

## A. IHS Reimbursement Methods

IHS Reimbursement Methods provide an overview of how IHS and Tribes are paid for services rendered to patients in IHS facilities. These methods generally apply to Tribal programs, but should be adjusted as needed.

The Fiscal Intermediaries (FI) and/or carrier process and pay claims. Trailblazer is the sole Medicare FI for IHS. Tribes can use other FIs or carriers. In addition, other payers can pay direct or use other FIs to process and pay claims.

### Indian Health Service Reimbursement Methods

Payer	FI	Provider		Hospital	CAH Hospital	Hospital Outpatient	Ambulatory Surgery	Pharmacy	Dental
		Inpatient	Outpatient						
Medicare	Trailblazers	FFS Part B	FFS Part B	DRG (PPS)	AIR	AIR	ASC rate	FFS 2006	N/A <sup>4</sup>
Medicaid	State FI	FFS	AIR	AIR	AIR	AIR	ASC rate	AIR/FFS	AIR/FFS
Private Insurance	PI FI	FFS	FFS	FFS	FFS	FFS	FFS	FFS	FFS
SCHIP PI <sup>1</sup> Model		FFS	FFS	FFS	FFS	FFS	FFS	FFS	FFS
SCHIP <sup>2</sup> Medicaid Model		FFS	AIR	AIR	AIR	AIR	ASC rate & FFS	AIR & FFS	AIR & FFS
FQHC <sup>3</sup> Tribes only		AIR capped	AIR	N/A	N/A	N/A	N/A	FFS/340B	AIR
FMCRA		FFS	FFS	FFS	FFS	FFS	FFS	FFS	FFS
Military (Army, Navy, etc.)		AIR or TRICARE	AIR or TRICARE	AIR or TRICARE	AIR or TRICARE				
Commission Corp <sup>4</sup>	TRICARE AIR	TRICARE AIR	TRICARE AIR	TRICARE AIR	TRICARE AIR	TRICARE AIR	TRICARE AIR	TRICARE AIR	TRICARE AIR

**Notes:**

1. PI rules apply.
2. Medicaid rules apply.
3. FQHC only pertains to Tribal outpatient clinics. HIS is not eligible for this provider status. Their rates are capped by Medicare regardless of costs and for Medicaid some states pay based on average PPS. The reimbursement is paid to tribes, not IHS.

4. Commissioned Officer and Dependents are eligible for services at remote facilities. TRICARE is the Plan which governs payments and provision of health services.

\*Certain exceptions under Medicare

AIR =	All inclusive rate (per diem) The Medicare and Medicaid AIR is negotiated with CMS and published annually in the Federal Register. CAHs IP and OP Medicare rates are set based on cost reports sent directly to the FI for review. The basis of the AIR is derived from 47 hospital cost reports. IP and OP RPMS Workload is used to calculate the average AIR.
ASC =	ASC = Ambulatory Surgery Center rate
FFS =	Fee-for-service
FMCRA =	Federal Medical Care Recovery Act
FQHC =	Federally Qualified Health Center
SCHIP =	State Children Health Insurance Program