2023 Indian Health Service Partnership Conference

Catastrophic Health Emergency Fund (CHEF) 101

Randell Fatt
CHEF Manager
ORAP/Division of Contract Care

Bree Tiger
Public Health Analyst
Nashville Area IHS

August 23, 2023

Catastrophic Health Emergency Fund (CHEF)

- Background
- Congressional Appropriation
- Annual CHEF Procedures and Guidelines
- Payor of Last Resort Regulation
- Submission Process Overview

Background of CHEF Program

- In FY 1987 Appropriations Act Public Law 99-591 established the Catastrophic Health Emergency Fund (CHEF).
- The CHEF program was established to help meet the extraordinary medical costs associated with the treatment of victims of disaster and/or catastrophic illnesses. It is a reimbursement program for IHS Service Units and Tribal Purchased/Referred Care (PRC) Programs.
- In 1988, amendments under the Indian Health Care Improvement Act (IHCIA) authorized funds for the CHEF program.

Congressional Appropriation

- No part of the Fund or its administration is subject to contract or grant under any law, including Tribal Programs contracted under Public Law 93-638, of the Indian Self-Determination and Education Assistance Act (ISDEAA).
- Congress has specifically directed the promulgation of these rules for the administration of CHEF, which is administered by the Secretary, Department of Health and Human Service. The Division of Contract Care (DCC) within ORAP, IHS, shall remain responsible for administration of the CHEF.

Annual CHEF Procedures and Guidelines

- Patients (Tribal & Federal) must meet PRC eligibility requirements and treatment must be authorized for payment.
- CHEF is intended to shield IHS and Tribal PRC operations from financial disruption caused by the intensity of high cost catastrophic illnesses and/or events. Examples of catastrophic illnesses include: cardiac disease, cancer, dialysis, burns, alcohol and opioid dependence, high-risk births, end-state renal disease, strokes, trauma-related causes such as automobile accidents, or gun shot wounds, and some mental disorders.
- The Indian Health Care Improvement Act (IHCIA) section 202 provides that a Service Unit shall not be eligible for reimbursement from the CHEF program until its cost of treating any victim of a catastrophic illness or event has reached a certain threshold cost.
- Each case must meet the threshold of $25,000 for FY 2023.

IHS Publishes Catastrophic Health Emergency Fund Notice of Proposed Rulemaking

The Indian Health Service published the Catastrophic Health Emergency Fund, or CHEF, Notice of Proposed Rulemaking (NPRM) in the Federal Register on July 18, 2023. The NPRM proposes regulations governing CHEF and includes a 60-day comment period that closes on September 18, 2023.

CHEF was established by section 202 of the Indian Health Care Improvement Act to meet the extraordinary medical costs associated with the treatment of victims of disasters or catastrophic illnesses who are within the responsibility of the IHS.

IHS Publishes Catastrophic Health Emergency Fund Notice of Proposed Rulemaking (cont.)

The IHS administers the CHEF to reimburse certain IHS and Tribal PRC costs that exceed the cost threshold. The key changes incorporated in the proposed rule are:

- A reduction in the threshold from $25,000 to $19,000, with an annual adjustment matching the Consumer Price Index for all urban consumers;
- Implementation of an appeal process for CHEF cases that are denied reimbursement; and
- Removal of Tribal self-insurance as an alternate resource for the purposes of the CHEF program.

IHS will consider all comments received before the Final Rule is published.

Annual CHEF Procedures and Guidelines

- CHEF reimbursement cannot be made until all alternate resources the patient may be eligible for have been exhausted.
- All alternate resources must be documented.
- All PRC Officers must indicate Yes or No to certify that the regulations at C.F.R. Title 42 Part 136 have been met. CHEF requests must meet eligibility and alternate resource requirements at 42 C.F.R. §136.23, Persons to whom contract health services will be provided and authorization requirements at 42 C.F.R. § 136.24, Authorization for contract health services. Cases must also meet threshold costs, case management certification and other PRC criteria. Cases will not be processed if the regulations are not met.

Annual CHEF Procedures and Guidelines (cont.)

- The request must indicate if charges were billed at Medicare-like Rates, PRC Rates, Negotiated Rates or Fill Billed Charges.
- Priorities of care and treatment for health care services will be determined on the basis of relative medical need. IHS National medical priorities will be used unless approved Area and Tribal medical priorities are provided to the Division of Contract Care and the HQs CHEF Manager.
- All health care services must be within identified medical priorities of the IHS at all levels.
- CHEF is not intended to be used to expand or change medical priorities.

Annual CHEF Procedures and Guidelines (cont.)

- Inpatient care is based on consecutive days from the initial date of admission up to 90 days after date of discharge.
- Inpatient cases require a discharge summary, official consultation summary, and documentation to support Medicare-Like Rate (MLR) claims.
- Chronic conditions such as cancer and dialysis only have to meet the CHEF threshold once, and may be submitted for the entire fiscal year.
- Outpatient and/or chronic care is based on 90-day increments.
- All CHEF cases must have specific primary ICD-10-CM diagnostic/procedure code and CHEF code consistent with the case.

Annual CHEF Procedures and Guidelines (cont.)

- Ongoing CHEF cases may qualify for an advance payment of 50 percent reimbursement and fully completed cases may qualify for 100 percent reimbursement.
- Cases submitted for 100 percent reimbursement must have complete disbursements from all Medical Purchase Orders (MPO) with official paid dates.
- All cases must include claims (CMS claim forms) that were submitted for payment with proof of PRC payment. Examples include: EOB (Explanation of Benefits) and payment checks.

