CONTRACT HEALTH SERVICES

ISSUE

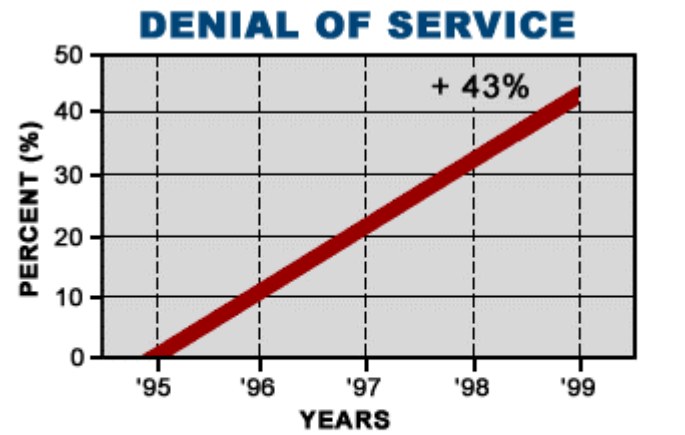
Almost two-thirds of the needed care for American Indian and Alaska Native families and children that is unavailable through Indian Health Service (IHS) or tribal programs must be denied.

BACKGROUND

Under the Contract Health Service (CHS) program, primary and specialty health care services that are not available from IHS or tribal health programs may be purchased from private sector health care providers. This includes hospital care, physician services, outpatient care, laboratory, dental, radiology, pharmacy, and transportation services. The combination of medical inflation (particularly for providing services in rural and remote locations), an increasing Indian population, and limited competitive pricing and options requires strict adherence to specific guidelines and eligibility requirements to ensure the most effective use of CHS resources.

SITUATION

In order to budget the CHS resources so that as many services as possible can be provided, the agency uses a medical priority system. The agency also has adopted the financial position that it is the Payor of Last Resort. This requires patients to exhaust all health care resources available to them from private insurance, state health programs, and other federal programs before IHS will pay through the CHS program. The IHS also negotiates contracts with providers to ensure competitive pricing for the services provided; however, there may be only one or a limited number of providers or vendors available to the local community. Also, unlike other government agencies, the IHS and tribal facilities are not recognized in the Medicare rate legislation, and therefore private facilities are not required to accept Medicare rate payments from the IHS or tribes as payment in full.



Efforts to effectively manage available resources resulted in a 43% increase in denials for CHS from 1995 - 1999.

As the IHS user population ages and technology improves, demand for more complex services continues to expand, resulting in continued significant shortcomings in CHS resources.

OPTIONS/PLANS

Investments in telemedicine and technology can benefit the CHS program by potentially increasing the boundaries of the competitive area for service providers and can reduce, dramatically in some areas, the transportation costs associated with providing care. Expanding the government agencies entitled to Medicare rates to include the IHS and tribal facilities will help extend CHS resources so that more services can be purchased locally. These actions, along with CHS budget increases, have the potential to reduce the number of American Indian and Alaska Native people who must be denied health services.

ADDITIONAL INFORMATION

For referral to the appropriate spokesperson, contact the IHS Public Affairs Staff at 301-443-3593.

This issue summary should be used in conjunction with the IHS "Heritage and Health" and "IHS Profile" documents, available at ***http://info.ihs.gov***