

GAO Highlights

Highlights of [GAO-14-57](#), a report to congressional addressees

Why GAO Did This Study

IHS provides health care to American Indians and Alaska Natives. When services are unavailable from IHS, IHS's CHS program may pay for care from external providers. GAO previously reported on challenges regarding the timeliness of CHS payments and the number of American Indians and Alaska Natives who may gain new health care coverage as a result of PPACA. PPACA mandated GAO to review the CHS program. This report examines (1) the length of time it takes external providers to receive payment from IHS after delivering CHS services; (2) the performance measures IHS has established for processing CHS provider payments; (3) the factors that affect the length of time it takes IHS to pay CHS providers; and (4) how new PPACA health care coverage options could affect the program. To conduct this work, GAO analyzed fiscal year 2011 CHS claims data, interviewed IHS officials, including officials in four IHS areas, and reviewed agency documents and statutes.

What GAO Recommends

GAO recommends that IHS revise an agency measure of the timeliness with which purchase orders are issued, use available funds as appropriate to improve the alignment between CHS staffing levels and workloads, and proactively develop potential options to streamline CHS eligibility requirements. The agency concurred with two recommendations, but did not concur with the recommendation to use available funds to improve CHS staffing levels. GAO believes the recommendation is valid as discussed in the report.

View [GAO-14-57](#). For more information, contact Kathleen M. King at (202) 512-7114 or kingk@gao.gov.

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INDIAN HEALTH SERVICE

Opportunities May Exist to Improve the Contract Health Services Program

What GAO Found

For Indian Health Service (IHS) contract health services (CHS) delivered in fiscal year 2011, a majority of claims were paid within 6 months of the service delivery date, but some took much longer. Specifically, about 73 percent of claims were paid within 6 months of service delivery, while about 8 percent took more than 1 year. The CHS payment process consists of three main steps: (1) the local CHS program issues a purchase order to the provider authorizing payment (either before service delivery, or after, such as in emergency situations), (2) the provider submits a claim for payment, and (3) IHS pays the provider. GAO found that the first step took the longest—often taking more than 2 months.

IHS uses three measures to assess the time it takes to approve and then process payments to CHS providers. Two of the measures concern the first step in the payment process (purchase order issuance) and the third concerns the final step (making the payment). One of the measures IHS uses to assess the timeliness of the first step is the average time it takes to issue a purchase order after a service has been delivered; IHS's current target for this measure is 74 days. However, the measure does not provide a clear picture of timeliness for this activity as it combines data for two different types of CHS services—those for which payment eligibility was determined prior to service delivery and those for which eligibility was determined after service delivery. IHS officials told GAO that when eligibility is determined prior to service delivery, it may take only one day from the date of service to issue the purchase order. Including this type of service in the calculation, therefore, lowers the overall average.

The complexity of the CHS program affects the timeliness of provider payments. IHS program officials make decisions on what care will be funded on a case-by-case basis, evaluating each case against a number of eligibility requirements involving multiple steps. This process can lead to payment delays. Officials noted that delays also can occur when processing payments and that staffing shortages can affect the timeliness of payments. Some program officials noted that their staffing levels were below standards established by IHS.

New coverage options in the Patient Protection and Affordable Care Act (PPACA) may provide an opportunity to simplify CHS eligibility requirements. PPACA made significant changes to the Medicaid program and included new health care coverage options that may benefit many American Indians and Alaska Natives beginning in 2014. IHS officials reported the agency developed the current CHS program eligibility requirements to manage CHS program funding constraints. In particular, some of the complexities of the program were designed to allow the program to operate within the constrained levels of program funding. With the availability of new coverage options under PPACA, some constraints on CHS program funds could be alleviated, providing IHS an opportunity to streamline service eligibility requirements and expand the range of services it pays for with CHS funds.