

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Public Health Service  
Indian Health Service

Refer to: CHS

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ALBUQUERQUE AREA INDIAN HEALTH SERVICE CIRCULAR NO. 93-03

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**CONTRACT HEALTH SERVICES HIGH COST CASE MANAGEMENT**

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1. **PURPOSE.** To establish the Albuquerque Area Indian Health Service (AAIHS) Policy regarding high cost case management (HCCM) procedures for Contract Health Services (CHS) in order to meet Catastrophic Health Emergency Fund (CHEF) guidelines.
2. **BACKGROUND.** The Indian Health Service has very limited resources for meeting the health care needs of Indians, particularly in the CHS. In an effort to maximize the buying power of CHS, the IHS has implemented a more structured form of managed care to reduce costs and enhance quality. One aspect of managed care is HCCM which addresses those episodes of care which have the potential of becoming CHEF cases. HCCM is the process by which the IHS attempts to obtain an optimal quality of care and patient outcome while containing costs, maximizing and increasing services within available resources, and enhancing communication and cooperation with non-IHS providers of health care.
3. **POLICY.** The AAIHS shall perform HCCM practice on every case which has the potential of becoming a CHEF case. The objective is to establish a uniform procedure for HCCM to assure and maximize care and cost effectiveness. The process shall respect the patient's unique needs, cultural factors, and environment. The AAIHS highly recommends that all Tribally contracted health care programs also implement HCCM.

HCCM services includes the certification, monitoring, and management of cases during an episode of care. CHEF is available to CHS Programs for expenditures on eligible patients who incur extraordinary medical costs.

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The Service Units shall not be eligible to receive CHEF reimbursement for the cost of treating any victim of catastrophic illness or event until that cost has exceeded the threshold established by IHS Headquarters. The Service Units must ensure that any patient, who is given assistance through CHEF program, is eligible for both direct and contract health services before assistance is authorized. The Service Units must also ensure that no payment is made from CHEF to any private provider if that provider is eligible to receive payment for treatment from any other Federal, State, local, or private source of reimbursement for which the patient is eligible.

The AAIHS policy and procedure on HCCM shall supplement the 1992 Administrative Guidelines for the IHS CHEF.

4. DEFINITIONS.

- A. Case Manager: A physician or other designated medical professional (e.g., utilization review nurse) is responsible for the on-going review of a patient in order to provide the best quality of health care in the most cost-effective manner.
- B. CHEF Case: An episode of acute medical care for a condition from an illness or injury, requiring extensive treatment, that incurs major medical costs to the AAIHS, in excess of the CHEF threshold.
- C. CHEF Threshold: A designated amount above which incurred medical costs will be considered for CHEF reimbursement after a review of the authorized expenses and diagnosis.
- D. Concurrent Review: The on-going review of a patient's admission and treatment plan to; 1) ensure appropriateness of service; 2) ensure that admission criteria are met; and 3) ensure that the lengths of stay meet the severity of the illness.
- E. Discharge Planning: Beginning at the time of admission, the case manager's estimate of expected lengths of stay, the expected outcomes, whether there will be any special requirements on discharge, and the feasibility of utilization and transfer to contract facilities.
- F. Episode of Care: The period of consecutive days for a discrete health condition during which reasonable and necessary medical services related to the condition occur.

- G. Pre-admission Certification: Plans that indicate review by a member of the medical staff, assignment of expected lengths of stay, and the issuance of a Medical Authorization number.
- H. Quality Assessment: A review of data by qualified medical staff to ensure that the quality of the medical services provided is maintained when care is being purchased. When providers enter into negotiated contracts with IHS they are encouraged to share some of the risk of the cost of medical care. Further, providers must be monitored periodically to ensure high quality of services.
- I. Service Unit Resource Management Committee: A committee established, under AAIHS TN 85-11, to encourage team oriented management of available health care resources. The Committee interfaces the logistics of multi-provider and multi-facility health care with IHS contract health care regulations and with effective resource utilization.

