

Indian Health Services (IHS) / Contract Health Service (CHS)

Impact on Private New Mexico Hospitals

When services are not available at IHS facilities, private hospitals provide a broad range of emergency, specialty, and after-hours services for the Native American population. Private hospitals are not being paid in full or in a timely manner for delivering these services.

A NMHA survey conducted early 2008 documented IHS receivables **owed \$24,515,556** to 17 private hospitals. Of this amount, **\$7,790,100** were aged **over 180** days.

Background

- ❖ **Indian Health Care Improvement Act** Ongoing efforts are being made to reauthorize the 16 year old Act with a great deal of focus on health disparities, behavioral health and in-home care for the elderly. S. 1200 passed the Senate in February 2008. HR 1328 is still pending action in the House. This bill only authorizes spending – it doesn't appropriate any money.

Passage of Section 506 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 established a requirement that Medicare participating hospitals accept IHS, Tribal and Urban Indian Health programs' reimbursement at "**Medicare-like Rates.**" These rates are about 60-70% of billed charges. This has resulted in a big savings to the program since community hospitals were often billing full charges in the past.

- ❖ **Funding Levels** IHS is dreadfully underfunded: AR problems facing hospitals are serious. CHS is not an insurance program and it is not an entitlement. Rather, it is annually appropriated. In 2008 the program received a 6.7% increase up to \$ 552,755,366. IHS is operated by HHS but funding is appropriated in the Interior bill. This is an appropriations issue that will need to be worked through the Appropriations Committee.
- ❖ **Collaboration** Currently there is a coalition of other state hospital associations with high Native American populations exploring options to improve IHS funding to obtain better payments for community hospitals under the CHS program. These state hospitals associations are currently gathering data on their impacted members. NMHA sees this as a unique opportunity to work with other stakeholders to improve IHS/CHS funding, particularly the Native American community.
- ❖ **Administrative Processes** As with the current national push for Electronic Medical Records, there is a need to bring IHS up to date in information technology by **implementing electronic claims** processing, **electronic eligibility** and doing away with the paper processes IHS uses now. Additional appropriations should be directed to investments in IHS and CHS' technology infrastructure.