



Indian Health Service Press Release

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FOR IMMEDIATE RELEASE
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IHS Seeks Comment on New Regulation for Catastrophic Health Emergency Fund *Proposed regulation establishes threshold for cost and payment.*

The Indian Health Service is seeking public comment on a proposed regulation for the Catastrophic Health Emergency Fund (CHEF). The purpose of CHEF is to meet the extraordinary medical costs associated with the treatment of victims of disasters or catastrophic illnesses who are eligible to receive service at the Indian Health Service.

The proposed regulation outlines definitions governing CHEF and addresses areas of reimbursement for the cost of treatment and payment from CHEF that are applicable to all IHS and Tribal Service Units as well as the establishment of a cost threshold. It is particularly important in ensuring that local IHS service units do not bear the costs of the most expensive cases, which would otherwise reduce resources for providing more routine care within the community.

“The CHEF program can be a crucial tool in recouping allocated resources and reimbursement for high cost Purchased/Referred Care cases. Funds placed back into the health operating budget enable more Purchased/Referred Care services to be offered by a Service Unit,” said IHS Principal Deputy Director Robert G. McSwain. “The proposed regulation will strengthen that process.”

The proposed regulation outlines clear definitions for what is considered a catastrophic illness, disaster, an “episode of care” and the “threshold cost.” A Service Unit is ineligible for reimbursement from CHEF for treating a victim of a catastrophic illness or disaster until the cost of that treatment has reached the threshold cost. The Indian Health Service intends to set the initial threshold at \$19,000 for fiscal year 2016 with increases in subsequent years based on the annual Consumer Price Index.

However, if a Purchased/Referred Care program has already been reimbursed from CHEF for an episode of care and that same episode is eligible and paid for by an alternate resource, then the Purchased/Referred Care program must return all CHEF funds received for that particular episode to the Indian Health Service headquarters CHEF fund.

The Purchase/Referred Care (formerly known as Contract Health Services) program funds primary and specialty health care services not available at Indian Health Service or Tribal health care facilities and purchased from private health care providers.

Alternate sources of payment may come from any federal, state, Tribal, local or private source of coverage for which a patient may be eligible, which include Medicare, Medicaid, Veterans Health Administration, private insurance and Tribal self-insurance.

Comments may be submitted electronically at www.regulations.gov or by mail to the Indian Health Service headquarters. The comment period is open for 45 days.