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United States Senate
WASHINGTON, DC 20510–4105

October 22, 2015

The Honorable Sylvia Mathews Burwell
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, D.C. 20201

Dear Secretary Burwell:

I write today regarding an ongoing rulemaking at the Indian Health Service (IHS) with respect to Medicare-like rate (MLR) payment methodologies in the Purchased and Referred Care (PRC) program, formerly Contract Health Service.

As you know, current law requires only Medicare participating hospitals to accept MLR for services contracted by the IHS. While in some cases IHS or tribes have negotiated lower rates, the current regulatory structure has led IHS to pay for physician and other non-hospital services at billed charges – often much higher than rates paid by insurers and other federal health care programs. Pursuant to the Indian Health Care Improvement Act, in 2013, the Government Accountability Office (GAO) released its findings on this issue. The GAO recommended Congress consider capping rates in this program, which could save the IHS PRC program millions of dollars annually and ultimately expand patient care.

While Congress has not yet acted, in December 2014, the IHS published a notice of proposed rulemaking to expand the MLR to all health care services contracted under the PRC program. In the course of the rulemaking process, a number of issues were raised by stakeholders and I am hopeful the final rule will reflect a consideration of many of these concerns and ideas. I was pleased to see that the rule noted that access to care should not be negatively impacted as this regulatory change moves forward. As almost a year has passed, I am interested in learning where you and the department are in the rulemaking process and when you expect this rule to be finalized and published.

As you make changes to reimbursement, it is imperative that improvements in IHS program administration follow. Providers continue to express frustration with claims administration in the PRC program. While a MLR may be appropriate, providers should also expect timely payment and a modernized claims process. In working with tribes, private providers, and the fiscal intermediary, efficiencies in the existing process must be developed. Last fall, my office gathered stakeholders from IHS, private providers, and tribal health care officials to initiate a dialogue on this issue. Since that time, discussions have continued, but unfortunately, problems remain. I would like an update from you on the continuing involvement of IHS staff in the Great Plains Area and headquarters office to identify efficiencies and continue these discussions in South Dakota and across the country.

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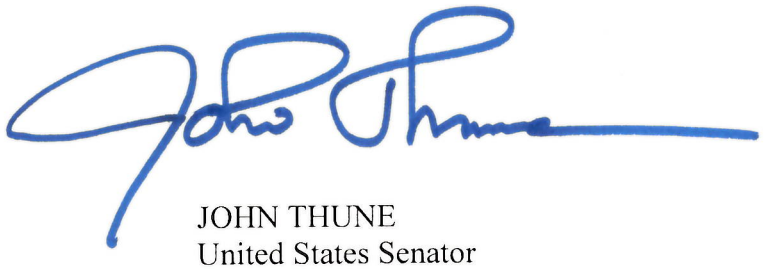
I support your policy goal to bring IHS reimbursement in line with other federal programs and expand services. At the same time, claims administration must be improved. I urge you to advance this rulemaking and other associated changes that will ensure patients receive needed care while providers are reimbursed in a timely, efficient manner. I have been exploring these issues over the last several years and I welcome the opportunity to work with you to advance these policy goals. I look forward to your prompt response.

Sincerely,



JOHN THUNE
United States Senator