



October 24, 2016

Indian Health Service  
Rockville MD 20852

TO: Area Directors  
Area Chief Medical Officers  
Tribal Health Directors

FROM: Acting Director  
Office of Resource Access and Partnerships

SUBJECT: Fiscal Year 2017 Catastrophic Health Emergency Fund (CHEF) Procedures

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. CHEF is a reimbursement program for IHS Service Units and Tribal Purchased/Referred Care (PRC) Programs. PRC Programs are able to receive reimbursement on a first in / first out basis.

At the beginning of each new fiscal year (FY), the CHEF program provides guidelines outlining CHEF procedures and any changes in the CHEF process. To receive CHEF reimbursement, all IHS and Tribal PRC Programs must adhere to the following guidelines:

1. All IHS and Tribal patients must meet PRC eligibility requirements and treatment must be authorized for payment.
2. Each case must meet the CHEF threshold of \$25,000 for FY 2017.
3. Inpatient care is based on consecutive days from the initial date of admission up to 90 days after date of discharge.
4. Inpatient cases require a discharge summary, official consultation summary, and documentation to support Medicare-Like Rate (MLR) claims.
5. Outpatient or chronic care is based on 90-day increments.
6. All CHEF cases must have a specific primary ICD-10-CM diagnostic/procedure code and CHEF code consistent with the case.
7. Ongoing CHEF cases may qualify for an advance payment at 50% reimbursement and fully completed CHEF cases may qualify for 100% reimbursement. Cases submitted for 100% reimbursement must have complete disbursements from all Medical Purchase Orders (MPO) with official paid dates.
8. All cases must include claims (CMS claim forms) that were submitted for payment with proof of PRC payment. An example of claim and payment: EOB (Explanation of Benefits) and payment checks.
9. Federal, state, local, private health insurance, Tribal entity, or other alternate resources must be billed before charges are reimbursed by CHEF.
10. All alternate resources must be documented.

The Headquarters CHEF Manager relies on Area PRC Programs to provide the necessary information and supporting documentation in order to complete the CHEF review process.

The CHEF Manager follows these procedures to provide timely and accurate reimbursements. If these guidelines are not met, CHEF cases will be considered non-compliant. Non-compliant cases will not be processed and Area PRC Officers will be notified regarding any additional and/or missing documents. CHEF cases are only processed when all required documents are received.

Please ensure this information is distributed to all levels of the IHS and Tribal health care systems within your Area.

/ Terri Schmidt /  
Terri Schmidt

cc: Director, Office of Direct Service and Contracting Tribes  
Director, Office of Tribal Self-Governance  
Area Purchased/Referred Care (PRC) Programs

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# Catastrophic Health Emergency Fund

## Instructions For Case Processing

All Catastrophic Health Emergency Fund (CHEF) summary sheets must be date stamped and recorded in a mail log. After each case is recorded, the CHEF summary sheet will be examined for completeness.

Each block will be reviewed for compliance with the current CHEF guidelines and in accordance with the following criteria:

### Instructions by Block Number

1. **Area:** must indicate the Area from which the request originated. All requests shall be submitted through the Area PRC program office; direct requests from Service Units, Tribal Programs or other health care providers will not be accepted.
2. **Ordering Facility:** must be an IHS facility, Service Unit, Health Center or Tribal Program operated under P.L. 93-638, Indian Self-Determination and Education Assistance Act, as amended, authorized to obligate PRC funds.
3. **CHEF Number:** will be assigned by the Area PRC Officer/Program Coordinator. The case number will begin with the last two numbers of the fiscal year (FY), followed by the Area abbreviation and case number which is designated in sequential order. For Self-Governance Title V programs, the Area PRC program will add the suffix "SG" to the assigned CHEF number.

