

Overcoming Hurdles in Medicare Telehealth Reimbursement

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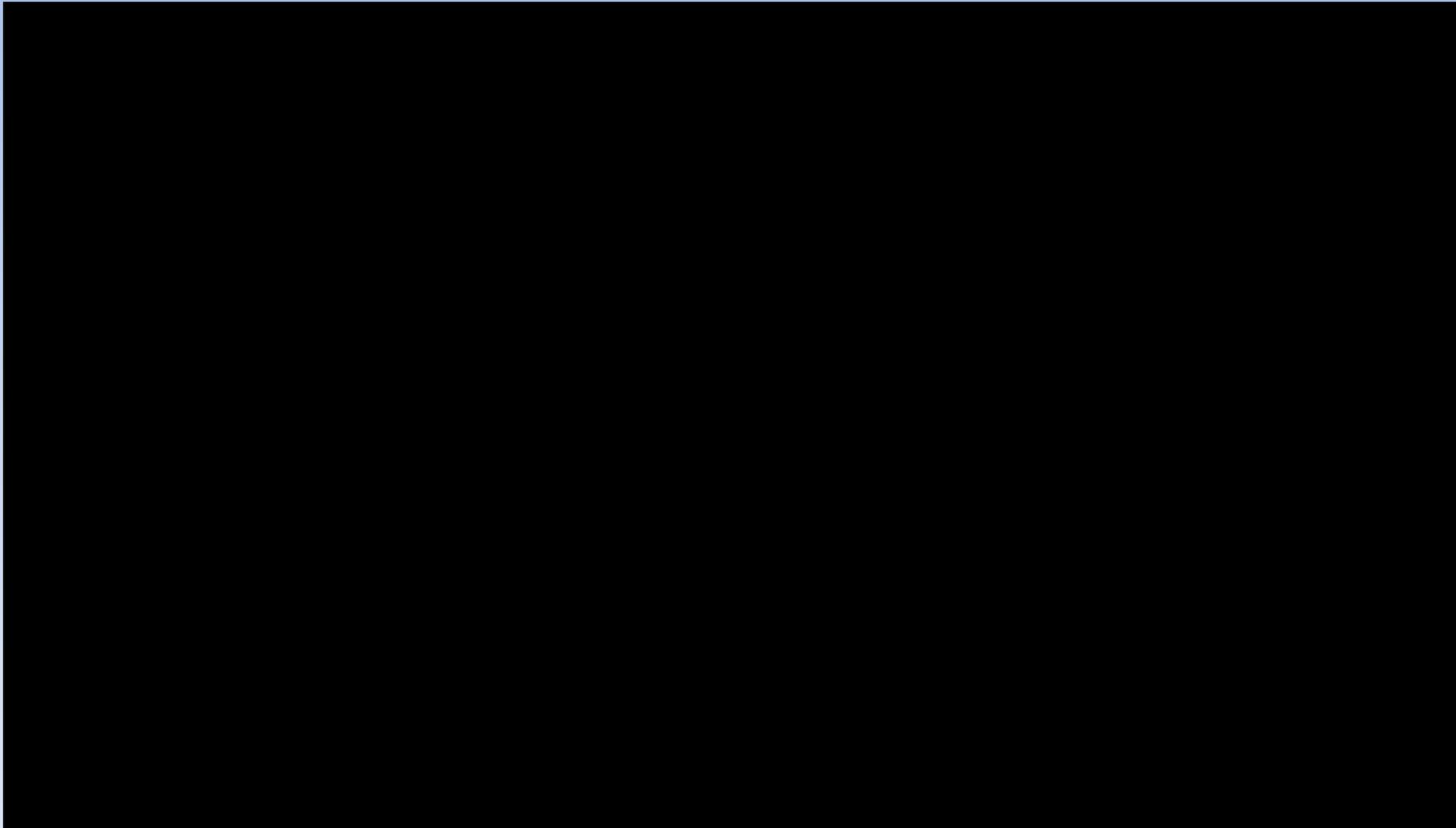


Overview

- What is telehealth?
 - Defining telehealth and telemedicine
 - Telehealth for Medicare
- Current challenges/limitations in telehealth
- Telehealth in other payment systems
- Telehealth and health systems
 - Reimbursable activities
 - Cost savings
- Future of telehealth



What is Telehealth?



