



SEP 17 2008

To: Acting Director
Tribal Affairs
Centers for Medicare and Medicaid Services

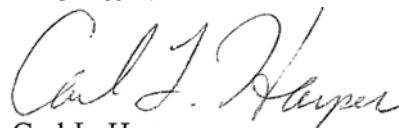
From: Director
Office of Resource Access and Partnerships
Indian Health Service

Subject: Clarification for Medicare-like Rate Regulation

This Memorandum is to notify Medicare providers of the Indian Health Service (IHS) clarification regarding the interpretation of regulation "Section 506 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 - Limitation on Charges for Services Furnished by Medicare Participating Inpatient Hospitals to Individuals Eligible for Care Purchased by Indian Health Programs", 72 Fed. Reg. 30706 (June 4, 2007).

IHS is clarifying the benefit coordination methodology under the new rule found at 42 C.F.R. 136.30 (Payment to Medicare-participating hospitals for authorized Contract Health Services). Consistent with the Medicare program, the IHS Fiscal Intermediary (FI) will coordinate benefits under subsection 136.30(g) in a manner similar to the Medicare Secondary Payer rule (MSP), found at 42 C.F.R. Part 411. The maximum payment by IHS will be only that portion of the payment amount determined under section 136.30 not covered by any other payer. In other words the maximum payment by the I/T/U will not exceed the Medicare-like Rate.

If you have questions please call me at 301-443-2694.


Carl L. Harper

cc: Division of Regulatory Affairs