

Purchased/Referred Care (PRC) 2026 CMS I/T/U Training

PRC- 101

Indian Health Service- ABQ Area
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Objective

- Introduction to PRC
- To provide an overview of the basic principles of the PRC program.

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; 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.

****services available onsite at an IHS or Tribal Health Facility.***

There are 575 U.S. Federally Recognized Tribes (as of Dec 2025)

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

Patient Registration



PRC eligibility begins with Direct Care eligibility. Patient registration is the first point of contact for clinic visits, obtaining the patient **demographic** information is a very important and should be updated every clinic visit.

- Information such as demographics mailing address, include physical location residence for rural areas, emergency contacts; telephone numbers are essential for patient follow up and where PRC vendor/providers contact the patient to schedule appointments.
- Tribal Enrollment and/or descendent documentation is a requirement for direct care service and should only be required one time.
- Updating Private Insurance, Medicare, Medicaid and any Alternate Resource (AR) information benefits direct care billing, PRC payment (PRC is the Payor of Last Resort) and Medicaid referrals may require further processing if IHS is not the Medicaid recipient's Primary Care Provider. Verify Alternate Resource via available software, portals, etc.
- Other information as required by IHS, e.g., assignment of benefits.



IHS Patient Registration staff will ask you to verify your information, **EVERY TIME** you present to our clinic. We realize you may not be feeling well, we apologize for any inconvenience.

IHS MUST VERIFY the following:

- ***Mailing Address:*** The correct address is important for IHS to correspond with you regarding your health, appointment information, and PRC status of your referral.
 - We also need the **physical location** of your residence, for PRC referral purposes.
- ***Telephone Number:*** IHS may need to quickly contact you regarding important health information, lab results or appointment information from IHS or Private Sector Health Care Providers.
- ***Private Insurance, Medicare, or Medicaid Information:*** Correct information is required for IHS billing and PRC referrals. Incorrect information may delay PRC payment.
- ***Tribal Enrollment Information:*** If we don't have this information on file, we may request you to provide it or sign a Release of Information, so we can obtain it from your Tribe. Federal regulations require we obtain this information, for IHS to provide you with health services.
- ***Other Information:*** We may ask you to verify employment, emergency contact, and other demographic information.

We appreciate your cooperation & patience with our Patient Registration staff as they check you in; we need the correct information to manage your health care. Thank You!

Residency (42 CFR § 136.23)



To be PRC eligible, an applicant must be a member or a descendant 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.

