



September 3, 2024

Dear Tribal Leader:

I am writing to announce that on August 30, the U.S. Department of Health and Human Services Indian Health Service (IHS) published a final rule in the *Federal Register* implementing regulations governing the Catastrophic Health Emergency Fund (CHEF).

The IHS administers the CHEF program in accordance with the requirements specified in section 202 of the Indian Health Care Improvement Act (IHCIA). Under section 202(d) of the IHCIA, the IHS promulgates regulations governing the administration of the CHEF. The final rule will be effective October 29, 2024, 60 days after the date of publication in the *Federal Register*, and finalizes the regulations. The final rule is available on the *Federal Register's* website at: <https://federalregister.gov/d/2024-19421>.

The purpose of the CHEF is to meet the extraordinary medical costs associated with the treatment of victims of disasters or catastrophic illnesses who are within the responsibility of the Service. While IHS and Tribal Purchased/Referred Care (PRC) programs pay providers and suppliers outside the IHS system for providing eligible American Indian and Alaska Native people with care and services not reasonably accessible or available within the IHS system, the CHEF exclusively reimburses those PRC programs that incur extraordinary medical costs associated with treating eligible patients who have experienced catastrophic illnesses or disasters.

This final rule amends the regulations at Title 42, *Code of Federal Regulations* (CFR), Part 136, by adding Subpart L, and consistent with Section 202(d) of IHCIA, establishes the CHEF threshold cost of \$19,000, and for any subsequent year, not 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.

Establishing an initial cost threshold to access CHEF reimbursement at \$19,000 means more cases will now be eligible for reimbursement, which will expand access to health care in Indian Country. In section 136.503(a) of the final rule, the IHS clarifies that the initial threshold is being established for fiscal year (FY) 2024. While the IHS has previously provided information regarding anticipated adjustments in the FY 2024 CHEF Procedures Memorandum, we will be providing additional guidance to PRC program leadership, as needed. We will also address this topic during the CHEF training sessions that follow.

The CHEF final rule adds a few other notable clarifications, based on public comments we received in response to the proposed rule. In section 136.506(b) of the final rule, the IHS clarifies that patients are not required to expend personal resources for health services to meet alternate resource eligibility, nor are they required to sell valuables or property to become eligible for alternate resources. In section 136.506(c) of the final rule, the IHS clarifies that when a PRC program pays primary to (i.e., before) a Tribal self-insurance plan, this will not impact whether a PRC program’s expenditures are eligible for reimbursement from the CHEF, as long as the Service Unit clearly demonstrates that the PRC program was responsible and did in fact assume that responsibility by making the payments at issue in the CHEF request.

The regulations also: (1) establish definitions governing the CHEF, including definitions of disasters and catastrophic illnesses; (2) establish that a Service Unit shall not be eligible for reimbursement for the cost of treatment from the CHEF until its cost of treating any victim of such catastrophic illness or disaster has reached a certain threshold cost; (3) establish a procedure for reimbursement of the portion of the costs for authorized services that exceed such threshold costs; (4) establish a procedure for payment from the CHEF for cases in which the exigencies of the medical circumstances warrant treatment prior to the authorization of such treatment; and (5) establish a procedure that will ensure no payment will be made from the CHEF to a Service Unit to the extent that 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.

The IHS will hold the following virtual training sessions to notify Federal and Tribal PRC program staff of the new requirements. The virtual CHEF training sessions on October 10 and October 22 will be a repeat of the September 18 training.

Catastrophic Health Emergency Fund Regulations Training	
Date:	September 18, 2024
Time:	2:00 p.m., Eastern Time
ZoomGov Link Registration:	https://ihs-gov.zoomgov.com/meeting/register/vJItcuyvrD4uEpr3OHt9kBawQi1_LAm3YWM
Attendees must register to receive the access link, audio conferencing information, and calendar invite.	

Catastrophic Health Emergency Fund Regulations Training	
Date:	October 10, 2024
Time:	2:00 p.m., Eastern Time
ZoomGov Link Registration:	https://ihs-gov.zoomgov.com/meeting/register/vJItc-quqTkqEn92g20YrMLGfURum9GZsbU
Attendees must register to receive the access link, audio conferencing information, and calendar invite.	

Catastrophic Health Emergency Fund Regulations Training	
Date:	October 22, 2024
Time:	2:00 p.m., Eastern Time
ZoomGov Link Registration:	https://ihs.gov.zoomgov.com/meeting/register/vJItf-mupzsqGJoIRSPw_8V8zEhDbTmnHCI
Attendees must register to receive the access link, audio conferencing information, and calendar invite.	

If you have any questions regarding the CHEF final rule, please contact CAPT John Rael, Director, Office of Resource Access and Partnerships, IHS. He can be reached by telephone at (301) 443-0969, or by email at john.rael@ihs.gov.

Sincerely,

Roselyn Tso -S

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Tso -S
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Roselyn Tso
Director