INDIAN HEALTH SERVICE FACT SHEET

PURCHASED/REFERRED CARE (PRC) PROGRAM FACT SHEET

BACKGROUND

The Purchased/Referred Care (PRC) Program purchases services from private health care providers for eligible American Indian and Alaska Natives when:

1. No Indian Health Service or tribal direct care facility exists.
2. Facility cannot provide the required emergency and/or specialty care.
3. Facility's capacity is exceeded.
4. Supplementing alternate resources is necessary for comprehensive care.

PRC funds supplement healthcare resources for American Indian and Alaska Native patients. Due to limited IHS funding, PRC regulations determine eligibility and medical priority. IHS is the payer of last resort, meaning all other resources must be used first.

The IHS implemented the following steps to enhance the PRC Program.

RECENT IMPROVEMENTS AND AGENCY INITIATIVES

- **Medical Priorities Update:**
  - Restructured PRC Medical Priorities to have all aspects of care in a balanced and consistent manner. The new framework encompasses the principles of integrated care and recognizes the need to include certain “CORE” elements, such as:
    - Preventative and Rehabilitative Services
    - Medical, Dental, Vision, and Surgical Services
    - Reproductive and Maternal Child Health Services
    - Behavioral Health Services
  - Each category is assigned a Medical Priority that emphasizes acute and disease conditions compared to care for chronic and disease prevention strategies.
    - Priority 1 (Essential) – Core Services that are necessary to protect life, limb, or vision and is a basic component to current standards of care.
    - Priority 2 (Necessary) – Standard of care services that are necessary for the diagnosis and management of chronic and non-emergent acute conditions.
    - Priority 3 (Justifiable/Elective) – Clinical services that are intended to enhance health and well-being.
    - Priority 4 (Excluded) – Medical services that are excluded based on the *Centers for Medicare and Medicaid (CMS) National Coverage Determinations Manual*.
  - Visit IHS website for training and more information.

- **PRC Unobligated Balances/Carryover:**
  - Continued efforts to reduce unobligated balances/carryover.
    - Decreased carryover by $118 million (31%) from FY23 to FY24, marking it the lowest carryover since 2018.
  - Reduced carryover threshold to 15% in October 2024, provided financial guidance on new medical priorities, and developed spend plans with a 100% completion rate.
  - IHS data from federal sites in August 2024:
    - 84% of sites cover ALL Priority 1-3 referrals (but no excluded referrals).
    - 14% of sites cover Priority 1-2 referrals and some Priority 3 referrals.
    - 0% of sites cover Priorities 1-2 referrals, but no Priority 3 referrals.
    - 2% of sites cover Priority 1 referrals, but no Priority 2 and 3 referrals.

- Financial status demonstrates the need to maximize patient referred care; 98% (61/62) of IHS sites were able to fund medical Priority 3 or higher in August 2024.

- **PRC Authorization and Payment:**
  - **Human Resources**
    - Vacancy rate decreased to 34% from 36% to the highest mark.
    - Standardized position descriptions (PDs) to ensure consistent and efficient recruitment activities.
    - Revised staffing guidance to complement the standardized PDs.
    - Created PRC environment that fosters staff development and supports recruitment and retention of highly skilled PRC staff.
  - **PRC Referral Dashboard**
    - Referral dashboard to track referral lifecycle is under development.
    - Provides ability to track key timelines/benchmarks, such as:
      - Average Days – Referral Initiated to Approval
      - Average Days – Referral Initiated to Patient Date of Service
      - Average Days – Referral Approved to Patient Date of Service
      - Average Days – Purchase Order Issued to Payment Date
      - Average Days – Actual Appointment to loop closure
    - Testing is underway and we anticipate full rollout by end of December 2024.
  - **Payment/Fiscal Intermediary**
    - Actions are underway to assess and improve the payment process.
    - Identified concerns with "pended" claims that resulted in payment delays.
    - To date, reduced pended claims by 36%.
      - Goal is to be current by end of December 2024.
  - **Revised Referral Language**
    - Inclusion of No Patient Liability Language from Section 222 of the Indian Health Care Improvement Act [25 U.S.C. 1621u] into all referral language.
    - Referrals state the patient is not financially liable for services if authorized.
    - Language also provides billing guidance to vendors on how to bill for services.
    - Partnering with Consumer Financial Protection Board to improve the communication of patient protections.
  - **Revised Regulation - Catastrophic Health Emergency Fund**
    - Lowered the reimbursement threshold from $25,000 to $19,000.
  - **Patient Engagement**
    - Increased engagement with the hosting of three (3) listening sessions in Oklahoma City Area, Phoenix Area, and Bemidji Area.
      - Information will guide future improvements.
    - Partnering with Office of Management and Budget for patient-centered improvements to payment process and to conduct a patient survey.
      - Full release anticipated in 2025.
    - Updates will be provided at this website as this evolves.

PRIOR-YEAR OPERATIONAL PRIORITIES

- **PRC Delivery Area (PRCDA) Expansions:**
  - Improvements made in processing PRCDA expansions, including a checklist and tracking system.
  - Five (5) PRCDA expansions published since December 2023, with one (1) more expected by the end of December 2024.