

# *What is Contract Health Service\*?*

*Presented by:*



***SDMGMA Third Party Payer & TPA Day***

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Holiday Inn City Centre

100 W. 8<sup>th</sup> Street

Downtown Sioux Falls, SD

*\*Purchased/Referred Care (PRC)*



## IHS Contract Health Service\*



# Welcome

- ▶ **Indian Health Service (IHS):** IHS is a federal agency under the Department of Health and Human Services. IHS is responsible for providing federal health services to American Indians and Alaska Natives (AI/AN).
  
- ▶ **Great Plains Area Office\*:** The Great Plains Area IHS Office in Aberdeen, SD provides technical support to IHS/Tribal Hospitals and Health Centers in South Dakota, North Dakota, Nebraska, and Iowa. Great Plains Area IHS facilities provide health care to approximately 126,578 AI/AN patients (as of 2013). Great Plains Area IHS Service Units include 7 hospitals, 14 health centers (Federal & Tribal), and several smaller health stations and satellite clinics.
  - \*At the request of Area Tribes, the Aberdeen Area IHS name was changed to **Great Plains Area IHS**, effective January 10, 2014.
  - The Consolidated Appropriation Act of 2014 changed the name of Contract Health Services (CHS) to **Purchased/Referred Care (PRC)**.

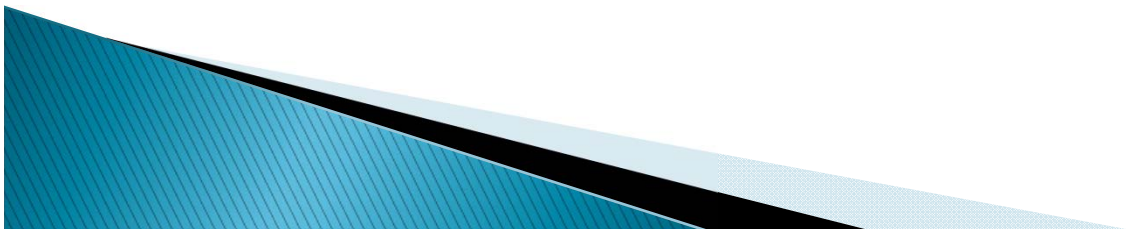


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## ***IHS Direct Care Services***

- ▶ **Indian Descent:** A patient 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.
  - *\*services available onsite at an IHS or Tribal health facility*
  
- ▶ **There are 566 U.S. Federally Recognized Tribes.**
  - Tribes are recognized by Federal recognition statute or through the Bureau of Indian Affairs (BIA) administrative recognition process.





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# ***What is Contract Health Service\*?***

As defined in 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.”***

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## CHS\* Overview

- ▶ CHS\* funds are used in situations where the direct care element is incapable of providing required emergency and/or specialty care. CHS\* funds are used to complement and supplement other health care resources available to eligible Indian people.
- ▶ CHS\* funds **may not** be expended for services that are reasonably accessible and available at IHS or Tribal facilities. **(IHS or Tribal Physician determination)**
- ▶ CHS\* is not an entitlement program and a CHS\* referral is not an implication care will be paid; it is a referral for medical services.
- ▶ Authorization of services is dependent on appropriations, which has resulted in the establishment of medical priorities of care.
- ▶ IHS pays for authorized CHS\* care only after all other alternate resources are exhausted, including an available IHS facility or Tribal facility.

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## **CHS\* Residence Requirement**