#### Area Abbreviations and Initial Case Numbers

AK	Alaska	17-AK-001	NA	Nashville	17-NA-001
AQ	Albuquerque	17-AQ-001	NV	Navajo	17-NV-001
BE	Bemidji	17-BE-001	OK	Oklahoma	17-OK-001
BI	Billings	17-BI-001	PX	Phoenix	17-PX-001
CA	California	17-CA-001	PT	Portland	17-PT-001
GP	Great Plains	17-GP-001	TU	Tucson	17-TU-001

An example of CHEF numbering for the Oklahoma Area

	FY		Area		Case Number	
Federal Program	17	-	OK	-	003	
Title V Program	17	-	OK	-	004	- SG

A new CHEF number is required for each diagnosis and each new FY with the CHEF threshold applied.

4. **Patient name(s):** Full name must be given. If request is for a catastrophic event (more than one person), all names must be listed as a, b, c etc. and summarized by an Area alpha listing file. Check the Area's alpha listing to eliminate duplication from another Service Unit or if the request is for a supplemental or a continuation.
5. **Date of Birth (DOB):** must list DOB and ages of all patients. Cases will not be processed if DOB is missing.
6. **Sex Male/Female (M/F):** must indicate appropriate gender for all patients.
7. **Tribe (Band, Pueblo, Village, Rancheria or Nation):** Full name(s) of federally recognized Tribal affiliation, or Tribal Code Number, if available, or indicate not applicable (NA) for an eligible non-Indian or non-Indian spouse.
8. **Diagnosis (DX):** must indicate ICD-10-CM primary diagnosis code and full description of diagnosis, treatment and incident; box 32 Remarks can used if additional space is needed. Verify if diagnosis is applicable to gender (e.g. OB/GYN procedures are not applicable to males).
9. **Catastrophic Illness or Event Code:** must use code keys for catastrophic illness or events codes.
10. **Trauma Code (CD):** indicate if case is trauma related by using the trauma codes provided i.e., *N-Not Trauma Related, A-Assault, B-Burn, D-Drowning, F-Fall, MV-Motor Vehicle, S-Suicide, O-Other, U-Unknown.*
11. **Medical Priority:** must use priority list provided in PRC manual.
12. **Alternate Resource Available:** indicate Yes, No or Pending and if Yes or Pending, list the alternate resource that is available.
13. **Contract Rate:** indicate if charges were billed at Medicare-like Rates, Purchased / Referred Care Rates, Negotiated Rates or Full Billed Charges.
14. **Episode of Care:** must have a starting date and an ending date. Indicate the first day of treatment (*From*) to the last day of treatment or the discharge date plus 90 days (*To*). Verify if a reoccurrence is within the 90 day reoccurrence period, if a reoccurrence is over 90 days, a new threshold must be applied.
15. **Provider:** all vendors associated with the case must be listed for the same episode of care and diagnosis. Verify for duplication by reviewing provider and DOS.

16. **Date of Service (DOS):** indicate actual dates of services for each vendor listed. Verify dates of service, check for lapses, intervals and/or prior year dates. Submissions with outdated cases and future dates of service will not be approved.

17. **Purchase Delivery Order Number:** must include all medical purchase orders (MPOs) associated with the case and diagnosis. Verify for duplication and check for outdated MPOs. Prior year MPOs will only be considered for approved carry-overs and applied towards meeting the threshold. If IHS Purchase Delivery Orders are not used, then indicate the number of the obligating instrument – use either a tribal voucher number, check number, or accounting sequence number.

18. **Obligation Amount Column:** list each MPO or voucher number and provide the obligation amount. Provide a tape or calculated list and round the total up to the nearest dollar amount – Areas must provide tapes to verify calculation accuracy.

Supplements, amendments, adjustments, cancellations and new MPOs must be made on a revised summary sheet that includes all elements on the initial summary sheet. Requests for reimbursements are to be submitted only from valid PRC obligations that are entered into the official accounting system. Obligations for PRC must not be made contingent to or in lieu of CHEF advances or reimbursements. No PRC program should assume that funding is guaranteed for a high cost submission.

19. **Disbursement Amount:** must include the final distribution or amount paid on a completed MPO. PRC obligations must not be contingent to or made in lieu of a CHEF reimbursement and no PRC program should assume that funding is guaranteed for a high cost submission.