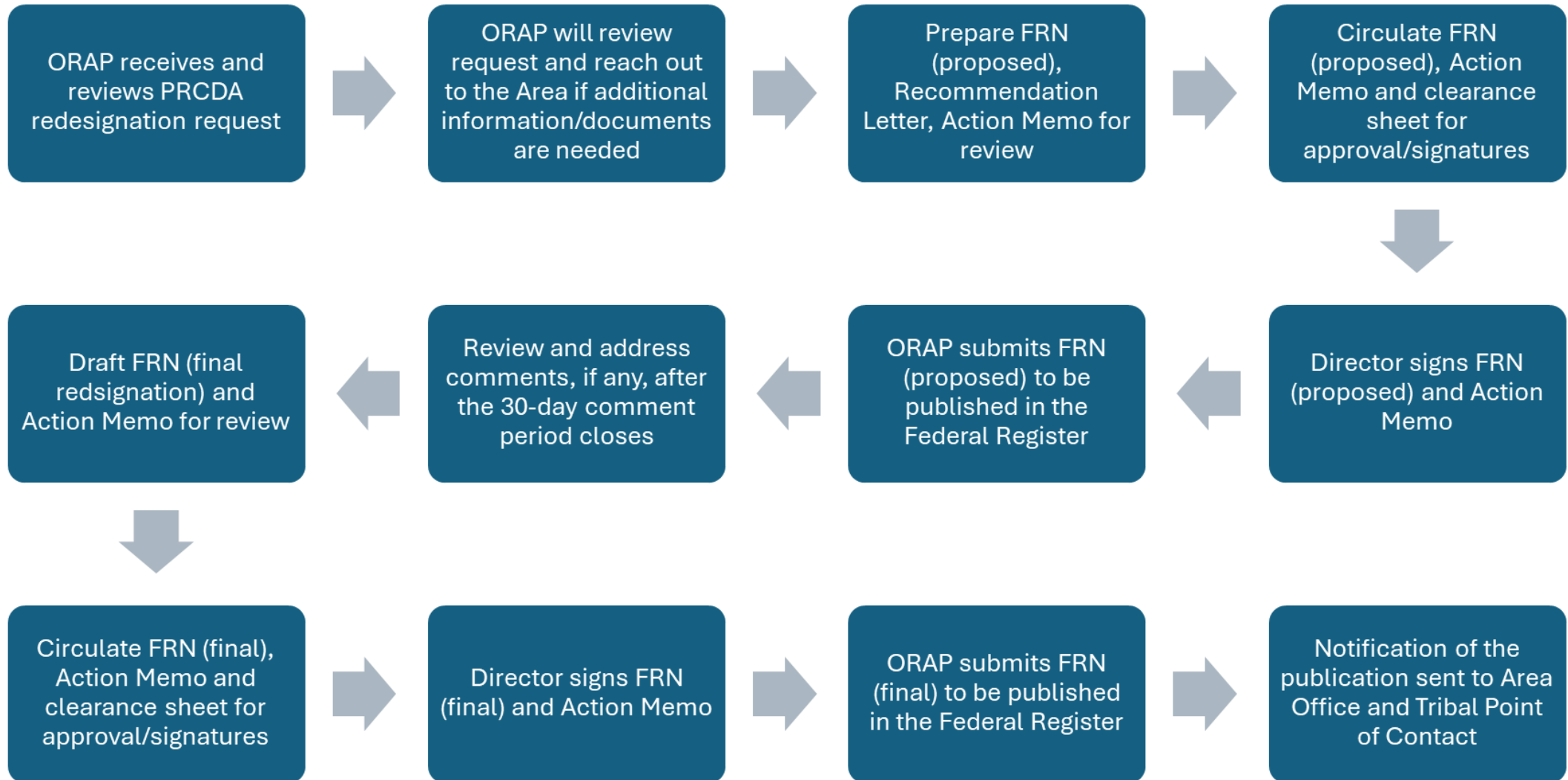
“Residence: Where a person lives and makes his or her home as evidenced by acceptable proof of residency or acceptable proof established by the Service Unit.” Persons claiming PRC eligibility have the responsibility to furnish documentation to substantiate the claim.

- Proof of Residency Policy and/or **IHS-976 form**.
<https://www.hhs.gov/sites/default/files/ihs-976.pdf>
- 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.

Re-designation of a PRCDA Request

- Where does the request begin?
 - The Tribe will submit a request to the Area Office Director to request a PRCDA Redesignation, in a Resolution form.
 - The Area PRC officer/consultant will review the request to ensure the following information is submitted with the request:
 - An estimated number of AI/AN people who will be included and/or excluded for eligibility of PRC:
 - A. members of the who live near the reservation; or
 - B. AI/AN people who are not member of the Tribe but have close economic and social ties with the tribe.
 - The Impact of the change in the PRCDA on the level of PRC being provided to eligible AI/AN people in the original PRCDA.
 - Additional PRC funds are not included, if the tribe wishes to expand their PRCDA they will not receive additional funds to serve the PRC eligible patient in the expanded counties.
 - Ensure the PRC can maintain their current Medical Priority level.
 - Justification for the change in the PRCDA.
 - The justification may include criteria used in establishing the PRCDA for the states outlined in 42 CFR §136.22, but are not limited to these criteria.

