

Medicare and Telemedicine (or Telehealth)

On July 11, 2014, the Centers for Medicare & Medicaid Services (CMS) released its proposed rules for the 2015 calendar year. Among these proposed rules, CMS adds four additions to covered telehealth services: psychoanalysis and psychotherapy (including family psychotherapy with and without the patient present), prolonged outpatient services such as evaluation and management, and annual wellness visits.[1]

On July 24, 2014, as reported in "iHealthBeat," Congressmen Mike Thompson (D-CA) and Glenn Thompson (R-PA) proposed "The Medicare Telehealth Parity Act" (H.R. ____), a bi-partisan bill to require Medicare to cover, within 6 months of the passage of the bill, telemedicine in urban areas that have a population of up to 50,000 people, and expand the acceptable care sites to include retail clinics. After 2 years, their bill will allow reimbursement for outpatient services such as speech and physical therapy delivered via telehealth; expand coverage to urban areas with populations up to 100,000 and include home telehealth to the list of acceptable care sites; and require the U.S. Comptroller to examine the efficacy and potential savings to Medicare from telehealth. After 4 years, the bill would make telehealth reimbursable in all areas regardless of population size.[2]

About Medicare-Covered Telemedicine

Telehealth services are covered under Medicare Part B.[3] The Center for Medicare & Medicaid Services (CMS), which administers the Medicare program, defines telemedicine services as "certain services like office visits and consultations that are provided using an interactive 2-way telecommunications system (with real-time and video) by a doctor or certain other health care provider who isn't at your location." [4]

To qualify for Medicare coverage of telehealth services, one must be "presented from an originating site located in either a rural health professional shortage area (HPSA) [...] or in a county outside of a [metropolitan statistical area] (MSA)." [5] In addition, Medicare "will only pay for 'face-to-face', interactive video consultation services wherein the patient is present." [6]

A **health professional shortage area** is defined in 42 U.S.C. § 254e as: [7]

- (A) an area in an urban or rural area (which need not conform to the geographic boundaries of a political subdivision and which is a rational area of the delivery of health services) which the Secretary determines has a health manpower shortage and which is not reasonably accessible to an adequately served area
- (B) a population group which the Secretary determines has such a shortage, or
- (C) a public or nonprofit private medical facility or other public facility which the Secretary determines has such a shortage....

A **metropolitan statistical area** is defined as an urbanized area with a population of 50,000 or more. [8]

An **originating site** is defined by CMS as: [9]

- The office of a physician or practitioner
- Hospital
- Critical access hospital

- Rural health clinic
- Federally qualified health center
- Hospital-based or CAH-based Renal Dialysis Centers
- Skilled nursing facilities
- Community mental health centers

Permitted professional who may administer telehealth services and receive payment for those covered services are:[\[10\]](#)

- Physicians
- Physician assistants
- Nurse practitioners
- Nurse-midwives
- Clinical nurse specialists
- Clinical psychologists and clinical social workers[\[11\]](#)
- Registered dietitians or nutrition professionals[\[12\]](#)

Be aware that **state law** establishes what telehealth services each provider of telehealth may furnish. [\[13\]](#)

Covered Medicare telehealth Services[\[14\]](#)

- Telehealth consultations, emergency department or initial patient
- Follow-up inpatient telehealth consultations furnished to beneficiaries in hospitals or SNFs
- Office or other outpatient visits
- Subsequent hospital care services, with the limitation of 1 telehealth visit every 3 days
- Subsequent nursing facility care services, with the limitation of 1 telehealth visit every 3 days
- Subsequent nursing facility care services, with the limitation of 1 telehealth visit every 30 days
- Individual and group kidney disease education services
- Individual and group diabetes self-management training services, with a minimum of 1 hour of in-person instruction to be furnished in the initial year training period to ensure effective injection training
- Individual and group health and behavior assessment and intervention
- Individual psychotherapy
- Telehealth pharmacologic management
- Psychiatric diagnostic interview examination
- End-Stage Renal Disease (ESRD)-related services included in the monthly capitation payment
- Individual and group medical nutrition therapy
- Neurobehavioral status examination
- Smoking cessation services
- Alcohol and/or substance (other than tobacco) abuse structured assessment and intervention services
- Annual alcohol misuse screening, 15 minutes

- High-intensity behavioral counseling to prevent sexually transmitted infection; face-to-face, individual, includes: education, skills training and guidance on how to change sexual behavior; performed semi-annually, 30 minutes
- Annual, face-to-face intensive behavioral therapy for cardiovascular disease, individual, 15 minutes
- Face-to-face behavioral counseling for obesity, 15 minutes
- Transitional care management services with moderate medical decision complexity (face-to-face visit within 7 of discharge)

Telemedicine as a Medicare Tool to Reduce Hospital Readmissions

Medicare has established a hospital readmissions program that reduces payments to Inpatient Prospective Payment System hospitals which have an unreasonable amount of readmissions.[15] Hospitals now have an economic incentive to provide follow-up care to patients who have been discharged.[16] Monitoring discharged patients through telemedicine could serve as an important tool in reducing hospital "readmission" rates for a variety of disorders.[17] For example, a telemedicine consultation would allow doctors and nurse practitioners to adjust medication accordingly, or speak with the patient about what might be causing a rise or drop in weight or blood pressure.