5. PROCEDURES

A. Service Unit Resource Management Committee

- (1) HCCM shall be performed as a function of the Service Unit Resource Management Committee. (See AAIHS TN 85-11)
- (2) In order for an episode of care to meet HCCM requirements and be eligible for CHEF reimbursement, the patient must meet eligibility criteria as stated in Code of Federal Regulations Title 42, Section 36.23:
  - a. Indian descendency
  - b. Residency in Contract Health Service Delivery Area
  - c. Notification/prior approval
  - d. Exhaustion of accessible and available alternate resources
- (3) The episode of care must be approved through the Service Unit Resource Management Committee as being within medical priorities.
- (4) Costs incurred must exceed current threshold guidelines.

B. Service Unit Case Manager

- (1) Each high cost case will be assigned a Service Unit Case Manager who shall be a member of the medical staff (MD, QA nurse, UR nurse, etc.), preferably a physician. The designated Case Manager shall monitor the care provided and oversee the expenditures incurred for an episode of care, to ensure that quality care is provided and efforts to reduce costs are maintained. Case management requirements shall be accomplished by providing, at a minimum, the following tasks:
  - a. Quality Assessment - Patient outcome
  - b. Pre-admission Certification
  - c. Concurrent review of Care
  - d. Discharge Planning

C. Service Unit Director

- (1) The Service Unit Director/Health Center Director, or designee, will be responsible for compliance with the HCCM procedures.
- (2) Each case should be monitored to ensure that the patient is screened to determine eligibility for any alternate resource. Any such alternate resource must then be utilized before CHS funds are expended. Available IHS direct care facilities must be accessed before the patient is referred to private sector providers. Examples of other alternate resources to be utilized are: Medicare, Medicaid, Private Insurance, Workmen's Compensation, Crippled Childrens, Vocational Rehabilitation, Shriner's Burn Centers and Veterans Administration Hospitals.
- (3) All obligations must be made within three (3) business days of the approval time at the contracted or negotiated rates. Because of limited funds, obligating/budgeting officials are not to assume guaranteed reimbursement.
- (4) The Service Unit Director shall ensure that proper and appropriate actions to maximize cost-containment (cost-avoidance) be provided to obtain optimal quality of care. These activities shall include, but not be limited to, the following:
  - a. Assure that patients are referred to providers who have contracts and/or special agreements with the IHS. Special agreements such as

Veteran Administration Shared Services Agreements and Centers of Excellence shall be considered for appropriateness and feasibility for use consistent with pertinent factors (i.e., non-applicability of available alternate resources).

- b. Assure monitoring of claims processing to assure resolution of any pending issues of Fiscal Intermediary (FI) claims or problems relating to IHS direct pay claims. Service Units shall assure use of FI CHEF Reports and Service Unit/Area Office HCCM Reports, as a resource for identifying possible CHEF cases.
  - c. Assure maximum effort is given to developing and maintaining contractual arrangements with all primary providers.
  - d. Assure timely notification of contract award to field CHS staff and referring IHS physicians including but not limited to rates of payment, cost profile for all providers, etc.
- (5) After the patient is admitted, a medical authorization shall be issued and obligated with an estimated amount within 5 business days. A supplement should be completed as soon as it is determined that additional days are authorized. If the case qualifies for CHEF status, the Service Unit shall prepare a CHEF Request (Exhibit A) and forward it to the AAIHS CHS Office within 5 business days.

D. Contract Health Service Officer

To ensure compliance with the standard elements for HCCM, management reviews and Resource Management Committee (RMC) assessments will be conducted by the CHS Officer. RMC meeting minutes will be documented and reported to the AAIHS CHS Office for administrative review.

The CHS Officer and Chief Medical Officer shall review, certify, approve and forward CHEF Requests to Headquarters CHS within ten (10) working days of receipt of the completed request from the Service Unit.

7. REFERENCES

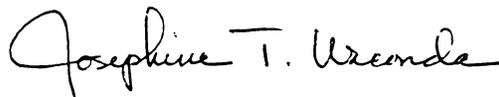
Code of Federal Regulations, Title 42, Section 36.23.

Service Unit Resource Management Committee, AAIHS TN 85-11,  
October 1, 1985.

IHS Catastrophic Health Emergency Fund Administrative  
Guidelines, May 13, 1992.

8. EFFECTIVE DATE

This circular is effective upon the date of signature.



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