PRCDA Redesignation Request at HQ



Rosebud IHS Hospital


(Rosebud Sioux Tribe)

PRC Delivery Area (PRCDA)



Current process does allow for requests to expand PRCDA's. Rosebud Sioux Tribe utilized the process to add additional counties to their PRCDA, **however, additional funds were not included.**

PRCDA Redesignation Website

 **Indian Health Service**
The Federal Health Program for American Indians and Alaska Natives

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Purchased/Referred Care (PRC)

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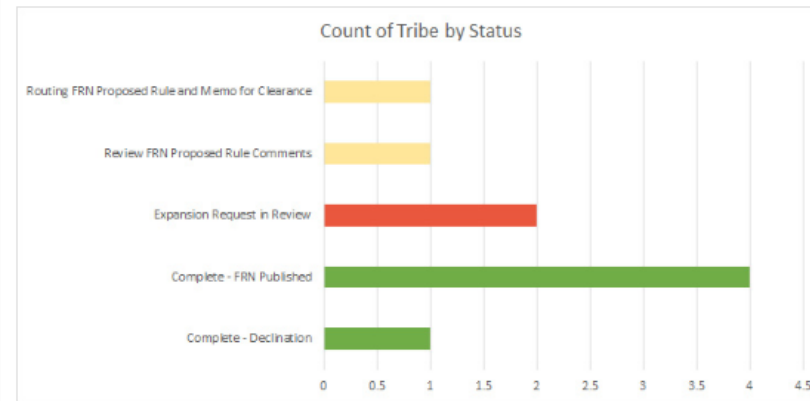
Training

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PRCDA Expansion

This webpage contains information on Re-Designation of a Purchased/Referred Care Delivery Area (PRCDA) also known as a PRCDA Expansion Request status and the most current official full PRCDA listings. With Medicaid Expansion and the implementation of PRC Rates (Medicare Like rates) many tribes are seeing their PRC dollars cover more services and would also like to cover more of their beneficiaries that are not currently covered under their existing PRCDA and are requesting PRCDA Re-designation or expansion. Details on how to re-designate or expand a Tribes PRCDA are located in the IHM Part 2 Chapter 3 Purchased/Referred Care, 2-3.4 REDESIGNATION OF A PRCDA.

The PRCDA Expansion Request Tracker is below.



The PRCDA listing is provided in the PDF link below. The list includes two recent expansions, the Spokane Tribe and the Mid-Atlantic Tribes.

[PURCHASED/REFERRED CARE DELIVERY AREAS](#) [PDF - 243 KB]

PRCDA vs Service Delivery Area

- The Purchased/Referred Care Delivery Area (PRCDA) means the geographic area within which PRC services will be made available by the IHS to members of an identified Indian community who reside in the area, subject to the provisions of 42 C.F.R. Part 138 Subpart C.
- A Service Delivery Area is a geographic area in which an **IHS beneficiary** must live in order to be counted in the user population of that ITU facility.

In most cases the PRCDA and Service Delivery Area are the same counties. However, in some cases they may differ. A Service Delivery Area must be requested by the IHS Area Office and is a different process from establishing a PRCDA. The OPHS Division of Program Statistics has templates for Area Office's to use in development of the draft Service Delivery Area decision memo. If Service Delivery Areas overlap, there must be negotiations between Tribes and the Area on how user population will be divided. This agreement must be included in the decision memo.

If you have any questions regarding PRCDA Expansion requests, please contact Alison Sanders, Alison.Sanders@ihs.gov



Notification (42 CFR § 136.24)

Emergent Care: Notify the appropriate PRC ordering official within 72 hours after the beginning of 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 individual or agency 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-Emergent Care: Obtain approval **prior** to receiving medical care and services. Notify the appropriate ordering official and provide information necessary to determine relative medical need. May be waived by the ordering official, if such notice and information are provided within 72 hours after beginning of treatment; and, ordering official determines prior notice was impracticable or other good cause exists for failure to provide prior notice.

Alternate Resources (42 CFR § 136.61)



42 CFR §136.61 establishes IHS as the “Payor of Last Resort”.

- **Alternate Resources** means health care resources other than those of the IHS. Such resources include Medicare, Medicaid, Private Health Insurance, and State or local health care. IHS is the Payor of Last Resort for approved PRC referrals.
- **IHS will not be responsible for or authorize payment for PRC to the extent that:**
 - The person would be eligible for Alternate Resources if he/she were to apply for them (not required to expend personal resources).
 - **“REASONABLE INQUIRY”** compare pt. income, etc. to Medicaid guidelines and if potentially eligible, IHS may require them to apply.
 - IHS Policy: “...patients should not automatically be denied [PRC] benefits simply because of the possibility they might be eligible for an alternate resource”. IHS must do a Reasonable Inquiry prior to denial of a PRC referral.

