Most Indian Health Service Purchased/Referred Care Program Claims Were Not Reviewed, Approved, and Paid In Accordance With Federal Requirements

What OIG Found
Of the 100 claims in our sample, 18 were paid in accordance with Federal requirements; however, the other 82 were not. These 82 claims did not meet 1 or more of the 9 requirements that we evaluated. The claims did not meet requirements for (1) beneficiary eligibility, (2) medical necessity and priority, (3) timeliness of notification of healthcare services, (4) IHS status as payor of last resort, (5) timeliness of claim approval, and (6) timeliness of claim payments. These errors occurred because IHS did not have controls in place to prevent its Referred Care Information System (RCIS) from accepting claims missing information. In addition, IHS and providers did not conduct timely tracking of certain processes, and providers did not always submit completed claims.

Based on our sample results, we estimated that 658,025 of the 802,470 total claims were not paid in accordance with Federal requirements.

What OIG Recommends and IHS Comments
We recommend that IHS (1) establish an edit in the RCIS to enforce the requirement that each beneficiary submits documentation showing that he or she meets the geographic component of IHS’s eligibility requirements, (2) educate PRC Program staff about the importance of documenting their review of medical necessity and priority-level requirements, (3) conduct outreach to beneficiaries and providers to ensure they submit notifications of healthcare services within 72 hours (or 30 days for elderly and disabled beneficiaries), and (4) pay for healthcare services only after receiving all required alternate resource documentation and resolving all information gaps. We also made additional procedural recommendations.

IHS concurred with the intent of our first recommendation, concurred with the remaining recommendations, and described corrective actions that it plans to take or has already taken. IHS also provided additional support and suggested adjustments to certain numbers. We incorporated IHS’s suggested adjustments as appropriate. We maintain that the facts of our report are valid and agree with the corrective actions that IHS has taken and plans to take to address our recommendations.

The full report can be found at https://oig.hhs.gov/oas/reports/region3/31603002.asp.