



# ***Purchased and Referred Care (PRC)101: What You Need to Know to Make the Most of PRC***

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# Objectives



- Define what PRC is
- Discuss who is eligible for PRC
- Describe patient responsibilities under PRC
- Describe provider responsibilities under PRC
- Describe the Health Center responsibilities under PRC



# What is PRC?

Define what PRC is (42 CFR Part 136, Subpart C - Contract Health Services)

- Health care purchased using PRC funds from the Indian Health Services (IHS) for eligible patients from non I.H.S. providers and facilities when direct services of appropriate types are not available or accessible.
- PRC payments for care must not exceed appropriated funds. *There is no authority to provide payment for services under the PRC Program unless funds are available.*
- PRC **is not an entitlement program or health insurance.** It is supplemental funding for specialty and institutional care.



# What is PRC?

Define what PRC is

- Medical Priorities
- Payments for specialty care
- Payment for institutional care
- Payment for services in support of direct care
- Payment for high cost, high acuity care from the Catastrophic Emergency Healthcare Fund (CHEF)



# What is PRC?

Define what PRC is

- Medical Priorities-Care authorized for payment must align with medical priorities and be delivered in the most cost effective setting.
  - Priority IA: Emergency care-immediate threat to life/limb/senses
  - Priority IB: Urgent care-potential for becoming life threatening if untreated in the near term. No acceptable alternatives exist.
  - Priority II: Primary or secondary treatment of acute or chronic illness that can have a significant impact on health
  - Priority III: Preventative or screening services
  - Priority IV: Rehabilitative or restorative services
  - Priority V: Cosmetic, Experimental, or Controversial





# What is PRC?

Define what PRC is

- Example of Medical Priority



- John has felt lousy for the last two days. All he wants to do is sleep. Since he is not feeling better, where should he go to get seen?



- The Emergency Department



- The Health Center



# What is PRC?

Define what PRC is

- Example of Medical Priority



- Jane has been so weak and short of breath for the last week that she could hardly get out of bed. Since she is not feeling better, where should she go to get seen?



- The Emergency Department



- The Health Center



# What is PRC?

Define what PRC is

- Payments for specialty care
  - Services must not otherwise be available at the Health Center
  - Services must fall within the appropriate medical priority
  - Services need to come from providers that have agreed to provide care at reduced or previously agreed upon rates
- Examples
  - Heart Doctors (Cardiologists)
  - Kidney Doctors (Nephrologists)
  - Lung Doctors (Pulmonologists)
  - Dental Specialists (Oral Surgeons, Endodontists)





# What is PRC?

Define what PRC is

- Payment for institutional care

- Hospital Services

- Emergency Department
- Medical/Surgical Wards
- Intensive Care



- Step down services if related to the original hospitalization





# What is PRC?

Define what PRC is

- Payment for services in support of direct care
  - Onsite specialists
  - Help increase access to primary care services
  - All services must be delivered under the oversight of a Tribal medical staff member (Indian Health Manual)



# What is PRC?

Define what PRC is

- Payment for high cost, high acuity care from the Catastrophic Emergency Healthcare Fund (CHEF)







# Who is Eligible?

Discuss who is eligible for PRC (42 CFR 136.23 - Persons to whom contract health services will be provided.)

- Provide proof of enrollment in a federally recognized tribe, or, proof of descendency from an enrolled member of a federally recognized tribe, and; (42 CFR 136.12)
- AI/AN adopted by non-Native American parents
- AI/AN foster children
- Non-AI/AN who is pregnant with the child of an eligible AI/AN
- Permanently reside on a reservation; **OR**, may reside outside of reservation, but within the PRC Delivery Area (PRCDA) of the tribe (42 CFR 136.22) if an enrolled member or descendent of the tribe or member of another federally recognized tribe with a close social or economic tie to the tribe, and;
  - Sokaogon Chippewa Community: Forest County, Wisconsin (shared with FCP)
- Exceptions made for:
  - Students (while in full time studies)
  - Transient workers (work and temporarily reside outside of the PRCDA due to work)
  - Persons who leave the PRCDA for up to 180 days
  - Non U.S. Citizen who resides in the U.S., who is a member of a tribe who's land is divided by the U.S. Canadian or Mexican border.
  - Incarcerated individuals (incarcerated by a Tribal or Bureau of Indian Affairs authority)



# Who is Eligible?

## Discuss who is eligible for PRC

- Patients who obtain prior approval for care; or for self-referred care, notify Purchased/Referred Care, formerly known as CHS, program within 72 hours of receiving care or 30 days for elderly and disabled, (42 CFR 136.24)
- Make a "good faith" application for alternate resources they may be otherwise eligible for (42 CFR 136.61).