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 attending boarding schools. 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 must still comply with 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. (proof required)
- Non-Indian member of an eligible Indian's household for public health hazard.
- Adopted, foster & step-children up to 19 years of age Indian Health Care Improvement Act (IHCIA)

Must still comply with all other PRC requirements

PRC Review Committee



Review PRC referrals, monitor the expenditure of PRC funds and high-cost cases.

Medical staff assign medical priority and rank referrals within the medical priorities.

Administrative staff authorize referrals within the weekly/daily spending plan in order of ranking, beginning with priority I.

- At a minimum the PRC Review Committee consists of CEO/AO, CD, DON or UR/Discharge Planner, Case Managers, Social Services, BH CM and PRC staff. PRC Review Committee meetings are held at least once weekly.
- Minutes of the meetings will be kept on file for audit purposes and tracking
- **Weekly/Daily Spending Limit** (fiscal year funding ÷ 52 weeks = weekly spending limit): IHS policy is to expend PRC funds at a consistent rate throughout the entire fiscal year to prevent radical changes in the level of medical care provided throughout the year.
- Determines the level of care (medical priority) a service unit is able to authorize.
- All requests for care are either **Approved** or **Denied**.
- **To Expedite Referral Process** – Prioritizing of **ROUTINE** Referrals may be delegated to an individual, could be a Nurse Case Manager for example.



Medical Priorities 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.
- PRC Medical Priorities were updated January 2024.

“Medicare Like Rates” (42 CFR §136 Subpart D)



42 CFR, Subpart D, §136.30 – Limitation on charges for services furnished by Medicare-Participating (in-patient) hospitals to Indians.

- 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 programs funded by the IHS.
- MLR for IHS/Federal Facilities is determined by the IHS Fiscal Intermediary, Blue Cross Blue Shield of NM.
 - Tribally Operated PRC programs may contract with the IHS FI or purchase their own software to calculate the MLR. (MLR PPS pricer is available for free at [cms.gov](https://www.cms.gov))
- Became effective July 5, 2007

“PRC Rates” (42 CFR § 136, Subpart I)



The General Accounting Office (GAO), conducted a study and in April 2013 released a report recommending congress cap IHS PRC payments for physician and non-hospital services at rates comparable to other federal programs.

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, Dental 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)



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

- **Denial Reasons in RPMS/CHSMIS:** Notification, Medical Priority, IHS Available, Alternate Resource Available, Indian Descent/Membership, & Residency.
 - PRC programs should ensure all applicable denial reasons are identified and applied.
- The Service Unit shall notify the applicant that within 30 days from the receipt of the denial:
 - The applicant may obtain a reconsideration by the appropriate CEO of the original denial; the request must be in writing.
- 3 levels* of appeal:
 - 1st level: CEO, Service Unit issuing the original denial
 - 2nd Level: Area Director, IHS
 - 3rd Level: Director, IHS, Rockville, MD
- The decision of the Director, IHS shall constitute final administrative action.
 - *The levels of appeal may differ for tribally contracted facilities.

Catastrophic Health Emergency Fund (CHEF)



Purpose:

- CHEF is established to support and supplement Purchased/Referred Care (PRC) programs that experience extraordinary medical costs associated with the treatment of disasters and/or catastrophic illnesses that are within the responsibility of Indian Health Service (IHS) and Tribes.

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. The cost threshold for FY 2026 is **\$19,630** and must first be met before reimbursements can be requested from the CHEF. First in/First out basis.
- Electronic CHEF Application (ECA), mandatory for IHS/federal sites and available to Tribal PRC Programs.



PRC Outreach

IHM, 2-3-9 E: Examples of notification include publication in local community or Tribal newspaper and posting of notices in public waiting areas in IHS facilities.

Outreach is periodically provided by Area PRC staff to Tribes, private sector vendor/providers, and others as requested.

PRC Service Unit staff make periodic vendor visits, especially with high volume vendor/providers and provide community outreach as well.



Questions?

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