Purchased/Referred Care

March 12, 2019

Purchased/Referred Care Rates Impact

- Implementation of PRC Rates for Physicians and Non-hospital Providers of Supplies and Services
  - FY 2017 = $252.8 Million
  - FY 2018 = $610.1 Million
  - FY 2019 = $254.6 Million
  - **TOTAL = $1.1 Billion as of January 31**
- This total represents demonstrates how IHS is able to stretch the same amount of money to cover additional necessary health care services as a result of the implementation of these rates.

Purchased/Referred Care Chapter Major Changes and Highlights

Change	Chapter Reference
GAO 14-47 Recommendation 1.2 – Improve the alignment between PRC staffing levels and workloads by revising its current practices, where appropriate, to allow available funds to be used to pay for PRC program staff	2-3.12 Management of Purchased/Referred Care Funds B. Use of PRC Funds for Staff Administering the PRC Program. PRC funds may be used for staff administrating the PRC program at administrative levels, including for the support of HQ and Area positions. PRC funds may be used for staff at the service unit level PRC programs as long as the Service Unit is able to purchase all care through Medical Priority II.

Purchased/Referred Care Chapter Major Changes and Highlights

Change	Chapter Reference
GAO 12-446 Recommendation 3 Develop written policies and procedures to require Area offices to notify IHS when changes are made to the allocations of funds to PRC programs.	2-3.12 Management of Purchased/Referred Care Funds A. Allocation of PRC Funds. Each Area, using an allocation formula other than the PRC Allocation Formula to distribute new program funding, shall notify the Director, DCC in writing. The notification must include a copy of the formula used, any relevant information that explains the method used, a description of the consultation held with affected Tribes, and the distribution amounts to PRC programs in the Area. Notification must be provided before implementing any allocation formula other than the PRC Allocation Formula.

Purchased/Referred Care Chapter Major Changes and Highlights

Change	Chapter Reference
GAO 11-767 Recommendation 6 develop a written policy documenting how IHS evaluates need for the CHS program and disseminate it to area offices and PRC programs to ensure they understand how unfunded services data are used to estimate overall program needs.	2-3.19 Deferred Services B. Recording and Reporting IHS evaluates and estimates need and the unmet need for the PRC program based upon information submitted per the annual unmet need request memo and tables, by Area PRC Officers, voluntarily submitted data by Tribal PRC programs and FI payment data for the average cost for inpatient admissions, outpatient visits and patient travel. This data is needed and used to accurately determine PRC financial needs and support program budget justifications to the HHS, OMB and Congress. The reporting formats and guidelines for deferred services accrued and deferred services expenditures are sent to the Areas on an annual basis.

Purchased/Referred Care Chapter Major Changes and Highlights

Change	Chapter Reference
GAO 11-767 Recommendation 7 provide written guidance to PRC programs on a process to use when funds are depleted and there is a continued need for services, and monitor to ensure that appropriate actions are taken.	2-3.5 Persons to whom PRC Will Be Provided C. Insufficient Funds (2) In the event that all PRC funds are depleted, referrals will be denied PRC payment or deferred. Medical referrals will still be made based on services needed by the patient. However, no payment or promise of payment can be made when there are no funds available. The Service Unit CEO will notify the Area Director when PRC funds are insufficient or depleted.

Purchased/Referred Care Chapter Major Changes and Highlights

Change	Chapter Reference
Exception to the IHS Payor of last Resort Rule. IHS modified its policy based exception to the payor of last resort authority in response to the D.C. District Court's decision in *Redding Rancheria v. Indian Health Service*, No. 1:14-cv-02035.	2-3.8 PAYOR OF LAST RESORT REQUIREMENTS H. Exception to the IHS Payor of Last Resort – Tribal Self-Insurance Plans. For purposes o f IHS administered PRC programs, the Agency will not consider Tribally funded self-insured health plans to be alternate resources for purposes of the IHS's Payor of Last Resort Rule. IHS will assume that a Tribe does not wish for its self-insured plan to be an alternate resource for purposes of PRC and IHS will treat the plan accordingly, once IHS receives documentation to show that the plan is tribal self-insurance. IHS will only treat the Tribe's plan as an alternate resource for purposes of PRC if either of the following occurs:

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Change	Chapter Reference
Exception to the IHS Payor of last Resort Rule.	2-3.8 PAYOR OF LAST RESORT REQUIREMENTS H. Exception to the IHS Payor of Last Resort – Tribal Self-Insurance Plans. (1) IHS has not received documentation to show that the plan is tribal self-insurance, or (2) IHS receives a tribal resolution from the Tribe's governing body, which clearly states that the Tribe would like IHS to treat the self-insured plan as an alternate resource for purposes of PRC. REMINDER: This process applies to IHS operated PRC programs. Tribes and Tribal organizations operating PRC programs may choose to follow this coordination process, or they may adopt a different process for addressing this issue. To the extent any Tribal self-insurance plan has reinsurance or stop loss insurance from which claims are paid by entities other than the Tribe or Tribal organizations, such reinsurance or stop loss insurance shall not be considered Tribal self-insurance; provided that the fact that a Tribal self-insurance plan has reinsurance or stop loss insurance does not mean that the Tribal self-insurance shall be considered an alternate resource.

Questions?

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