

Catastrophic Health Emergency Fund

The following description of the Catastrophic Health Emergency Fund (CHEF) is excerpted from the Indian Health Manual Part 2-3.15.

The fiscal year (FY) 1987 Appropriation Act for the IHS, P.L. 99-591, established the CHEF solely for the purpose of meeting the extraordinary medical costs associated with the treatment of victims of disasters or catastrophic illness who are within the responsibility of IHS.

The term "Catastrophic Illness" refers to conditions that are costly by virtue of the intensity and/or duration of their treatment. Cancer, burns, high-risk births, cardiac disease, end-stage renal disease, strokes, trauma-related cases such as automobile accidents and gunshot wounds, and some mental disorders are examples of conditions that frequently require multiple or prolonged hospital stays and extensive treatment after discharge.

The resources of CHEF will be expended according to the basic requirements of the CHS program, and will be made available to partially reimburse for expenditures on patient who incur extraordinary medical costs.

Obligations against the CHEF in excess of \$50,000 will be made only in cases where local management documents that it would be medically and fiscally inappropriate to transfer the patient to an IHS, tribal, or less costly contract provider.

Requirements for alternate resources shall be met before reimbursement can be expected from the CHEF. The CHEF reimbursements shall be applied only to cases that have been reviewed and approved by the CHEF manager; any amounts not used because of payments by alternate resources or cancellations shall be returned to the Headquarters CHEF account. For specific details on the CHEF, reference the most recent CHEF guidelines.

In addition to the above, a potential CHEF case must also meet the following criteria:

- a. Must be above the current threshold, which for FY 2005 is \$24,700
- b. Must be for an episode of care that began since the beginning of the current CHEF cycle start date, which for this year was September 1, 2004. Prior year charges can be credited toward the threshold only if incurred as part of the same inpatient stay.
- c. Reimbursement can be made for incomplete cases provided the threshold is already exceeded. Incomplete cases will be reimbursed 50%. All catastrophic case.

- d. Inpatient cases over \$75,000 must include a discharge summary and/ progress notes

Potential CHEF cases must be accompanied by a CHEF Reimbursement Request Summary Sheet, signed by the health program Director, paid invoices, appropriate patient record notes, and documentation of alternate resource denial.

The signed Summary Sheet should be forwarded with the appropriate documentation to the California Area Office, attention: Chief Medical Officer.