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)

Mr. Smith

Hospital

Rural Montana

Dr. Paine

Washington, D.C.

Jurisdiction JL
MAC / Part B

Bills Covered CPT with GT Modifier

Receives corresponding payment based on physician location

Jurisdiction F
MAC / Part B

Receives $20.32

Bills Q3014 to MAC

Interactive Audio/Video
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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