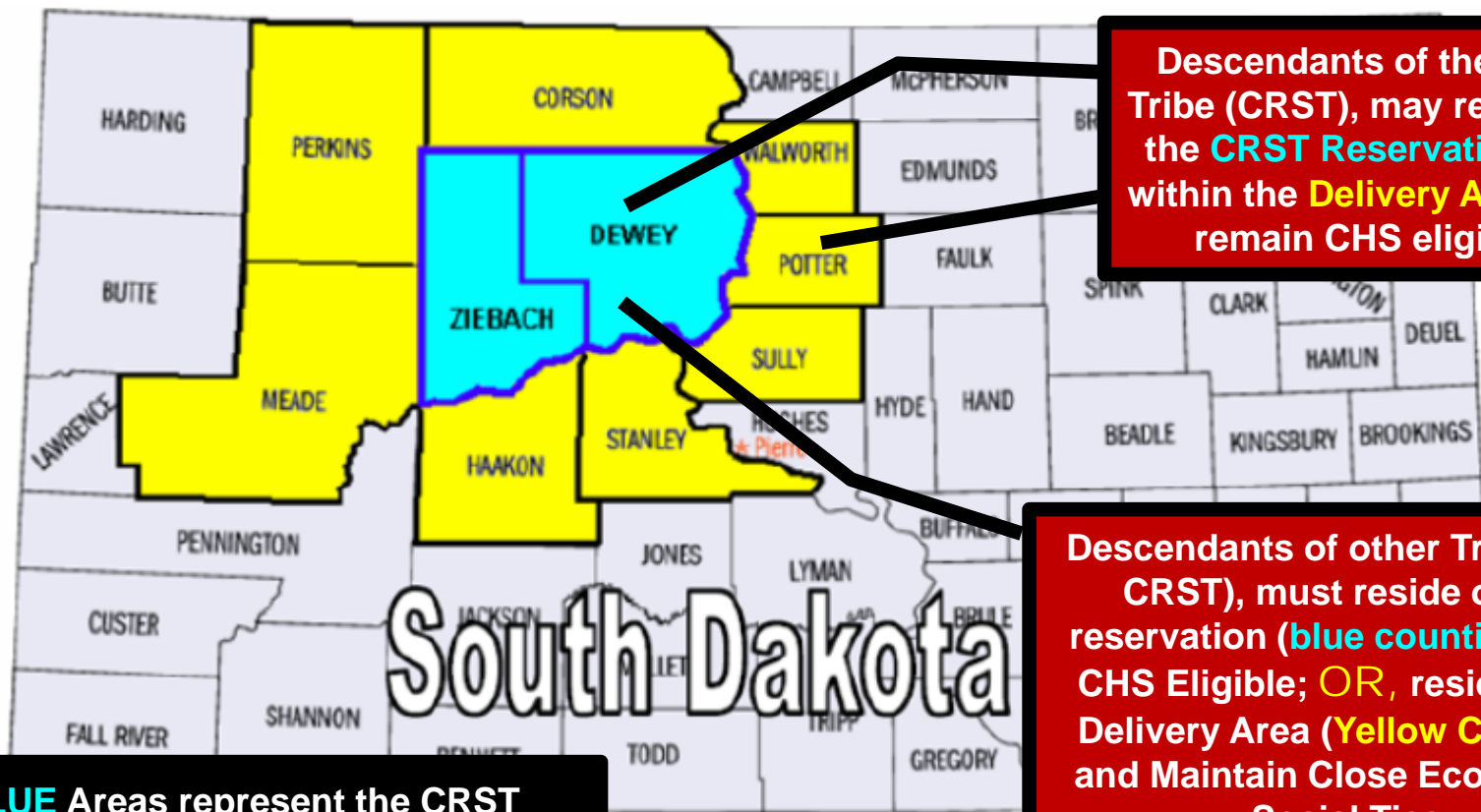
- ▶ To be CHS\* eligible a patient must be a member or a descendant of an enrolled member of a federally recognized tribe; **and permanently** reside on a reservation within a Contract Health Service\* Delivery Area (CHSDA); or
  - If not residing on a reservation reside within a CHSDA **and**:
    - Are members of the tribe located on that reservation; or
    - Maintain close economic and social ties with that tribe.
  - **CHSDA:** 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.

**Examples of a CHSDA...**

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# Eagle Butte IHS Hospital (Cheyenne River Sioux Tribe)

## Contract Health Service Delivery Area (CHSDA)



Descendants of the local Tribe (CRST), may reside on the **CRST Reservation** OR within the **Delivery Area** and remain CHS eligible.

Descendants of other Tribes (not CRST), must reside on the reservation (**blue counties**) to be CHS Eligible; OR, reside in the **Delivery Area (Yellow Counties)** and Maintain Close Economic & Social Ties.

**BLUE** Areas represent the CRST Reservation. **YELLOW** Areas represent CHS Delivery Area Counties.



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# ***Notification Requirements***

- ▶ **Emergent Care:** Notify the appropriate IHS/CHS\* ordering official within 72 hours after the beginning of treatment or admission to a health care facility.
  - Elderly (65 yrs of age or older) and disabled are allowed 30 days to notify IHS or Tribal CHS Program.
  - Notification may be made by an individual or agency acting on behalf of the patient.
  
- ▶ **Non-Emergent Care:** Obtain approval from IHS or Tribal CHS Program prior to receiving medical care and services

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# *Alternate Resource Requirement*

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

- IHS will not be responsible for or authorize payment for CHS\* 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, only then can IHS require them to apply.**
- **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 payor of last resort for approved CHS\* referrals.
- IHS will not authorize CHS\* funds if an IHS facility is accessible and available to provide the appropriate care.

