2025 CMS I/T/U Training

Purchased/Referred Care (PRC)

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What is PRC?

From 42 CFR Part 136:

"Contract Health Services means health services provided at the expense of the Indian Health Service from public or private medical or hospital facilities other than those of the service."*

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

IHS Direct Care (42 CFR §136.12)

Indian Descent: A person requesting ***IHS Direct Care Services*** must provide proof of enrolled membership of; or, proof that he/she descends from an enrolled member, of a Federally recognized Tribe (42 CFR 136.12). PRC eligibility begins with the eligibility for Direct Care services, which are health care services available onsite at an Indian Health Service (IHS) or Tribal health facility.

There are 574 U.S. Federally Recognized Tribes (as of Jan 2024**)**

Tribes are recognized by Federal recognition statute or through the Bureau of Indian Affairs (BIA) administrative recognition process.

IHS Patient Registration

Service Unit/Patient Registration is the first point of contact for clinic visits, and the patient is responsible for providing their information and updating their information at every visit.

Information may include: mailing address, physical residential location, emergency contacts; telephone numbers are especially needed for follow up calls and contacts from PRC vendor/providers to schedule appointments.

Tribal enrollment and/or descendancy documentation is required to access direct care services. Updating Private Insurance, Medicare, Medicaid and any Alternate Resource or other payers and information is required by IHS.

Residency (42 CFR §136.23)

Patients must be members **or** descendants of an enrolled member of a Federally-recognized Tribe and reside on a reservation, or;

If not residing on a reservation, must reside within a PRC Delivery Area (PRCDA); and:

- Are members of the tribe(s) located on that reservation; or
- Maintain close economic and social ties with that tribe.

  "Residence: Where a person lives and makes his or her home as evidenced by acceptable proof of residency or acceptable proof established by the Service Unit."

  Persons claiming PRC eligibility have the responsibility to furnish documentation to substantiate the claim.
- Proof of Residency may be documented and the IHS form may also be used.

- PRCDA: consists of a county which includes all or part of a reservation, and any county or counties which have a common boundary with the reservation.

Notification (42 CFR §136.24)

Emergency Care: Notify the appropriate PRC ordering official within 72 hours after the beginning of emergency treatment or admission to a health care facility.

Elderly (65 years of age or older) and disabled are allowed 30 days to notify IHS or Tribal PRC Program.

- Notification may be made by an anyone acting on behalf of the individual.
- The notification shall include the necessary information to determine the relative medical need and the individual's eligibility. **(42 CFR 136.203)**

Non-Emergency Care: **Before** receiving any medical care, notify the appropriate ordering at IHS official and **get approval from IHS**. Provide information necessary to determine medical need.

The IHS ordering official may waive the requirement, and may determine providing prior notice was impracticable or other good cause exists for failure to provide prior notice.

Alternate Resources (42 CFR §136.61)

- Medicaid and State Programs – SCHIP, Aged/Blind/Disabled Program and Medicare Supplemental Program, also Breast Cervical Cancer Treatment Program
- Medicare – Part A, B, C & D; End Stage Renal Disease (ESRD)
- Veteran Affairs (VA)
- Disability – Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI).
- Private Health Insurance – employer sponsored or other
- Victims of Crime Compensation Board
- IHS is the Payor of Last of Resort

Payor of Last Resort

Under 42 C.F.R. § 136.61 the IHS is the payor of last resort for services provided to patients defined as eligible for PRC, regardless of any State or local law or regulation to the contrary.

Under 25 U.S.C. § 1623(b), Congress elevated the payor of last resort status for IHS, Indian Tribes, Tribal organizations and urban Indian organizations, superseding federal laws to the contrary. Whether the alternate resource is regulated by federal, state or local law, IHS intends to implement its statutory payor of last resort authority in accordance with existing regulations.

Accordingly, the IHS will not be responsible for or authorize payment for PRC to the extent that:

- the patient is eligible for alternate resources , or
- the patient would be eligible for alternate resources if he or she were to apply for them, or
- the patient would be eligible for alternate resources under State or local law or regulation but for the Indian's eligibility for PRC or other health services, from the IHS or IHS programs.

Students/Transients (42 CFR §136.23)

Students and Transients

- PRC may be available to students and transients who would be eligible for PRC at the place of their permanent residence within a PRCDA, but are temporarily absent from their residence.
  - **Transients:** PRC eligible persons who are temporarily employed such as seasonal or migratory workers, during their absence.
  - **Students:** During full time attendance at programs of vocational, technical, or academic education, includes high school students. In addition, persons who leave a location (in which they were PRC eligible) may be eligible for PRC for a period of 180 days from such departure.

Students & Transients have to meet all other PRC eligibility requirements.

Other PRC Eligible Persons

- Non-Indian woman pregnant with an eligible Indian's child – duration of pregnancy & up to 6 weeks postpartum. Verification is required.
- Non-Indian member of an eligible Indian's household for public health hazard.
- Adopted, foster & step-children up to 19 years of age (IHCIA)
- Other PRC-eligible persons have to comply with all PRC requirements.

Medical Priorities (42 CFR §136.23)

42 CFR §136.23(e): When funds are insufficient to provide the volume of PRC indicated as needed by the population residing in a PRC Delivery Area, priorities for services shall be determined on the basis of relative medical need.

