Indian Health Service

PURCHASED REFERRED CARE

Topics

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Purchased Referred Care

As defined in 42 CFR 136 Subpart C:

"Purchased Referred Care means health services provided at the expense of the Indian Health Service from public or private sector medical or hospital facilities other than those of the Service."

Indian Health Service (IHS) Direct Care

Indian Health Service (IHS) C.F.R 42 136.12

Direct Care defined: Care provided at an IHS or Tribal facility.

Indian Descent: A person requesting IHS Direct Care Services must provide proof of enrolled membership; or, proof that he/she descends from an enrolled member, of a federally recognized tribe.

PRC eligibility begins with the eligibility for Direct Care services.

Purchased Referred Care Requirements

Requirements: It is IHS policy to ensure that PRC funds are used to supplement and complement other health care resources available to eligible American Indian and Alaska Native (AI/AN) people. The funds are utilized in situations where:

(1) no IHS direct care facility exists;

(2) the direct care element is incapable of providing required emergency and/or specialty care;

(3) the direct care element has an overflow of medical care workload; and

(4) supplementation of alternate resources (i.e., Medicare, Medicaid, private insurance, Veterans Health Administration) is needed to provide comprehensive health care to eligible AI/AN's.

Persons to whom PRC will be Provided

42 C.F.R 136.23

Purchased Referred Care will be made available as medically indicated, when necessary, health services by an Indian Health Service facility are not reasonably accessible or available, to persons

[42 C.F.R. § 136.23(e)]. To be eligible for PRC, individuals must be eligible for direct care as defined in 42 C.F.R. § 136.12 and either:

(1) reside within the U.S. on a Federally recognized Indian reservation; or

(2) reside within a PRCDA and;

a. are members of the Tribe or Tribes located on that reservation or

b. maintain close economic and social ties with that Tribe or Tribes.

*The PRC program is not an entitlement program and thus, when funds are insufficient to provide the volume of PRC needed, services shall be determined on the basis of relative medical need in accordance with established medical priorities.

California Area Indian Health Service
California as a Purchased Referred Care Delivery Area – 25 USC 1680

- The State of California, excluding the counties of Alameda, Contra Costa, Los Angeles, Marin, Orange, Sacramento, San Francisco, San Mateo, Santa Clara, Kern, Merced, Monterey, Napa, San Benito, San Joaquin, San Luis Obispo, Santa Cruz, Solano, Stanislaus, and Ventura **shall be designated as a Purchased Referred Care delivery area** by the Service for the purpose of providing contract health services to Indians in such State

Close Economic and Social Ties

Unless otherwise established by the Tribe, the basis for determining close economic and social ties includes the following criteria:

(1) employment with a Tribe whose reservation is located within a PRCDA in which the applicant lives;

(2) marriage to an eligible member of the Tribe; or

(3) determination by the Tribe(s), including certification (a written decision by the legal governing body of a Tribe which has legal authority) from the Tribe(s) near where the individuals live that he/she has close economic and social ties with the Tribe whose reservation is located within the PRCDA in which the applicant resides.

Notification Requirement 42 CFR 136.24

Emergent Care: Notify the appropriate PRC staff within 72 hours after the beginning of treatment or admission to a health care facility.

-Providers can notify the appropriate PRC program on behalf of the patient

Elderly: (65 yrs of age or older) and disabled are allowed 30 days to notify IHS/PRC

Non-Emergent Care: Obtain approval **prior** to receiving medical care and services.

This may be waived by the ordering official, if it is determined that giving notice prior to obtaining the medical care and services was impracticable or that other good cause exists for the failure to provide prior to notice.

Alternative Resources (42 CFR 136.61)

Payor of Last Resort Rule. The use of alternate resources is mandated by the Payor of Last Resort Rule, 42 C.F.R. § 136.61.

(1) An individual is required to apply for an alternate resource **if** there is reasonable indication that the individual may be eligible for the alternate resource.

(2) Refusal to apply for alternate resources when there is a reasonable possibility that one exists, or refusal to use an alternate resource, requires the denial of eligibility for PRC.

(3) An individual is not required to expend personal resources for health services to meet alternate resource eligibility or to sell valuables or property to become eligible for alternate resources.

Purchased Referred Care

Indian Health Service Medical Priorities Update 2024

Medical Priorities (42 CFR 136.23 (e)

Medical Priorities Update 2024

PURCHASED/REFERRED CARE MEDICAL PRIORITIES

Regulations, 42 C.F.R. § 136.23(e), permit the establishment of priorities based on relative medical need when funds are insufficient to provide the volume of PRC indicated as needed by the population residing in a PRCDA.

The CMS *Medicare National Coverage Determinations Manual* and current medical literature are used as a basis for decision-making.

Tribal programs when developing their own PRC Medical Priorities to meet Tribal needs may utilize IHS priorities as guidelines.

Restructured IHS Medical Priorities

Types of Services

PRC services are divided into four general CATEGORIES (each considered equal):

- **Preventive and Rehabilitative Services (Category A)**

Services designed to maintain health, prevent disease or the complications of disease, as well as those services intended to return or maintain a higher level of physical functioning.

- **Medical, Dental, Vision, & Surgical Services (Category B)**

Services provided by medical, dental, vision, or surgical specialists, as well as diagnostic tests, equipment, and supplies, whose purpose is the diagnosis and treatment of disease.

- **Reproductive & Maternal/Child Health Services (Category C)**

Reproductive and gynecological services as well as services provided to newborns, children, and adolescents.