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## ***Medical Priority***

- ▶ **42 C.F.R. §136.23 (e):** When funds are insufficient to provide the volume of CHS\* indicated as needed by the population residing in a CHS\* Delivery Area, priorities for services shall be determined on the basis of relative medical need.
  - **CHS\* Medical Priorities are determined by provider/physicians.**
  - **Priority I** – Emergent
  - **Priority II** – Chronic Primary & secondary care services
  - **Priority III** – Preventive Care
  - **Priority IV** – Chronic Care Services
  - **Priority V** – Excluded (Cosmetic and experimental)



## ***PRC - Emergent Care***

- ▶ **42CFR136, Subpart C – Contract Health Services\***
  - **§136.21 Definitions.**
    - *“(f) Emergency means any medical condition for which immediate medical attention is necessary to prevent the death or serious impairment of the health of an individual.”*



## Service Unit CHS\* Committee

- ▶ **Medical staff assign medical priority and rank referrals within the medical priorities. Administrative staff authorize referrals within the weekly spending plan in order of ranking, beginning with medical priority I.**
  - At a minimum the CHS Committee consists of Clinical Director, Administrative Officer, DON or URN and PRC staff.
  - CHS Committee meetings are held at least once weekly, most committees meet 3-5 times per week.
  - Manage the clinical & financial care of all referred patients
  
- ▶ **Weekly Spending Limit** (fiscal year funding ÷ 52 weeks = weekly spending limit): IHS policy is to expend CHS 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**, **Deferred** (delayed non-emergent care), or **Denied**.



## ***Other CHS\* Eligible Persons***

### ▶ **Students and Transients**

- CHS\* may be available to students and transients who would be eligible for CHS\* at the place of their permanent residence within a CHSDA, but are temporarily absent from their residence.
  - **Transients:** People 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.

- ▶ In addition, **persons who leave** a CHSDA (in which they were CHS\* eligible) may be eligible for CHS for a period of 180 days from such departure.

**Students & Transients must still comply with all other CHS eligibility requirements.**



## **Other CHS\* Eligible Persons** *(continued)*

- ▶ 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 yrs of age (IHCIA)

Must still comply with all other CHS\* requirements

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## ***Reconsideration & Appeals***

- ▶ **Persons to whom CHS\* are denied shall be notified of the denial in writing.**
  - 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:
    - 1<sup>st</sup> level: CEO, Service Unit issuing the original denial
    - 2<sup>nd</sup> Level: Area Director, Great Plains Area IHS
    - 3<sup>rd</sup> 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.



## Medicare Like Rates

- ▶ **42CFR, Subpart D, §136.30** – Limitation on charges for services furnished by Medicare-Participating 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 CHS\* 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.
  - **Tribal Facilities may contract with the IHS FI or purchase their own software to determine the MLR.**
- ▶ Became effective July 5, 2007

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## ***CHS\* Purchase Order***

- ▶ **IHS Service Units may issue form [IHS-843-1A, Order for Health Services](#) for approved CHS\* care.**
  - Provider/vendor shall complete IHS-843-1A and ensure private insurance/Medicare/Medicaid are billed first.
  - Submit P.O., along with proper documentation, to the **IHS Fiscal Intermediary (FI), Blue Cross Blue Shield of New Mexico**.
  - The FI will review, ensure the Medicare-Like Rate is correct, if applicable, and issue payment.
    - **“Life of a CHS\* PO”**. Service Unit policy regarding the time frame a CHS\* PO may be kept open or obligated.
- ▶ **American Recovery and Reinvestment Act of 2009 provision:**
  - Effective July 1, 2009 Medicaid Cost Shares will be waived for patients referred through CHS\* programs.

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# Reference

- ▶ **CHS\* Regulation:**
  - Code of Federal Regulations (CFR)
    - Title 42, Volume 1, Subchapter M – Indian Health Service
      - Part 136 – Indian Health, **Subpart C – Contract Health Services\***. (PRC)
- ▶ **IHS (CHS\*) Manual:** (administrative instructions to assist IHS officials in carrying out their duties, IHS Manuals are not regulations binding upon members of the general public)
  - Indian Health Manual
    - Part 2 – Services to Indians and Others
      - Chapter 3 – Contract Health Service\*
- ▶ **The Indian Health Care Improvement Act**
- ▶ **CHS\* info on IHS website at <http://www.ihs.gov>**

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## ***Contact Information***

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