

PURCHASED/REFERRED CARE

BACKGROUND

In January 2014, the Consolidated Appropriation Act of 2014 renamed the Contract Health Services program to the Purchased/Referred Care (PRC) program. All policies and practices remain the same.

The PRC Program is integral to providing comprehensive health care services to American Indians and Alaska Natives (AI/AN). The IHS health system delivers care through direct care services provided in IHS, tribal, and urban (I/T/U) health facilities (e.g., hospitals, clinics) and through PRC services provided by non-IHS providers. The general purpose of PRC is for IHS and tribal facilities to purchase services from private health care providers in situations where: 1) no IHS or tribal direct care facility exists; 2) the existing direct care element is incapable of providing required emergency and/or specialty care; 3) utilization in the direct care element exceeds existing staffing; and 4) supplementation of alternate resources (e.g., Medicare, Medicaid, or private insurance) is required to provide comprehensive health care to eligible AI/AN.

The combination of an increasing AI/AN population, limited funding, medical inflation, and limited competitive pricing and options requires strict adherence to program guidelines to ensure the most effective use of PRC resources. These guidelines apply to qualifying factors such as medical priorities of care and eligibility requirements that are more stringent than those for IHS direct care.

STATUS

The IHS is the payer of last resort and requires patients to exhaust all health care resources available to them from private insurance, state health programs, and other federal programs before the PRC program can provide payment. The PRC program continues to negotiate contracts with providers to ensure competitive pricing for services provided, in spite of the limited number of providers available in many rural communities.



OPTIONS/PLANS

The IHS continues to explore alternatives to stretch limited resources for the PRC program through regulations and the Affordable Care Act Marketplace. In 2007, the PRC program exercised an option under the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 which requires Medicare participating hospitals that provide inpatient hospital services to accept Medicare-like rates (MLR) as payment in full when providing services under a PRC authorized referral. Currently, the PRC program is pursuing an expansion of the MLR regulations to include PRC rates for outpatient non-hospital based services which will enable I/T/U programs to stretch their resources and provide more services purchased from private providers.

ADDITIONAL INFORMATION

For referral to the appropriate spokesperson, contact the IHS Public Affairs Staff at 301-443-3593.