

# Catastrophic Health Emergency Fund (CHEF) Final Rule

## CHEF Regulation Implementation & Training

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# Today's Presentation

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- PRC Program Overview
- CHEF Overview & Background
- Annual CHEF Procedures and Guidelines
- Electronic CHEF Application (ECA)
- CHEF NPRM
- CHEF FRN Final Rule



# Purchased/Referred Care (PRC) Program

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PRC is any health service that is:

- delivered based on a referral by, or at the expense of, an Indian health program; and
- provided by a public or private medical provider or hospital that is not a provider or hospital of the Indian health program.
- PRC program utilizes Purchase Orders (PO) and a Fiscal Intermediary (FI) to reprice claims and pay for care referred by IHS/Tribal providers to higher level care and/or specialty care.

Funds are used to supplement and complement other health care resources available to eligible American Indian and Alaska Natives in situations where:

- no IHS direct care facility exists;
- the direct care element is incapable of providing required emergency and/or specialty care;
- the direct care element has an overflow of medical care workload; and
- supplementation of alternate resources (i.e., Medicare, Medicaid, private insurance) is needed to provide comprehensive health care to eligible AI/ANs.

# CHEF Program Overview

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- CHEF is a reimbursement program for IHS and Tribal PRC Programs to meet the extraordinary medical costs associated with the treatment of victims of disaster and/or catastrophic illnesses.
- CHEF reimburses PRC costs that exceed the cost threshold
- Although established in 1988, a similar fund was established by P.L. 99-591, a joint resolution authorization appropriations for FY 1987
- Section 202 of the Indian Health Care Improvement Act (IHCIA) established CHEF and directed IHS to promulgate regulations for its administration

# Background

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- CHEF is intended to shield IHS and Tribal PRC operations from financial disruption caused by the intensity of high-cost catastrophic illnesses and/or events. Examples of catastrophic illnesses include: cardiac disease, cancer, dialysis, burns, alcohol and opioid dependence, high-risk births, end-state renal disease, strokes, trauma-related causes such as automobile accidents, or gun shot wounds, and some mental disorders.
- No part of CHEF or its administration is subject to contract or grant under any law, including Tribal Programs contracted under Public Law 93-638, of the Indian Self-Determination and Education Assistance Act (ISDEAA).
- CHEF may not be allocated, apportioned or delegated to Service Unit, Area Office or any other organizational unit. The Division of Contract Care (DCC) within ORAP, IHS, shall remain responsible for administration of the CHEF.

# CHEF Guidelines

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- Reimbursements are processed on a first in/first out basis
- All patients (Tribal and Federal) must meet PRC eligibility requirements and treatment must be authorized by the PRC program for payment
- Each case must meet the established CHEF threshold
- Inpatient care is based on consecutive days from the initial date of admission up to 90 days after date of discharge. Inpatient cases require a discharge summary, official consultation summary, and documentation to support Medicare-Like Rate (MLR) claims.
- Outpatient and/or chronic care is based on 90-day increments. If a reoccurrence is more than 90 days later, a new threshold is typically applied.
- Ongoing CHEF cases may qualify for an advance payment at 50% reimbursement and fully completed CHEF cases may qualify for 100% reimbursement less the threshold amount.

# ECA Submission Process Overview

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- The **Electronic CHEF Application** (ECA), previously known as the CHEF Online Tool, is a fully automated paperless process for identifying, documenting, and submitting requests for reimbursement from the CHEF.
- The Application uses current technology to streamline both the workflow and the documentation requested to submit a complete CHEF case for reimbursement.
- May 1, 2019, IHS implemented the ECA.
- Use of the application is mandatory for all Federal PRC programs and is optional for Tribal PRC programs.

# ECA Submission Process Overview (cont.)

ECA (Electronic CHEF Application) <https://orap.ihs.gov>

1. Employees with both an IHS d1 domain account and a functioning PIV card
2. Federal employees with an IHS d1 domain account and a PIV card that does not work for logical access or whose PIV card is temporarily unavailable. This option also includes tribal employees who have an IHS d1 domain account.
3. Other employees

1 HSPD-12 PIV Card Access (Federal or Tribal Users who have a PIV card)	2 IHS Network Credentials (D1 domain users without a PIV card)	3 WebApps Credentials (Tribal Users not on the D1 domain)
<p>Insert your HSPD-12 PIV Card in your smart card reader before you try to login.</p>  <p>LASTNAME, FIRSTNAME MI OpDiv</p> <p><a href="#">How to Request Access?</a></p> <p>Login</p>	<p>Network: <input type="text" value="d1\"/></p> <p>Username: <input type="text"/></p> <p>Password: <input type="password"/></p> <p>Login </p> <p><a href="#">How to Request Access?</a></p>	<p>Username: <input type="text" value="Email Address"/></p> <p>Password: <input type="password"/></p> <p>Login </p> <p><a href="#">Request WebApps Credentials?</a></p> <p><a href="#">Forgot Username?</a></p> <p><a href="#">Forgot WebApps Password?</a></p>
<p> Multi-factor authentication required</p>		

# Service Now for CHEF Online access

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## Steps for requesting and obtaining CHEF:

