



# Indian Health Service Press Release

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**FOR IMMEDIATE RELEASE**

Contact: (301) 443-3593, FAX (301) 443-0507

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## **Two HHS Agencies Announce Final Rule for Medicare-like Rates for Health Care Services to American Indians and Alaska Natives**

The Indian Health Service (IHS) and the Centers for Medicare & Medicaid Services (CMS) announce that the Department of Health and Human Services has published a regulation in the Federal Register on June 4, 2007 that will stretch available contract health service funds administered by the IHS, allowing the purchase of more health care services for American Indians and Alaska Natives. The rule establishes that Medicare participating inpatient hospitals, including critical access hospitals (CAHs) must participate in the contract health services program (CHS) funded by the IHS. Under the new regulation, the Medicare participating hospitals, including CAHs, are required to accept Medicare-like rates as payment in full for items and services furnished to individuals referred by the CHS program.

“The Indian Health Service is very pleased that Indian health programs will now benefit from Medicare’s payment authority,” stated Dr. Charles Grim, IHS Director. “The new regulation will extend much-needed contract health care services to American Indians and Alaska Natives.”

"Extending Medicare’s payment authority to the Indian Health contract health services program has been long sought by Indian health providers and tribal leadership,” said Leslie V. Norwalk, Esq., Acting Administrator of CMS. “I am pleased that CMS and IHS are implementing this authority, because it will have direct and immediate impact; extending the ability of Indian health programs to provide more care for the population they serve.”

This final rule will establish regulations required by Section 506 of the Medicare Prescription Drug Improvement and Modernization Act of 2003. This regulation requires public and private hospitals, including CAHs, participating in Medicare to furnish hospital services to individuals referred to them through the CHS program funded by the IHS. This would include CHS programs administered by tribes or tribal organizations, and urban Indian organizations (I/T/U).

This final rule amends current IHS regulations by adding a new Subpart D to describe the payment methodology of items and services an I/T/U has authorized for purchase for an eligible American Indians/Alaska Native that are furnished by Medicare-participating hospitals and CAHs. Such providers must accept the lesser of the “Medicare-like rate” that is based on Medicare payment principles, or a negotiated contractual rate, as payment in full for such items

and services. The final rule becomes effective on July 4, 2007; 30 days from the date of publication in the Federal Register.

In the development process of this rule, the IHS and CMS consulted with the CMS Tribal Technical Advisory Group, consisting of elected tribal leaders of tribal governments, as well as representatives of the National Indian Health Board, the National Congress of American Indians, and the Tribal Self-Government Advisory Committee, which are national Indian organizations designated by tribal leaders to act on their behalf.

The IHS operates a comprehensive health service delivery system for approximately 1.9 million American Indians and Alaska Natives who belong to 561 federally recognized tribes in 35 states. The IHS is a national program composed of 12 regional offices with a system of hospitals, health centers, health stations, Alaska village clinics, and urban projects.



*NOTICE TO EDITORS: For additional information on this subject, contact the IHS Public Affairs Office at 301-443-3593. Additional information about the IHS is available on the IHS website at <http://www.ihs.gov> and <http://info.ihs.gov>*

