



NORTON SOUND HEALTH CORPORATION

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Office of the President

June 27, 2006

Betty Gould, Regulations Officer
Division of Regulatory Affairs, Records Access, & Policy Liaison
Indian Health Service
801 Thompson Avenue, Suite 450
Rockville, Maryland 20852

Re: Comments on Proposed Regulations regarding "Medicare-Like Rates"

Dear Ms. Gould:

Norton Sound Health Corporation carries out programs of the Indian Health Service (IHS) under the Indian Self-Determination and Education Assistance Act, 25 U.S.C. 450 et seq. Like IHS direct operated programs and other tribal programs, we are reliant on contract health services to acquire many critical health services for our beneficiaries. We strongly endorse these proposed regulations.

Contract health services funding is extremely limited, as is the IHS funding overall. Many health needs of our patients must go unmet due to the limitations in funding. These regulations, which impose a ceiling on the amount Medicare-participating hospitals, can charge for services provided to individuals covered by IHS or tribal CHS programs or on referral from urban organizations. The amount that can be charged is based on a slightly simplified version of the rates Medicare would pay, if it were the direct payor. Coordination of benefits, restrictions on additional charges, and claims processing are also addressed. We strongly support each of these provisions.

The provisions assure that limited federal funds are used to the greatest advantage. They will lead directly to improved access to necessary care by American Indians and Alaska Natives. Given the severe restrictions that have existed with regard to access to contract health services, it does not exaggerate to say that these new regulations are likely to save some lives.

We realize that some Medicare-participating hospitals may complain about having to accept Medicare-like rates for additional patient services. We believe the importance of these regulations outweighs such concerns and that Medicare rate setting has built in protections against rates that are too low to be reasonable.

We appreciate the effort made by the IHS and Centers for Medicare & Medicaid Services (CMS) in promulgating these regulations and look forward to their immediate implementation.

Sincerely,

Dennis J. Tiepelman
President/CEO