Telemedicine and Mental Healthcare Services

Telemedicine is often discussed in relation to mental health services because such services are often difficult or impossible to find in health professional shortage areas.[18] There is hope that telemedicine services can alleviate what some consider to be a mental health crisis by providing patient support and consultations remotely, yet such a program and its efficacy has yet to be tested.

Beneficiary Tools for Using Telemedicine

- **Beneficiary Guidance on Medicare's Coverage of Telehealth Services** (a fact sheet published by CMS on telehealth services): <http://www.telemedicine.com/pdfs/TelehealthSrvcsfctsht.pdf> (site visited August 4, 2014)
- **Medicare Internet-Only Manual Chapter 15** (CMS's official guidance on telehealth services): <http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/bp102c15.pdf> (site visited August 4, 2014)
- **Rural Assistance Center** (More information and news on telehealth services in different rural areas): <http://www.raconline.org/topics/telehealth> (site visited August 4, 2014)
- **National Advisory Committee on Rural Health & Human Services** (A citizens' committee of rural health experts that offers suggestions on rural health issues for HHS to address): <http://www.hrsa.gov/advisorycommittees/rural/> visited August 4, 2014)
- To find out if you are in a HPSA, visit: <http://hpsafind.hrsa.gov/> (site visited August 4, 2014)
- To find out if your originating site is eligible for Medicare telehealth payment, visit: <http://datawarehouse.hrsa.gov/telehealthAdvisor/telehealthEligibility.aspx> (site visited August 4, 2014)

Conclusion

The use of telemedicine is emerging. It holds potential for expanding access to Medicare beneficiaries in underserved areas. Research and health practices indicate an important and ongoing role for remote face-to-face communication between Medicare beneficiaries and their healthcare providers.

S. Schechner/A. Chiplin – August 7, 2014

[1] See 79 Fed. Reg. 40318, at p. 40358, see <http://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment->

- Instruments/PQRS/Downloads/2015_Medicare_Physician_Fee_Schedule_Proposed_Rule_CMS-1612-P.pdf (site visited August 5, 2014).
- [2] <http://www.ihealthbeat.org/articles/2014/7/24/lawmakers-to-propose-medicare-telehealth-coverage-bill> (site visited August 5, 2014).
- [3] See 42 CFR 410.78 (Telehealth services) <http://www.gpo.gov/fdsys/pkg/CFR-2011-title42-vol2/pdf/CFR-2011-title42-vol2-sec410-78.pdf> (site visited August 4, 2014). In 2011, Medicare added smoking cessation services to what it covers under telemedicine. See <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R2354CP.pdf> (site visited August 4, 2014). In 2014, Medicare added additional transitional care management services (site visited August 4, 2014). See <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM8553.pdf> (site visited August 4, 2014).
- [4] <http://www.medicare.gov/coverage/telehealth.html> (site visited August 4, 2014).
- [5] <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R1798B3.pdf> (site visited August 4, 2014).
- [6] <http://www.hrsa.gov/healthit/toolbox/RuralHealthITtoolbox/Telehealth/whatarethereimbursement.html>
- [7] <http://www.law.cornell.edu/uscode/text/42/254e> (site visited August 4, 2014). For more on health professional shortage areas visit: <http://www.hrsa.gov/shortage/>
- [8] http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/downloads/cms1428f_ii.pdf pg. 3 (site visited August 4, 2014)
- [9] <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/telehealthsvcsfctsht.pdf> (site visited August 4, 2014).
- [10] <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/telehealthsvcsfctsht.pdf> (site visited August 4, 2014).
- [11] Be aware that these providers "cannot bill for psychiatric diagnostic interview examinations with medical services or medical evaluation and management under Medicare." See <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/telehealthsvcsfctsht.pdf>
- [12] <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/telehealthsvcsfctsht.pdf> (site visited August 4, 2014)
- [13] <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/telehealthsvcsfctsht.pdf> (site visited August 4, 2014).
- [14] See <http://www.hrsa.gov/publichealth/guidelines/BehavioralHealth/behavioralhealthcareaccess.pdf> (site visited August 4, 2014); see also <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/telehealthsvcsfctsht.pdf>, at pg. 3, (site visited August 4, 2014).
- [15] 42 U.S.C. § 42 U.S.C. 1395ww(q) (Hospital readmissions reduction program).
- [16] See 42 U.S.C. §1395ww(q).
- [17] See the case study at: http://www.healthit.gov/sites/default/files/pdf/RCCHCandPHS_CaseStudy.pdf (site visited August 4, 2014).
- [18] <http://www.apa.org/monitor/2011/06/telehealth.aspx> (site visited August 4, 2014).