- User access for ECA is requested by supervisor via a Service Now ticket – Navigate to the IHS Self Service Portal main page: <https://www.ihs.gov/itsupport>.
- Have the appropriate supervisor complete a ticket following the instructions found at this link, <https://orap.ihs.gov/webapps/docs/ecaRequestingAccessIAM.pdf>.
- Completed tickets will be routed to the ECA Support Team for processing/account set up.
- Support assistance for ECA, direct your request to the ECA Support Team at [HQ\\_ORAPCHEFOnlineSupport@ihs.gov](mailto:HQ_ORAPCHEFOnlineSupport@ihs.gov).
- Role types when requesting access:

- |                        |                       |                         |
|------------------------|-----------------------|-------------------------|
| 1. Submitter/Initiator | 5. Area Approver      | 9. Area Funds Processor |
| 2. Case Manager        | 6. HQ DDMO Approver   | 10. HQ OTSG             |
| 3. Local Administrator | 7. HQ Approver        |                         |
| 4. Area Certifier      | 8. HQ Funds Processor |                         |

# *CHEF Notice of Proposed Rulemaking (NPRM)*

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The Indian Health Service published the Catastrophic Health Emergency Fund on July 18, 2023. The NPRM proposes regulations governing CHEF and included a 60-day comment period that closed on September 18, 2023.

- A reduction in the threshold from \$25,000 to \$19,000, with an annual adjustment matching the Consumer Price Index for all urban consumers;
- Implementation of an appeal process for CHEF cases that are denied reimbursement; and
- Removal of Tribal self-insurance as an alternate resource for the purposes of the CHEF program.

IHS received several comments and responded in the Final FRN

# CHEF *Final Rule*

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- CHEF Final Rule, published in the Federal Register on August 30, 2024. Effective date of the Final Rule is 60 days after Final Rule Notice (FRN) publication, the effective date is October 29, 2024.
- The Final Regulation establishes:
  1. Definitions governing CHEF including disasters and catastrophic illnesses
  2. That a Service Unit (SU) shall not be eligible for reimbursement from CHEF until the cost of treating any victim of such catastrophic illness or disaster has reached a certain threshold
  3. A procedure for reimbursement of the portion of the costs for authorized services that exceed such threshold costs
  4. A procedure for payment from CHEF for cases in which the exigencies of the medical circumstances warrant treatment prior the authorization of such treatment
  5. A procedure that will ensure no payment will be made from the CHEF to the extent the provider of services is eligible to receive payment for the treatment from any other Federal, State, local, or private source of reimbursement for which the patient is eligible

# CHEF *Final Rule* (cont.)

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- Notable changes for the CHEF program are:
  - Created Subpart L in 42 CFR 136, §136.501 thru 510;
  - Responded to the comments received during the NPRM comment period; and
  - Created and defined an appeal process for CHEF case reimbursement that were previously denied.
- Reaffirmed that IHS will not consider Tribal Self Insurance (TSI) as an alternate resource, unless specifically authorized by the Tribe for IHS to consider TSI as primary payer.
- Lowered the CHEF threshold from \$25,000 to \$19,000

# CHEF Threshold

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The IHClA Section 202 provides that a SU shall not be eligible for reimbursement from CHEF until its cost of treating any victim of a catastrophic illness or event has reached a certain threshold cost.

- The Secretary is directed to establish the initial CHEF threshold at the FY 2000 level of \$19,000; and
- For any subsequent year, the threshold will not be less than the threshold cost of the previous year increased by the percentage increase in the medical care expenditure category of the Consumer Price Index (CPI) for all urban consumers (United States city average) for the 12-month period ending with December of the previous year.
- Although IHS is setting the initial threshold governed by this rule at \$19,000 for FY 2024, all cases submitted before October 29, 2024, must meet the threshold of \$25,000.
- ***FY 2024 cases that have been processed prior to the effective date at the \$25,000 threshold will be retroactively reimbursed after the \$19,000 threshold becomes effective on October 29, 2024.***

# §136.509 Reconsideration and Appeals

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- Any Service Unit to whom payment for the CHEF is denied will be notified in writing together with a statement of the reason for the denial within 130 business days from receipt.
  - If a decision on a CHEF case is not made within 180 days from receipt, the SU may choose to appeal it as a deemed denial.
- Within 40 business days from receipt of the denial, the SU may submit a request in writing for reconsideration of the original denial to the Division of Contract Care (DCC). The request must include corrections to the original claim submission necessary to overcome the denial or a statement and supporting documentation establishing the original denial was in error.
  - If no additional information is submitted, the original denial will stand.
  - The SU may also request a telephone conference with DCC to further explain the materials submitted; the call shall be scheduled within 40 business days from receipt of request for review.
  - A decision by DCC shall be made within 130 business days of the request for review.

# §136.509 Reconsideration and Appeals (cont.)

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- If the original decision is affirmed on reconsideration, the SU will be notified in writing and advised that an appeal may be taken to the IHS Director within 40 business days of receipt of denial.
  - The appeal shall be in writing and set for the grounds supporting the appeal.
  - The SU may also request, through DCC, a telephone conference with the IHS Director or designee to further explain the grounds supporting the appeal.
  - A decision by the IHS Director shall be made within 180 days of request for reconsideration and shall constitute the final administrative action.

# Contact Information

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**ORAP PRC Staff**  
[HQPRC@ihs.gov](mailto:HQPRC@ihs.gov)

**ECA Questions**  
[HQ\\_ORAPCHEFOnlineSupport@ihs.gov](mailto:HQ_ORAPCHEFOnlineSupport@ihs.gov)



# Questions?

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