20. **Date Paid:** must indicate the date the final payment date was made as reflected by the CHS/MIS, Fiscal Intermediary EOBR, UFMS or tribal voucher/check issuance date or tribal EOB. Cases will be considered complete only after all obligations are paid and closed out by the final disbursement and date paid.

21. **Column Totals:** (A) Sum total for the Obligation column (18) and Disbursement column (19). (B) Sum totals from page 2 (if applicable) for Obligation column (18) and Disbursement column (19).

22. **Total Costs:** is the sum of 21(A) and (B) and represents the total estimated cost of a case from the obligation and disbursements column. The total will be based on a combination of the paid and the outstanding obligation remaining on an MPO.

23. **Less Threshold Cost:** subtract the current year threshold requirement from the *Total Cost*.

24. **Net Eligible from Fund:** the amount that qualifies or is eligible for CHEF advance payment or reimbursement.

25. **Advance Payment / Reimbursement:** Indicate if CHEF request is for (A) 50% *Advance Payment* of obligations and/or disbursements for incomplete cases; or (B) 100% *Reimbursement* for complete cases for the total disbursement amount of all MPOs after paid dates are provided.
26. **Previous Advances / Reimbursements:** provide any previous advances or reimbursements from CHEF; this amount must be subtracted from line **24. Net Eligible from Fund**. This applies to supplements, amendments, adjustments, incomplete cases, late bills and cancellations. The CHEF Record of Transaction Worksheet was developed for this purpose and can be used to update the requests (see attachment).
27. **Pending Advances / Reimbursements:** provide any pending advances or reimbursements from CHEF; this amount must be subtracted from the line **24. Net Eligible from Fund**. This applies to supplements, amendments, adjustments, incomplete cases, late bills and cancellations that have been submitted but not yet paid.
28. **Total CHEF Request or Amount Due Headquarters:** this is the amount of the total advance/reimbursement requested from CHEF. Any obligation or disbursement being requested for reimbursement must be listed on the CHEF Reimbursement Request – Summary Sheet to be eligible for reimbursement. The amount due to Headquarters will be determined by any unused amount which results from payments that are less than the estimated amounts as well as any recoveries or cancellations. All unused funds must be returned to the Headquarters CHEF account.
29. **Chief Executive Officer (CEO) / Administrator:** the CHEF Reimbursement Request – Summary Sheet must be signed by the appropriate CEO, Health Director, Tribal Program Director or other official authorized to obligate PRC funds with the appropriate date provided. Original signatures are required for all initial, updated and revised reimbursement requests. *Cases will not be processed if the signature is missing.*
30. **Case Manager:** the Service Unit case manager must sign and date in this block. CHEF reimbursements or advances will not be approved by the CHEF Manager if case management does not take place. If a PRC program does not have a case manager, then the Area Chief Medical Officer (CMO) must sign.
31. **Area Certification:** if a CHEF submission is prepared by Area personnel other than the PRC Officer then the Area preparer must sign the Area certification.
32. **Area PRC Officer Approval:** the Area PRC Officer, or delegated official approved to request reimbursement from the CHEF, must certify the CHEF Reimbursement Request with their signature and date. Areas are responsible for reviewing cases to ensure all requirements are met and that CHEF Case Numbers are assigned. Original signatures are required for all initial, updated and revised reimbursement requests.

33. **42 C.F.R. Part 136 Met:** all PRC Officers must indicate Yes or No to certify that the regulations at C.F.R. Title 42 Part 136 have been met. CHEF requests must meet eligibility and alternate resource requirements at 42 C.F.R. §136.23, *Persons to whom contract health services will be provided* and authorization requirements at 42 C.F.R. § 136.24, *Authorization for contract health services*. Cases must also meet threshold costs, case management certification and other PRC criteria. Cases will not be processed if the regulations are not met.
34. **Remarks:** this box can be used to provide narrative patient diagnosis information from block 8 or for comments.

