INDIAN HEALTH SERVICE

FACT SHEET

PURCHASED/REFERRED CARE (PRC) PROGRAM FACT SHEET

BACKGROUND

The Purchased/Referred Care (PRC) Program purchases services from private health care providers for eligible American Indian and Alaska Natives when:

1. No Indian Health Service or tribal direct care facility exists.
2. Facility cannot provide required emergency and/or specialty care.
3. Facility's capacity is exceeded.
4. Supplementing alternate resources is necessary for comprehensive care.

PRC funds supplement healthcare resources for American Indian and Alaska Native patients. Due to limited IHS appropriations, PRC regulations determine eligibility and medical priority. IHS is the payer of last resort, meaning all other resources must be used first.

The IHS implemented the following steps to enhance the PRC Program.

RECENT IMPROVEMENTS AND AGENCY INITIATIVES

- **Medical Priorities Update:**
  - Restructured PRC Medical Priorities to integrate all aspects of care in a balanced and consistent manner. The new framework embodies the principles of integrated care and recognizes the need to include certain “CORE” elements, such as:
    - Preventative and Rehabilitative Services
    - Medical, Dental, Vision, and Surgical Services
    - Reproductive and Maternal Child Health Services
    - Behavioral Health Services
  - Each category is assigned a Medical Priority that emphasizes acute and disease conditions versus care for chronic and disease prevention strategies.
    - Priority 1 (Essential) – Core Services that are necessary to protect life, limb, or vision and is a basic component to current standards of care.
    - Priority 2 (Necessary) – Standard of care services that are necessary for the diagnosis and management of chronic and non-emergent acute conditions.
    - Priority 3 (Justifiable/Elective) – Clinical services that are intended to enhance health and well-being.
    - Priority 4 (Excluded) – Medical services that are excluded based on the *Centers for Medicare and Medicaid (CMS) National Coverage Determinations Manual*.
  - Visit IHS website for training and more details.

- **PRC Unobligated Balances/Carryover:**
  - Continued efforts to reduce unobligated balances/carryover.
    - Decreased carryover by $118 million (31%) from FY23 to FY24, marking the lowest carryover balance since 2018.
  - Reduced carryover threshold from 10-25% to 15% in Q1FY25
  - Provided financial guidance on new medical priorities and developed spend plans with 100% completion rate.
  - IHS data from federal sites in November 2024:
    - 82% sites cover ALL Priority 1-3 referrals (but no excluded services).
    - 16% of sites cover Priority 1-2 referrals and some Priority 3 referrals.
    - 0% of sites cover Priorities 1-2 referrals, but no Priority 3 referrals.
    - 2% of sites cover Priority 1 referrals, but no Priority 2 and 3 referrals.

- Financial status demonstrates the need to maximize patient referred care; 98% (61/62) of IHS federal sites were able to fund medical Priority 3 or higher in November 2024.

- **PRC Authorization and Payment:**
  - **Human Resources**
    - Vacancy rate decreased to 34% -- from 36% at highest mark.
    - Standardized position descriptions (PDs) for consistent and efficient recruitment.
    - Revised staffing guidance to complement standardized PDs.
    - Created PRC environment that fosters staff development and supports recruitment and retention of highly skilled PRC staff.
  - **PRC Referral Dashboard**
    - Referral dashboard to track referral lifecycle has been developed.
    - Provides ability to track key timelines/benchmarks, such as:
      - Average Days – Referral Initiated to Approval Date
      - Average Days – Referral Initiated to Patient Date of Service
      - Average Days – Referral Approved to Patient Date of Service
      - Average Days – Purchase Order Issued to Payment Date
      - Referral Loop Closure – Percentage of referrals completed with medical records received and medical action completed.
    - Testing is underway and anticipate rollout in early 2025.
  - **Payment/Fiscal Intermediary**
    - Overall 98% of all "clean" claims are processed and paid in 30 days or less.
    - Identified concerns with "pended" claims that resulted in payment delays.
    - Since January 2024, reduced number of "pended" claims by 45% with 79% of all "pended" claims received within last 12 months.
    - Actions underway identifying additional improvements to the payment process.
    - Results will be coordinated within the High Impact Service Provider actions in calendar year 2025.
  - **Revised Referral Language**
    - Inclusion of No Patient Liability Language from Section 222 of the Indian Health Care Improvement Act [25 U.S.C. 1621u] into referral language.
    - Referrals state the patient is not financially liable for services if authorized.
    - Language provides billing guidance to vendors on how to bill for services.
    - Issued joint letter with Consumer Financial Protection Board (CFPB) to protect eligible PRC patients receiving IHS-approved medical services from being subjected to improper bills from medical providers and collection activities.
    - Issued guidance of reporting complaints into CFPB complaint portal and CFPB's medical debt educational documents.
  - **Revised Regulation - Catastrophic Health Emergency Fund**
    - Lowered the reimbursement threshold from $25,000 to $19,000.
  - **Patient Engagement & High Impact Service Provider Activities**
    - Increased engagement by hosting four (4) listening sessions in the Bemidji Area, Oklahoma City Area, Phoenix Area and Portland Area.
      - Information will guide future improvement efforts.
    - Partnering with Office of Management and Budget (OMB) for patient-centered improvement actions to improve payment process and a patient survey.
      - Full release anticipated in 2025.
    - Updates will be provided at this website as this evolves.

PRIOR-YEAR OPERATIONAL PRIORITIES

- **PRC Delivery Area (PRCDA) Expansions:**
  - Improvements made in processing PRCDA expansions with tracking system.
  - Six (6) PRCDA expansions published since December 2023, with three (3) additional expansions under Federal Register comment period.
  - Results in approximately 2,561 newly eligible PRC patients.