MOA.

NAVAJO AREA INDIAN HEALTH SERVICE

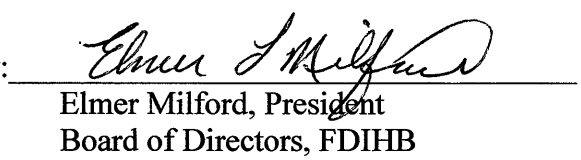
By: 
John Hubbard, Jr., Area Director, NAIHS

Date: 1/28/2010

By: 
Anita Shirleson, Contracting Officer, NAIHS

Date: 1/28/2010

FORT DEFIANCE INDIAN HOSPITAL BOARD, INC.

By: 
Elmer Milford, President
Board of Directors, FDIHB

Date: 1/28/10

Appendix A – Estimated Monthly IPA/MOA Costs
Appendix B – Escrow Agreement

APPENDIX A

ESTIMATED MONTHLY IPA/MOA COSTS

1. ESTIMATED IPA/MOA PAYROLL COSTS:

Total Estimate = \$2,278,120 Per Month

- a) FDIHB will pay NAIHS \$2,278,120 for estimated IPA/MOA Payroll costs for April 2010, on or before April 6, 2010.
- b) NAIHS and FDIHB will reconcile said amount, and NAIHS will reflect adjustment to Bill of Collection (BOC) on the following month's BOC (May 2010).

2. ESTIMATED CENTRALLY PAID HEADQUARTERS EXPENSES: (See Section 2.4.1 of Buyback Agreement)

Estimated at \$900,000 per year/12 mos = \$75,000 per month x 6-mos = \$450,000

3. ESTIMATED NAIHS ADMINISTRATIVE SUPPORT COST: (See Section 2.4.3 of Buyback Agreement)

A. 767 IPAs:

\$ 450 x 767 = \$345,150 Per Year
\$345,150/12 mos = \$28,763 x 6-mos = \$172,578

B. 32 MOAs:

\$802 x 32 = \$25,728
\$25,728/12 mos = \$2,144 per month x 6-mos = \$12,864

4. ESTIMATED HEADQUARTERS DIVISION OF COMMISSIONED PERSONNEL SUPORT ADMINISTRATIVE SUPPORT COST: 32 MOAs (See Section 2.4.2 of Buyback Agreement)

\$802 x 32 MOAs = \$25,728 per year **(BILLED ANNUALLY)**

Total Estimated Monthly IPA/MOA Costs:

1.	Payroll Costs	\$2,278,120
2.	Centrally Paid Expenses Costs	\$75,000
3.	(A) Administrative Support Costs (IPAs)	\$28,763
4.	3 (B) Administrative Support Costs (MOAs)	<u>\$2,144</u>
Total Estimated Monthly Cost		\$2,384,027

FT. DEFIANCE INDIAN HOSPITAL BOARD, INC.
 CONTRACT SUPPORT COST
 FY 2010 AFA
 March 28, 2010 - September 30, 2010

	FY-2008 Funding	FY-2009 Omnibus Appropriations Act (H.R. 1105)	FY-2009 for FY-2010 Funding Base
Indirect CSC (Non-Recurring)	\$0	0	\$0
Direct CSC (Recurring)	\$0	0	\$0
TOTAL	\$0	\$0	\$0

NOTES