What is Telehealth?

- Defining telehealth
 - Not consistently defined, but general term for the variety of telecommunications technologies and processes used to remotely deliver and support health care and enhance public health
- Telehealth v. telemedicine
 - In some definitions, telehealth is a broader reference to all health care treatment, prevention, education, and support activities delivered remotely, while telemedicine refers more specifically to a clinical interaction between a patient and a health care provider
 - However, the terms are often used interchangeably. Telemedicine remains preferred term for state medicine regulatory bodies; Medicare uses telehealth.
- Medicare doesn't have explicit definition of telehealth



Categories of Telehealth

- Several established categories of telehealth technologies
 - Dependent on level of interaction between patient and health care professional
 - **Interactive audio-visual** – provides real-time, interactive encounter between individual and professional through videoconference or similar function (including fixed (i.e. computer) and mobile (i.e. smart phone) technology)
 - **Store-and-forward** – asynchronous technology whereby patient provides relevant medical information to professional remotely who then uses information to form diagnosis and treatment plan
 - **Remote monitoring** – technology providing remote professional with medical data from personal device held/used by patient, either real-time or asynchronously (i.e. cardiac monitors)

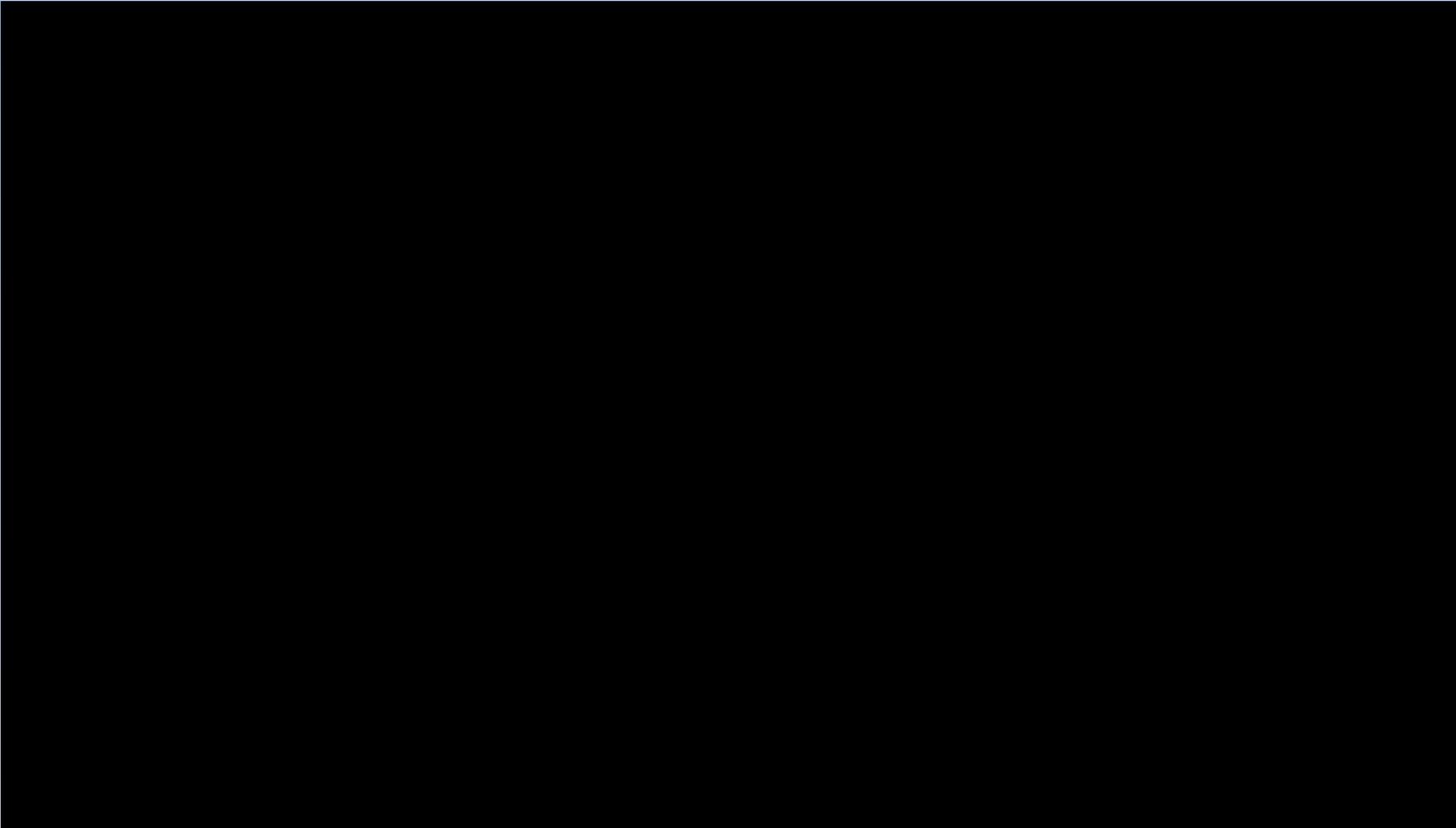


Concepts in Medicare Telehealth

- Several concepts specifically important to Medicare telehealth framework:
 - “originating site” – location where patient receives telehealth service; statutory definition
 - “distant site practitioner” – location of practitioner who renders telehealth service
 - “interactive audio/video” – required communication system for telehealth service
 - “GT modifier” – modifier billed by distant site practitioner to certify that telehealth service was rendered in compliance with requirements
 - “Q3014” – Q-code for billing Medicare originating site facility fee (CY 2017 - \$25.40)



What is Telehealth?