The Area PRC programs must review all CHEF material to ensure that required information is provided in support of patient eligibility, PRC referrals, episode of illness, dates of service, medical priority, authorization, allowable expenditures, use of alternate resources, and case management documentation. PRC programs must also check for duplicate MPOs and patient names and confirm that all requests relate to the CHEF diagnosis and are within the episode of care.

If all the required information on the summary sheet is not provided, the case will not be processed. The case reviewer can either obtain the required information by telephone or immediately return the case to its origin with a memo indicating the reasons for disapproval and action required.

Consideration for CHEF financing is based on a "first in, first out" method until the fund is expended. After the review process is complete, the reimbursement amounts are calculated in consideration of the threshold amount and all previous distribution payments. The completeness of a CHEF case determines whether it qualifies for reimbursement at 50% or 100%.

Each transaction from CHEF must be approved by the IHS Deputy Director for Management Operations (DDMO). A memorandum for each distribution containing the Area names, CHEF case numbers and transaction summaries (e.g. advance, reimbursement, recovery) is provided for DDMO review and approval.

Once approved, notification is provided to Area Finance Offices, PRC programs and the IHS Office of Tribal Self-Governance (OTSG). CHEF reimbursements for Title V compacting tribes are coordinated at the Headquarters level through OTSG through an amendment to the funding agreement. CHEF reimbursements for Title I contracting tribes are coordinated at the Area level through a contract modification.

After completing the review process, each case is filed in numerical sequence according to the respective Areas in folders identified by an alphabetical listing. All folders are labeled by Area and fiscal year. Memorandums are also filed in the appropriate Area folders with copies of the advice of allowances.

## Recoveries

If a case is canceled: enter the original cost, "less threshold amount", and the amount advanced or reimbursed as negative numbers on the area summary sheet.

### **Processing cases when a CHEF Advance or part of an Advance is not used and must be returned to the Fund (Recoveries)**

The following are some instances when CHEF advances are not used and need to be returned to the Headquarters CHEF account.

1. The final costs did not meet the threshold (DNMT) amount; this occurs when the costs are overestimated and the final costs are below the threshold amount.
2. Cancelled obligations cause the final case cost to be less than the amount needed.
3. Payments and reimbursements by alternate resources relinquish an Area's obligation and are no longer entitled to the Fund.

In processing the case, follow these steps:

1. Verify the calculations for the amount to be returned to the CHEF.
2. Enter the amount to be returned.
3. Prepare the memorandum to the DDMO and follow previous instructions for DDMO approval and notification to Area Finance Offices, PRC Programs and OTSG.
4. Recoveries will be used to fund current year cases.

## CHEF Status Reports

### New Cases

1. Enter the CHEF Number.
2. Enter C (complete) or I (incomplete).
3. Enter total case cost before the threshold is deducted.
4. Enter the cost after the threshold is deducted.
5. Since this is a new case, the SUPP# column will not have an entry.
6. Enter the amount of the Advance or Reimbursement to the Area.
7. Enter patient Data, SU, DX & CAT CODE.

### Adjustments to initial case

1. Enter the CHEF Number.
2. Enter C (complete) or I (incomplete).
3. Enter only the adjustment to the total case cost. Example:
  - a. If the initial case cost was \$30,000 and the adjusted cost is now \$35,000, enter \$5,000.
  - b. If the initial case cost was \$45,000 and the adjusted cost is now \$40,000, enter negative \$5,000 (ie <\$5000>).
4. Enter only the increase or decrease to the threshold column. Example:
  - a. If the initial case cost was \$40,000 and the adjusted cost is now \$45,000, enter \$20,000.
  - b. If the initial case cost was \$40,000 and the adjusted cost is now \$35,000, enter negative \$10,000 (ie <\$10,000>).
5. Enter an "S\_" for supplements and the number if there is an increase in the case (e.g. S1, S2, S3 etc.). Enter an "A" if an amendment was made and there is a decrease in the case (e.g. If the wrong threshold deduction was made initially and \$70,000 was used when \$15,000 is the correct amount).
6. Enter the amount of the advance or the deduction (\$000).