- PRC Medical Priorities are typically determined by IHS providers, routine referrals may be prioritized by a Nurse Case Manager to expedite them.
- Some IHS Service Units allow Standing Orders for designated PRC staffs regarding certain specific services to help propel the referral process.
- IHS revised and implemented the Medical Priority Policy last year and Tribes may choose to use the medical priorities policy as a guide.

Medical Priorities (42 CFR §136.23)

Under the revised IHS Medical Priority Levels, PRC services will be divided into four general categories (each considered equal):

A) Preventive and Rehabilitative Services;

B) Medical, Dental, Vision, and Surgical Services;

C) Reproductive & Maternal/Child Health Services; and

D) Behavioral Health Services.

Within each category of PRC services, there are three priority levels:

Priority 1, Core – Essential Services;

Priority 2, Intermediate – Necessary Services; and

Priority 3, Elective – Justifiable Services

Referral Management

When patients have a face-to-face, direct care visit that results in a referral to an outside provider/vendor, the IHS physician or practitioner will issue a referral which is automatically routed to the Service Unit PRC Team.

The PRC Teams ensures the following information is contained on referrals:

- Patient demographics, including alternate resource information
- The identified service requested, and specific information regarding patient's health care needs
- The number of visits, days, units, description of service
- The referred care provider/vendor name (non-IHS)
- Date of Service or date span (appointment date, if available)

Routed to the Service Unit PRC Resource Committee for a payment decision, which results in the PRC Team actions to authorize Payment or issue a denial letter

Medicare Like Rates (42 CFR §136 Subpart D)

Limitation on charges for services furnished by Medicare-Participating (in-patient) hospitals to Indians. The Medicare Modernization Law (of 2003) includes the IHS/MLR provision.

- Requires Medicare participating hospitals that provide inpatient hospital services to accept Medicare-Like Rates (MLR) as payment in full when delivering services to PRC eligible patients who are referred to them by IHS and Tribal programs.
- Also applies to Skilled Nursing Facilities (SNF)
- MLR Rates law applies to hospital payments made by IHS and Tribal facilities
- MLR for IHS/Federal Facilities is determined by the IHS Fiscal Intermediary, Blue Cross Blue Shield of NM.
- Regulation under the Law became effective July 5, 2007

PRC Rates (42 CFR §136, Subpart I)

The General Accounting Office, in April 2013 recommended to Congress to consider limiting IHS/PRC reimbursements for physician and non-hospital services at rates comparable to other federal payers. At 42 CFR Part 136, Subpart I – Limitation on Charges for Health Care Professional Services and Non-Hospital-Based Care.

- Final rule was published on March 21, 2016 in the Federal Register (FR), IHS addressed all comments in the preamble of the final rule.
- Effective May 20, 2016 the IHS PRC programs were to implement the rule by March 21, 2017.
- Tribal PRC programs have the option to ***Opt-In*** to the rule and include language in their ISDEAA contracts with IHS.
- Provides payment methodology for provider and supplier services purchased by Indian health programs. Services may include, but are not limited to: Physicians fees, Labs, Dialysis, Radiology, DME and supplies, and non-emergency transportation services.
- IHS/Fiscal Intermediary reimbursements are based on: (1) Contracts, (2) Medicare Fee Schedules, or (3) 65% of billed charges.

Denials & Appeals (42 CFR §136.25)

Patients to whom PRC payments are denied shall be notified of the denial in writing.

- **Denial Reasons are included in automated notices:** Notification, Medical Priority, IHS Available, Alternate Resource Available, Indian Descent/Membership, & Residency.
  - PRC programs include applicable denial reasons are identified and indicated in Denial Letters.
- The Service Unit shall notify the patient that within 30 days from the receipt of the denial letter: The patient may submit a request for reconsideration to the appropriate Service Unit CEO; the request must be in writing.
- 3 levels of Appeal:
  - 1st level: CEO, Service Unit issues the original denial letter; reconsideration is available
  - 2nd Level: Area Director, IHS
  - 3rd Level: Director, IHS, Rockville, MD
- The decision of the Director, IHS constitutes final administrative action.

*The levels of appeal may differ for Tribally-administered PRC programs and facilities.

Catastrophic Health Emergency Fund (CHEF)

What is CHEF?

The fund was created by Congress to reimburse medical expenses incurred for catastrophic illnesses and events falling within the PRC payment responsibility of IHS after a threshold cost has been met.

Effective October 2024, the cost threshold changed to **$19,000 per CHEF case which is** met before reimbursements can be expected from the CHEF fund.

CHEF cases require signature from the PRC program, and are submitted through the IHS Area Offices for final signature and submission to HQ/CHEF.

Catastrophic Health Emergency Fund (CHEF)

The electronic CHEF application (ECA) is used by IHS PRC programs, and Service Unit requires: (1) Submitter, (2) Case Manager and (3) Administrator.

CHEF Cases are automatically routed to the Area PRC Office for final review and upon e-signature, are automatically routed to HQ/ORAP/CHEF Management.

We highly encourage Tribal PRC programs to use ECA.

Contact Information

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Thank you!