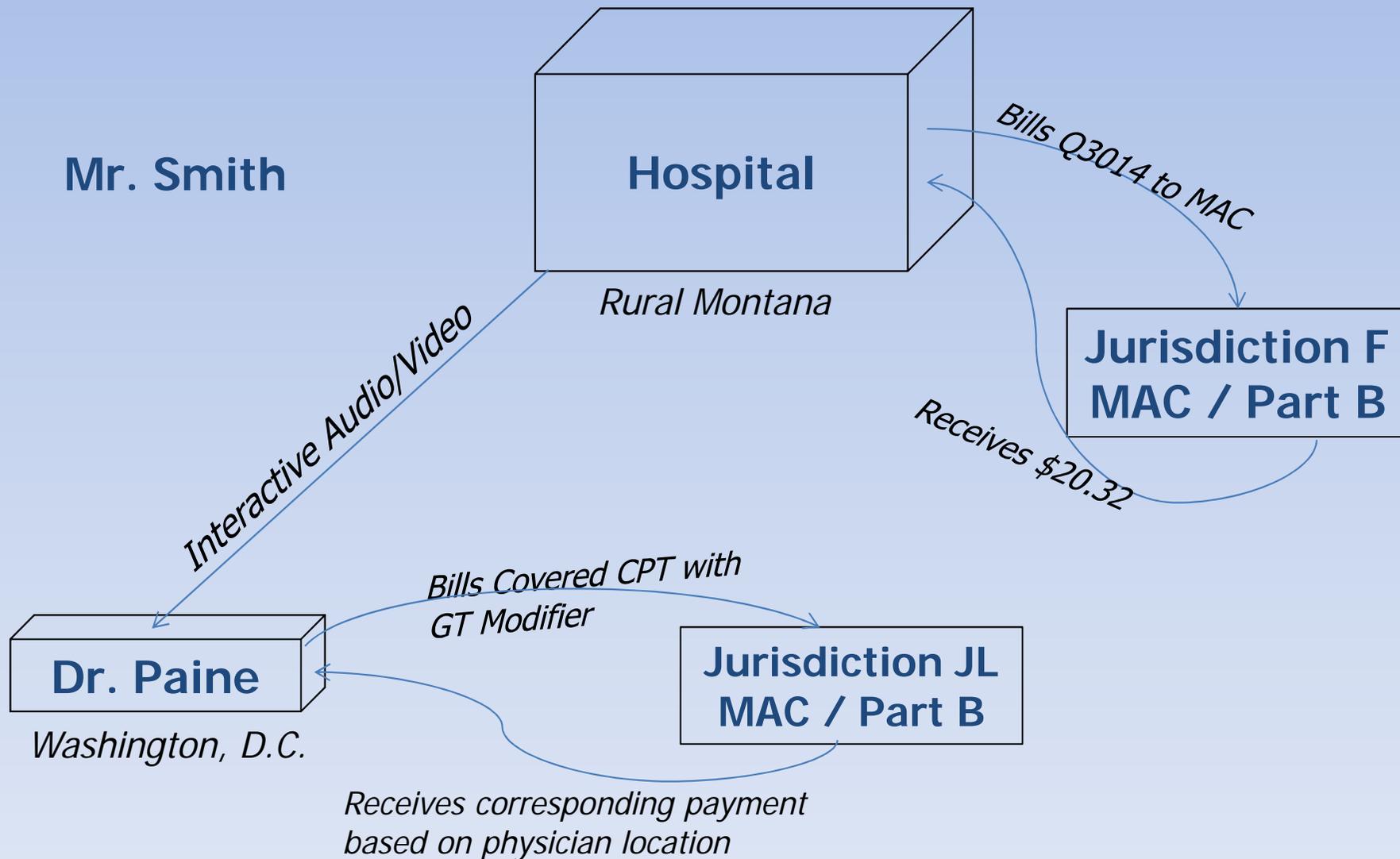
Medicare and Telehealth

- Generally, Medicare coverage of telemedicine services is narrow
 - Must be conducted through interactive videoconferencing
 - May only be provided to patients in a rural Health Professional Shortage Area (HPSA) or in a county outside of a Metropolitan Statistical Area (MSA)
 - The patient must be at an “originating site,” which includes physician offices, hospitals, and other facilities, but does **not** include a patient’s home
 - Limited to certain CPT codes (certain office visits, psychotherapy, nutrition and behavior counseling, etc.)
- CMS slowly embracing telehealth, but cannot cover at same level as commercial insurers without legislative change



Medicare Coverage Example

(or Mr. Smith Virtually Goes to Washington)



Challenges in Telehealth Implementation

- A number of systemic features of current medical practice laws and Medicare reimbursement raise challenges for effective telehealth practice
 - State law challenges:
 - Practicing medicine without a license (or beyond state borders)
 - Establishing a physician-patient relationship
 - Lawfully prescribing medications
 - Ensuring patient's informed consent
 - Establishing both the practitioner and patient's identity to each other
 - Medicare challenges:
 - Initial coverage established in BBA 97
 - CMS substantially restricted by current statutory limitations
 - Must establish specific "telehealth demonstration projects" to waive



Challenges in Telehealth Implementation

- Although coverage is narrow, federal fraud and abuse laws still apply
 - Beneficiary inducement
 - Anti-kickback Statute
 - Stark law
- Presuming that some services associated with an arrangement may be covered (or will become covered in near future), should ensure that arrangements satisfy exceptions or are otherwise low-risk
 - Provision of technology (tablets, telehealth carts, etc.)
 - Payments to physicians for telehealth services



