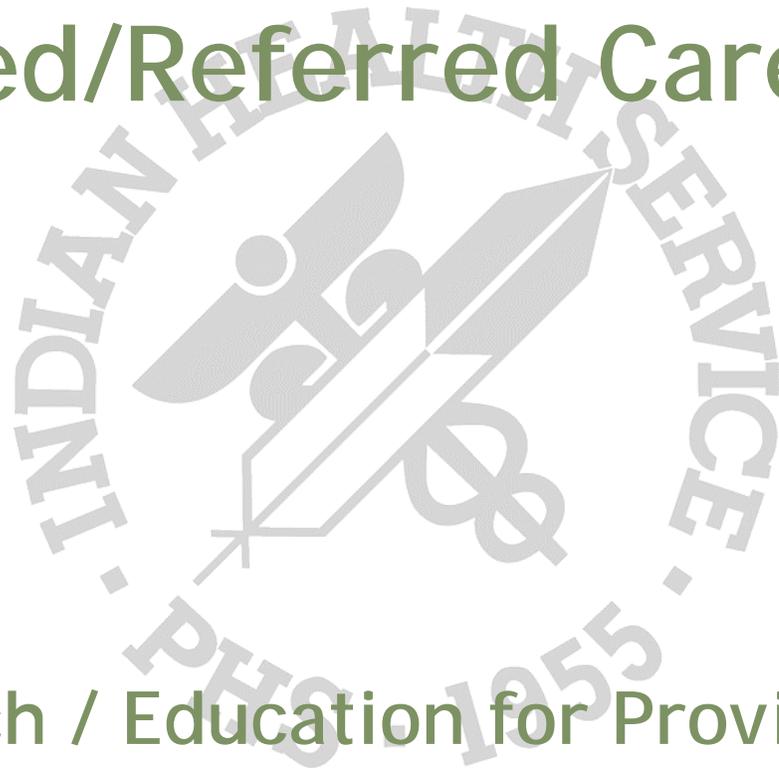


Purchased/Referred Care Rates



Outreach / Education for Providers

August 17, 2016

August 22, 2016

Overall Purpose & Goals of the Webinars

- ▶ To educate non-IHS doctors and health care administrators who provide services to American Indians and Alaska Natives through the Purchased/Referred Care (PRC) program on the PRC Rates.
 - The purpose of the IHS PRC program is to purchase health care services from private health care providers, generally when the services are not available directly at IHS or Tribal health facilities.

History

- ▶ Government Accountability Office (GAO) -13-272 Capping Payment Rates for Nonhospital Services could Save Millions of Dollars for Contract Health Services
- ▶ GAO recommended capping payments for physician and non hospital services
- ▶ Supported through a recommendation from the Director's Workgroup on Improving PRC and Tribal consultation

Overview

- ▶ Notice of Proposed Rulemaking published December 5, 2014
 - Extended to February 4, 2015 to allow for a 60 day comment period
 - IHS received 54 timely comments
- ▶ PRC Final Rule published in *Federal Register* on March 21, 2016
 - IHS addressed all comments in the Preamble of the Final Rule
- ▶ Effective date is May 20, 2016
- ▶ A PRC program operated by the IHS should implement the rule as soon as possible, but must implement the rates no later than March 21, 2017.

Overview

- ▶ The new PRC regulation gives the IHS, Tribal, and urban (I/T/U) the ability to cap payment rates at a “Medicare-like rate” to physicians and other non-hospital providers and suppliers through the PRC program. These rates will be known as the PRC rates.
- ▶ Tribes have the option to opt-in to the rule and implement immediately or when they are able to fully implement the rule, provided that they have agreed in their contract/compact to adopt.

Implementation Steps/Tools

- ▶ The IHS/PRC Fiscal Intermediary provided HQs PRC staff with a draft training module/manual
- ▶ Outreach & Education

Implementation Steps to Date

- ▶ **Outreach & Education**
 - IHS held two Webinars
 - PRC Staff Education
 - Federal & Tribal
 - Six in person training sessions
 - OIT/ORAP Partnership Conference
- ▶ **Online training module/manual**
- ▶ **Notification to Medical providers**
 - Dear Provider Letter

What do the PRC Rates Regulations do?

- ▶ Allows the I/T/U to negotiate with and pay health care providers or suppliers who deliver health care professional & non-hospital-based services through PRC
 - Using a “Medicare-like rate.”
- ▶ PRC programs often paid billed charges which is higher than private insurers, and other federal programs, such as:
 - Medicare
 - TRICARE
 - VA

What do the PRC Rates Regulations do?

- ▶ PRC payment is capped at the MLR, unless it is the most favored customer (MFC) rate; however, the price can exceed the MFC if fair and reasonable and in the best interest of the I/T/U
- ▶ I/T/U's can negotiate higher rates of payment with providers
 - Must meet a reasonable pricing arrangement
 - MFC rate is a platform for negotiation
 - MFC is another rate that providers charge to other entities like insurance providers
 - It is incumbent on the provider or supplier to provide this rate to PRC staff
- ▶ It is the responsibility of the I/T/Us to calculate/estimate payment rates
- ▶ The actual payment amount is provider specific

When do the PRC Rates Regulations apply?

- ▶ In the absence of a contract or agreement with IHS or Tribes for a different rate. The PRC rate applies as follows:
 - ▶ When a Provider accepts a referral/request for services from an I/T/U the PRC rates will apply
 - ▶ When a Provider accepts a purchase order for services from an I/T/U the PRC rates apply
 - ▶ When a Provider files a claim for payment

What Services are Covered?

- ▶ Outpatient care
- ▶ Physicians
- ▶ Laboratory
- ▶ Dialysis
- ▶ Radiology
- ▶ Pharmacy
- ▶ Transportation services (Ambulance)
- ▶ *This is not a complete list of services

How to Take Advantage of PRC Rates

- ▶ The opt-in option only applies to Tribal PRC programs
 - Tribes can include language in their funding agreement which has the suggested statement below or something similar
 - Tribal Health Program agrees to be bound by 42 CFR part 136, subpart I in the administration and provision of PRC services carried out under this Agreement

Savings

- ▶ The savings realized will allow the I/T/U to purchase more health care services
- ▶ Implementing PRC rates will likely increase the volume of services being sought which will result in providers achieving more volume to offset the decrease in rates

Looking Ahead

▶ Tools/Resources

- PRC rates Module/Manual forthcoming, look for updates on the PRC Rates Information Website at: [Purchased/Referred Care](#)

▶ Additional Training Opportunities

- 08/22/2016, 2:00 - 4:00 PM (ET)

Summary

- ▶ We covered the following:
 - ▶ Background
 - ▶ Tribal concerns & comments
 - ▶ Implementation efforts to date
 - ▶ Covered services
 - ▶ Future activities
 - ▶ And the IHS Fiscal Intermediary will cover claims processing/submission
- ▶ After March 21, 2017, the PRC rates will be implemented, we want to ensure you understand the processes before the implementation date
- ▶ Your feedback is important to us, please fill out the evaluation and submit it back to us

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Questions?