- **Behavioral Health Services (Category D)**

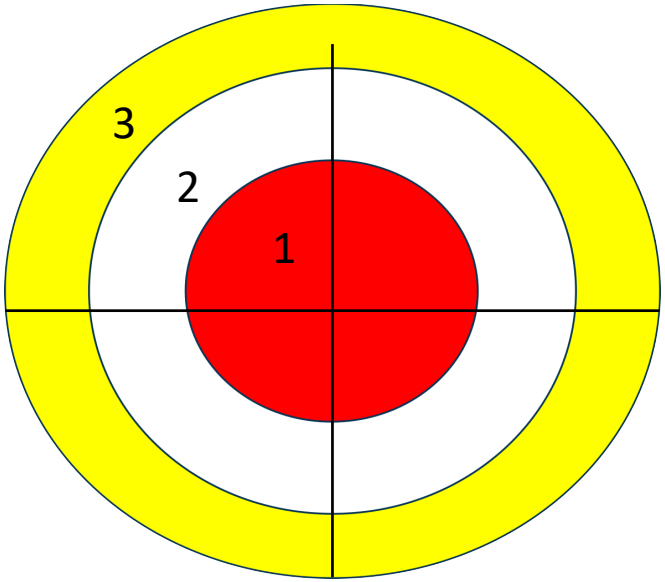
Services intended to address the mental health needs of the patient, including treatment of substance abuse disorders.

IHS Medical Priority Levels

Within each category of PRC services, there are three *PRIORITY LEVELS*:

- Priority I) **CORE**
- Priority 2) **INTERMEDIATE**
- Priority 3) **ELECTIVE**

Three Priority Levels



A. Preventive/Rehabilitative Services

Core (Priority 1) = Essential	Intermediate (Priority 2) = Necessary	Elective (Priority 3) = Justifiable
Hospitalization, Subacute Medical/Surgical	Residential Skilled Nursing Facility, Short Term	Residential Skilled Nursing Facility, Long Term
Hospice	Home Health	Infusion Services
Screening Mammogram	Physical/Occupational Therapy	Non-Emergency Medical Transportation
Screening Sigmoidoscopy/Colonoscopy	Cardiac Rehabilitation	Cochlear Implants (Adult)
DEXA Scan	Speech, Hearing & Language Disorder Services	Genetic Counseling/Testing
AAA Screening Ultrasound (smoker)	Diabetes Education	
Lung Cancer Screening Low Dose CT (smoker)	Medical Nutrition Therapy	
Wound Management	Tobacco Cessation Counseling	
Orthotics & Diabetic Footwear	Durable Medical Equipment and Supplies	
Limb Prosthetics	Hearing Aids (Adult)	

PRC Review Committee

The PRC review Committee function is to review PRC referral requests and notifications regarding emergency episodes of care and to determine medical priority and rank based on relative medical need.

Utilizing Tribal guidelines, the PRC review committee should:

- monitor high-cost cases including the progress of each case.
- Maintain a PRC review committee to review and prioritize PRC referral requests and notifications regarding emergency episodes of care based on Medical Priorities of Care, as well as to review and monitor the referral and expenditure of PRC.

PRC Review Committee Cont.

Committee membership shall consist of the Clinical Director, or his or her designee and others, i.e., utilization review nurse or care coordinator/case manager, patient benefit coordinator and the PRC Specialist. Membership may change periodically based on local needs; medical staff members can serve a rotation.

Criteria for Payment Decisions

The committee will consider the following criteria, at a minimum, for PRC cases:

(1) The patient must be PRC eligible.

(2) The care must be within medical priorities.

(3) The requested service is not available in an accessible IHS or Tribal

facility.

(4) Funds must be available.

Purchased Referred Care Referral Process

Approving Referral

After the committee has assigned the priority level, PRC Coordinator will determine estimated costs and associated with the referral.

The PRC Coordinator will update the spending plan with estimated costs for all expected visits contained within the referral.

The PRC Coordinator will issue a purchase order within 5 business days and at no time will the notification exceed 30 days.

When an appointment is received, a copy of the referral is to be provided to the patient/vendor.

The PRC Coordinator should send: the Approved Referral, Patient “No Liability Letter” and any other relevant information to the vendor.

Medicare Like Rates (42 136.30, Subpart D)

42 CFR, Subpart D, 136.30 – Limitation on charges for services furnished by Medicare-Participating (in-patient) hospitals to Indians.

Requires Medicare participating hospitals that provide inpatient hospital services to accept Medicare-Like Rates (MLR) as payment in full when delivering services to PRC eligible patients who are referred to them by programs funded by the Indian Health Service.

To calculate the Medicare Like Rate, Tribally operated programs may contract with IHS Fiscal Intermediary, Blue Cross Blue Shield of NM, or purchase their own software to calculate the MLR, or utilize CMS Inpatient Web Pricer.

Catastrophic Health Emergency Fund (CHEF)

In FY 1987 Appropriations Act P.L. 99-591 established the Catastrophic Health Emergency Fund (CHEF).

The Catastrophic Health Emergency Fund (CHEF) program was established to help meet the extraordinary medical costs associated with the treatment of victims of disaster and/or catastrophic illnesses. The CHEF is a reimbursement program for Purchased/Referred Care (PRC) Programs operated by IHS and Tribal Health Programs.

In 1988, amendments under the Indian Health Care Improvement Act (IHCIA) authorized funds for the CHEF Program.

Catastrophic Health Emergency Fund (CHEF)

Currently the cost threshold requirement is $19,000 and must first be met before reimbursements can be expected from the CHEF.

CHEF cases are processed equally on a first in/first out basis for both tribal and federal PRC Programs.

Electronic CHEF Application (ECA): Tribes are encouragedto participate in the ECA program to expedite reimbursement requests.

California Area Indian Health Service
Purchased Referred Care

Questions?

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Thank you!

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