Challenges in Telehealth Implementation

- Recent settlement highlights potential billing abuse in telehealth context
 - Psychiatrist provided mental health treatments over the phone to Medicare beneficiaries and billed for telehealth visits using GT modifier
 - Telephone is not an “interactive audio/video communications system”
 - Patients not located in a HPSA or outside of an MSA
 - Consequently, service not covered as telehealth and claims were alleged to be false
 - Psychiatrist settled case for \$36,704
 - Covered conduct for 6 year period (2009 – 2015)



Telehealth in Other Payment Systems

- Insurance policies vary widely in telehealth coverage
 - Some insurers have determined significant value in telehealth services and will cover a wide array of services
 - Others have not yet developed a comprehensive telehealth coverage framework – may result in denials or prior authorization requirements
- Several states have implemented parity laws requiring commercial insurance coverage of telehealth services equal to coverage of traditional face-to-face services
- Recent development – laws have not yet had significant effect on access to telehealth services
- However, as coverage increases (through legal mandate or financial drivers for insurers), use of telehealth services will also increase



Telehealth in Other Payment Systems

- State parity laws: growing number of states have enacted laws that require coverage for telehealth services – at least 32 states and Washington D.C.
 - States may require that payment for telehealth services must be equivalent to, be made on the same basis as, or be equal to the payment rate for in-person visits
 - Payors increasingly aligning with telehealth companies
 - Partnerships, joint ventures
 - Acquisitions
 - Employers also seeking to use various forms of telehealth to address employee-specific risk areas



Telehealth and Health Systems

- Health systems increasingly developing telehealth units
 - Diminished access to specialist care in rural and underserved urban areas
 - Recognition of quality metrics improvement
 - Evolving patient expectations
 - Ability to exert greater control over patient's care/compliance
- Involving both reimbursable and non-reimbursable activities
- Often involving many parts of health system
 - Emergency
 - ICU
 - Home health
 - Hospice
 - SNF
 - ESRD
 - Behavioral health



Future of Telehealth in Medicare

- Greater Flexibility with Medicare Advantage (Part C)
 - Plans permitted to offer telehealth benefits beyond statutory limit of Medicare
- Affordable Care Act
 - State demonstrations under Capitated Financial Alignment Model for Medicare Medicaid Enrollees
 - New York:
 - Coverage in connection with home health services (includes payment for telehealth and equipment installation)
 - Virginia:
 - Waives Medicare geography and technology restrictions
 - Allows telehealth coverage in urban and rural areas
 - Permits videoconferencing, store-and-forward and remote patient monitoring
 - Next Generation ACOs



Future of Telehealth in Medicare

- Medicare Telehealth Parity Act of 2015
- Creating Opportunities Now for Necessary and Effective Care Technologies (CONNECT) for Health Act
- Further Access to Stroke Telemedicine (FAST) Act
- Telehealth Innovation and Improvement Act of 2015
- Health Equity and Accountability Act of 2016
- Better Care, Lower Cost Act
- Care Veterans Deserve Act



Future of Telehealth in Medicare

- 21st Century Cures Act Section 4012
 - Directs CMS to assess:
 - Which populations would benefit the most from telehealth expansion;
 - What projects CMMI is currently undertaking related to telehealth;
 - Which high-volume services might be suitable for telehealth; and
 - Barriers preventing telehealth expansion
 - Also directs MedPAC to:
 - Compare Medicare-covered telehealth services with private payor coverage; and
 - Assess how to enable Medicare to cover same types of services as private payors.
- The Act explains that that is it the “sense of Congress that eligible originating sites should be expanded”



Takeaways

- Telehealth coverage in Medicare expanding
- Limited by statutory roadblocks
- Congress appears to be considering greater expansion and liberalization of statutory restrictions
- Likely at least a year off
- Still, many health systems recognizing value in offering telehealth services
 - Higher quality
 - Better metrics
 - Lower readmission rates
 - Better patient satisfaction
 - Efficiencies in employing specialists



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