



# Health Care Reform in Indian Country

Self-Governance Communication & Education

*Self-Governance Tribes Striving Towards Excellence in Health Care*

## Indian Health Service Reimbursement Rates for 2017<sup>1</sup>

February 6, 2017

**This brief seeks to provide guidance to Tribes on Indian Health Service (IHS) reimbursement rates—also known as “OMB rates” or “encounter rates”—for calendar year (CY) 2017.**

On January 18, 2017, a notice was published in the Federal Register<sup>2</sup> announcing that the IHS Principal Deputy Director, under the authority of sections 321(a) and 322(b) of the Public Health Service Act, Public Law 83-568, and the Indian Health Care Improvement Act, has approved the following rates for inpatient and outpatient medical care provided by IHS facilities for CY 2017 for Medicare and Medicaid beneficiaries, beneficiaries of other federal programs, and for recoveries under the federal Medical Care Recovery Act. This notice does not include Medicare Part A inpatient rates, as they are paid based on the prospective payment system. Since the inpatient per diem rates set forth in this notice do not include all physician services and practitioner services, additional payment shall be available to the extent that those services are provided. The IHS reimbursement rates for CY 2017 appear below.

### IHS Reimbursement Rates for CY 2017

#### **Inpatient Hospital Per Diem Rate (Excludes Physician/Practitioner Services)**

Lower 48 States ..... \$2,933  
Alaska ..... \$3,235

#### **Outpatient Per Visit Rate (Excluding Medicare)**

Lower 48 States ..... \$391  
Alaska ..... \$616

#### **Outpatient Per Visit Rate (Medicare)**

Lower 48 States ..... \$349  
Alaska ..... \$577

#### **Medicare Part B Inpatient Ancillary Per Diem Rate**

Lower 48 States ..... \$679  
Alaska ..... \$1,046

**Outpatient Surgery Rate (Medicare):** Established Medicare rates for freestanding Ambulatory Surgery Centers.

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<sup>1</sup> This brief is for informational purposes only and is not intended as legal advice. For questions on this brief, please contact Doneg McDonough, TSGAC Technical Advisor, at DonegMcD@Outlook.com.

<sup>2</sup> IHS, “Reimbursement Rates for Calendar Year 2017”; see 82 FR 5585. <https://www.gpo.gov/fdsys/pkg/FR-2017-01-18/pdf/2017-01075.pdf>

**Effective Date for CY 2017 Rates:** Consistent with previous annual rate revisions, the CY 2017 rates will take effect for services provided on/or after January 1, 2017, to the extent consistent with payment authorities including the applicable Medicaid State plan.

Table 1 below provides a comparison of IHS reimbursement rates for CY 2017 and CY 2016.

**Table 1: Comparison of IHS Reimbursement Rates, CY 2017 and CY 2016**

Service		CY 2017 Rate	CY 2016 Rate	\$ Change	% Change
<b>Inpatient Hospital Per Diem Rate (Excludes Physician/Practitioner Services)</b>	Lower 48 States	<b>\$2,933</b>	<b>\$2,655</b>	<b>\$278</b>	<b>10.5%</b>
	Alaska	<b>\$3,235</b>	<b>\$3,335</b>	<b>-\$100</b>	<b>-3.0%</b>
<b>Outpatient Per Visit Rate (Excluding Medicare)</b>	Lower 48 States	<b>\$391</b>	<b>\$368</b>	<b>\$23</b>	<b>6.3%</b>
	Alaska	<b>\$616</b>	<b>\$603</b>	<b>\$13</b>	<b>2.2%</b>
<b>Outpatient Per Visit Rate (Medicare)</b>	Lower 48 States	<b>\$349</b>	<b>\$324</b>	<b>\$25</b>	<b>7.7%</b>
	Alaska	<b>\$577</b>	<b>\$582</b>	<b>-\$5</b>	<b>-0.9%</b>
<b>Medicare Part B Inpatient Ancillary Per Diem Rate</b>	Lower 48 States	<b>\$679</b>	<b>\$637</b>	<b>\$42</b>	<b>6.6%</b>
	Alaska	<b>\$1,046</b>	<b>\$1,082</b>	<b>-\$36</b>	<b>-3.3%</b>
<b>Outpatient Surgery Rate (Medicare)</b>	Lower 48 States and Alaska	Established Medicare rates for freestanding ambulatory surgery centers	Established Medicare rates for freestanding ambulatory surgery centers	N/A	N/A

Sources: IHS, 81 FR 12513 and 82 FR 5585