# What are patients responsible for?

## Describe patient responsibilities under PRC

- Obtain prior approval; or for self-referred care, notify Purchased/Referred Care, formerly known as CHS, program within 72 hours of receiving care or 30 days for elderly and disabled, (42 CFR 136.24)
- Make a "good faith" application for alternate resources they may be otherwise eligible for (42 CFR 136.61).
- Utilize IHS or Tribal facilities for routine health services if they are available within a 90 minute one way drive from the patient's residence. (Indian Health Manual)
- Be aware of and follow medical priorities.
- Notify the PRC program if a change in address or eligibility occurs. (Indian Health Manual)



# What are providers responsible for?

## Describe provider responsibilities under PRC

- A referral does not constitute evidence of eligibility for payment by PRC. (Indian Health Manual)
- Providers must apply (i.e. seek coverage and bill) alternate resources, including assist the patient in applying. (Indian Health Manual)
- Notify the PRC program of any payment received from alternate resources before billing the PRC program (Indian Health Manual).
- Notify the PRC program of the need for services and supply any necessary information to the PRC program to make a determination of eligibility for payment. (Indian Health Manual)
- Complete the 72 hour requirement of notification to the PRC program on behalf of the patient if not done so by the patient.
- Not balance bill patients for charges that exceed the Medicare Like rate from services furnished by Medicare participating hospitals (42 CFR 136.30)
- Not balance bill patients for charges that exceed either the Medicare like rate, most-favored customer rate, or 65% of billed charges from services furnished for non-hospital care unless another rate was negotiated (42 CFR 136.203)



# What is the PRC Program responsible for?

Describe the PRC program (Health Center) responsibilities under PRC

- Ensuring eligibility requirements for PRC are followed. (42 CFR 136.23)
- Keep AI/AN affected by PRC policies and requirements, including changes in medical priorities. (Indian Health Manual)
- Keep providers commonly used by AI/AN patients aware of changes in PRC policies and requirements. (Indian Health Manual)
- Maintain a committee to review and monitor referred care for clinical and financial case management to ensure care authorized is within priorities and PRC funds are spent properly. (Indian Health Manual)
- Issue a purchase order or a denial within 5 days of notification of the claim (Section 220 of IHCA/31 U.S.C 3901 Prompt Payment Act)
- Follow up on outstanding purchase orders (unpaid within 90 days of issuance)
- Reconcile the commitment register at least monthly (Indian Health Manual)
- Maintain an appeal system for patients/providers who wish to appeal a denial of coverage by the PRC program (42 CFR 136.25/Indian Health Manual)
- Ensure that PRC program staff do not participate in approval or authorization decisions for care paid for by the PRC program for family members. (Indian Health Manual)
- Ensure that the person authorizing payment is not the same person issuing payment. (Indian Health Manual)





# Diagram

## Process that Determines If PRC Funds Can Pay for Medical Care Outside of IHS Facilities

### Stage 1: Individual Qualifications

#### Is the Applicant Individually Eligible?

- a) applicant is a member or descendent of a Tribe
- and
- b) has ties to Tribes of the local CHSDA
- and
- c) resides within the CHSDA
- and
- d) gets prior approval or gives 72 hrs notice for emergencies
- and
- e) accesses applicable alternate resources (Medicare and Medicaid, insurance, etc.)

GO  
If  
yes  
for all  
individual  
qualifi-  
cations,  
go to  
Stage 2

If no for any qualification

Application is denied.  
Individual is responsible  
for outside costs.

STOP

### Stage 2: Medical and Funding Prerequisites

#### Is the Service a Medical Priority and Are PRC Funds Available?

- a) proposed service is medically necessary
- and
- b) is not available in an accessible IHS facility
- and
- c) is among services on the CHSDA's medical priorities list
- and
- d) CHSDA funds are sufficient to pay the estimated cost of the service

GO  
If  
yes  
for all  
CHSDA  
pre-requisite  
s, go to  
Stage 3

If no for any pre-requisite

Application is deferred.  
Individual is responsible  
for outside costs.

STOP

### Stage 3: Services and Payment

#### Authorization, Claims, and Payments

- a) PRC purchase order is issued to a provider
- b) medical service is provided
- c) provider sends claim to all coverage's (MM, PI, PRC)
- d) PRC pays only the net cost after all other payments
- e) Case is closed. PRC ledgers are reconciled. PRC funds balance is available for subsequent priority cases.

PRC medical priorities may be recalibrated (relaxed or restricted) to fit the balance of funds.

FINISH



# References



- 42 CFR Part 136- Indian Health, Subparts B (eligibility), C (Contract Health Services), D (limitations on charges furnished by Medicare participating hospitals), I (limitations on charges for non-hospital based care)
- 25 U.S. Code § 1646 - Authorization for emergency contract health services
- Indian Health Service Indian Health Manual





# Questions???



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