Annual CHEF Procedures and Guidelines (cont.)

- In the Summary report all available boxes need to be filled out and have all necessary signatures.
- CHEF cases are for discharges from October 1, 2022 to September 30, 2023. Applications for CHEF reimbursement should be submitted no later than October 31, 2023, regardless of whether the CHEF case is complete.
- All supplements to incomplete FY 2023 CHEF cases should be submitted by December 31, 2024.

Payor of Last Resort Regulation

- IHS is considered the payor of last resort, and as such, the use of alternate resources is required when such resources are available and accessible to the individual. The Indian Health Care Improvement Act Amendments (P.L. 100-713) include the following explicit requirement:
  - Establish a procedure that will ensure no payment shall be made from the Fund to any provider of treatment to the extent that such provider 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.

Payor of Last Resort Regulation (cont.)

- To ensure compliance with the requirement for the use of alternate resources, Service Unit Directors, and their Tribal counterparts, will be required to follow PRC rules and regulations governing such procedures. Funds expended for medical cases later reimbursed by alternate resources must be returned to the facility program account.
- An individual must apply for and exhaust all alternate resources that are available and accessible.
- The IHS facility is also considered a resource, and therefore, the PRC funds may not be expended for services reasonably accessible and available at IHS facilities. When a IHS facility capable of providing these services is within ninety minutes (90) minutes one-way surface transportation time from the person's place of residence to the nearest IHS facility.

Submission Process Overview

- The Electronic CHEF Application (ECA), previously known as the CHEF Online Tool, is a fully automated paperless process for identifying, documenting, and submitting requests for reimbursement from the CHEF.
- The Application uses current technology to streamline both the workflow and the documentation requested to submit a complete CHEF case for reimbursement.
- May 1, 2019, IHS implemented the ECA.
- Use of the application is mandatory for all Federal PRC programs and is optional for Tribal PRC programs.

Submission Process Overview (cont.)

- Ongoing CHEF cases may qualify for 50% Advance: Purchase Delivery Orders are obligated, but not all have paid to date. Incomplete cases are eligible to receive a 50% advance of it's committed obligation on cases pending AR or final payment.
- **100% Final**: All Purchase Delivery Orders are paid. Supplements can be submitted, if warranted.
- **100% Close out**: Original request for 50% advance must be closed out once all Purchase Delivery Orders have paid. If initial funding is greater than close out amount, the PRC Program will be required to reimburse Headquarters.

All cases must include claims (CMS claim forms) that were submitted for payment with proof of payment.

Federal: Display of Purchase Order Document Disbursement (DOCD)

Tribal: Purchase Order, Claim, EOB, and cancelled check

If IHS PDOs are not used, then indicate the number of the obligating instrument – use either a Tribal voucher number, check number, or accounting sequence number.

Submission Process Overview (cont.)

- All CHEF requests are high priority cases, consideration for reimbursement will be based on a "first in first out" (FIFO) method until funds are expended.
- IHS Headquarters distributes CHEF allotments to the Areas for processing through Area Finance Office (Federal Programs) and Office of Tribal Self Governance (Tribal Programs).
- PRC enters reimbursement into Contract Health Services/Management Information System (CHS/MIS).

Submission Process Overview (cont.)

- In the event a PRC program has been reimbursed from the CHEF for an episode of care and that same episode of care becomes eligible for and is paid by any Federal, state, local, or private source (including third party insurance), the PRC program shall return all the CHEF funds received for that episode of care to the CHEF at the IHS Headquarters. These recovered CHEF funds will be used to reimburse other approved CHEF requests.

Submission Process Overview (cont.)

The following are instances when Advances are not used and need to be returned to Headquarters CHEF Fund:

- The final costs did not meet the threshold amount; this occurs when the obligations are overestimated and the final costs are below the threshold amount.
- If cancelled obligations cause the final cost to be less than the threshold amount.
- Unanticipated payment(s) received by alternate resource(s).
- Notify the Area Office to begin recovery process.
- Recoveries will be used to fund current year cases.

Submission Process Overview (cont.)

Amendment: Adjustment to distribution from Headquarters.

Supplement: Additional PDOs have been issued since the initial CHEF submission.

Federal – The CHEF Reimbursement Request Summary Sheet form with a new Referred Care Information System (RCIS) display or the PO document disbursement (DOCD) and progress notes if an ongoing case such as End Stage Renal Disease (ESRD) or Oncology.

Tribal – Resource and Patient Management System (RPMS) user sites should include CHEF Reimbursement Request Summary sheet with RCIS display or the PO document disbursement (DOCD) and progress notes for ongoing cases. Sites not using RPMS should include the CHEF Reimbursement Request Summary sheet with new claims and copies of checks and/or cancelled checks.

KEYS TO CHEF SUCCESS

- Implement the Electronic CHEF application
- Identify potential CHEF cases quickly
- Review committee fast tracks CHEF cases
- Rule in/out alternate resources
- Run CHEF case audits weekly
- Obligate as quickly as possible, especially potential CHEF cases
- Verify all documentation is complete
- Submit to Area Office quickly

Questions?

Contact Information

Randell Fatt

Health System Specialist/CHEF Manager

ORAP/DCC

Office: (301)443- 6956

Fax: (301)443-6267

Randell.fatt@ihs.gov

Bree Tiger

Public Health Analyst/CHEF Coordinator

Nashville Area IHS

Office: (615)467-1530

Fax: (615)467-1530

Ruscilla.tiger@ihs.gov


INDIAN HEALTH SERVICE
PHS · 1955 ·