



# 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 2021

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**This brief provides information to Tribes on approved Indian Health Service (IHS) reimbursement rates for inpatient and outpatient medical care provided by IHS facilities, also known as “OMB rates” or “encounter rates” for calendar year (CY) 2021.<sup>1</sup>**

On December 31, 2020 the Director of the IHS published a notice in the Federal Register<sup>2</sup>, under the authority of section 321(a) and 322(b) of the Public Health Service Act (42 U.S.C. 248 and 249(b)), Public Law 83-568 (42 U.S.C. 2001(a)), and the Indian Health Care Improvement Act (25 U.S.C. 1601 *et seq.*) has approved the following reimbursement rates. The approved rates are for inpatient and outpatient medical care provided by IHS facilities for Calendar Year 2021 for Medicare and Medicaid beneficiaries, beneficiaries of other federal programs, and for recoveries under the Federal Medical Care Recovery Act (42 U.S.C. 2651-2653)<sup>3</sup>. The notice does not include Medicare Part A inpatient rates because inpatient payments for IHS hospital facilities are based on the prospective payment system or on a reasonable cost basis for IHS facilities designated as Medicare Critical Access Hospitals. The inpatient per diem rates do not include all physician services and practitioner services, therefore additional payment shall be available to the extent that those services are provided. The CY 2021 IHS reimbursement rates appear below.

### IHS Reimbursement Rates for CY 2021

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

Lower 48 States ..... \$3,631

Alaska ..... \$3,384

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

Lower 48 States ..... \$519

Alaska ..... \$808

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

Lower 48 States ..... \$414

Alaska ..... \$662

<sup>1</sup> This brief is for informational purposes only. Authored by Sarah Sullivan, TSGAC Health Policy Consultant, [SkSullivan16@outlook.com](mailto:SkSullivan16@outlook.com).

<sup>2</sup> IHS, “Reimbursement Rates for Calendar Year 2021”; see Federal Register (FR) 28950 at <https://www.govinfo.gov/content/pkg/FR-2020-12-31/pdf/2020-28950.pdf>.

<sup>3</sup> 42 U.S.C §2651.Recovery by United States. <https://www.govregs.com/uscode/42/2651-2653>.

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

Lower 48 States ..... \$678

Alaska ..... \$1,039

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

**Effective Date for CY 2021 Rates:** Consistent with previous annual rate revisions, the Calendar Year 2021 rates will be effective for services provided on/or after January 1, 2021, to the extent consistent with payment authorities, including the applicable Medicare State plan.

Table 1 below provides a comparison of IHS reimbursement rates for CY 2020 and CY 2021.

**Table 1: Comparison of IHS Reimbursement Rates, CY 2021 and CY 2020**

Service		CY 2021 Rate	CY 2020 Rate	\$ Change	% Change
<b>Inpatient Hospital Per Diem Rate (Excludes Physician/Practitioner Services)</b>	Lower 48 States	<b>\$3,631</b>	<b>\$3,675</b>	<b>-\$44</b>	<b>-1.2%</b>
	Alaska	<b>\$3,384</b>	<b>\$3,529</b>	<b>-\$145</b>	<b>-4.1%</b>
<b>Outpatient Per Visit Rate (Excluding Medicare)</b>	Lower 48 States	<b>\$519</b>	<b>\$479</b>	<b>+\$40</b>	<b>+8.3%</b>
	Alaska	<b>\$808</b>	<b>\$710</b>	<b>+\$98</b>	<b>+1.4%</b>
<b>Outpatient Per Visit Rate (Medicare)</b>	Lower 48 States	<b>\$414</b>	<b>\$427</b>	<b>-\$13</b>	<b>-3%</b>
	Alaska	<b>\$662</b>	<b>\$683</b>	<b>-\$21</b>	<b>-3.1%</b>
<b>Medicare Part B Inpatient Ancillary Per Diem Rate</b>	Lower 48 States	<b>\$678</b>	<b>\$838</b>	<b>-\$160</b>	<b>-1.9%</b>
	Alaska	<b>\$1,039</b>	<b>\$1,186</b>	<b>-\$147</b>	<b>-1.2%</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, 85 FR 21864 and 85 FR 28950

For questions or comments to the TSGAC ACA/IHCIA team, please contact Cyndi Ferguson, TSGAC ACA/IHCIA Project Lead at [cyndif@senseinc.com](mailto:cyndif@senseinc.com).