

# Overcoming Hurdles in Medicare Telehealth Reimbursement

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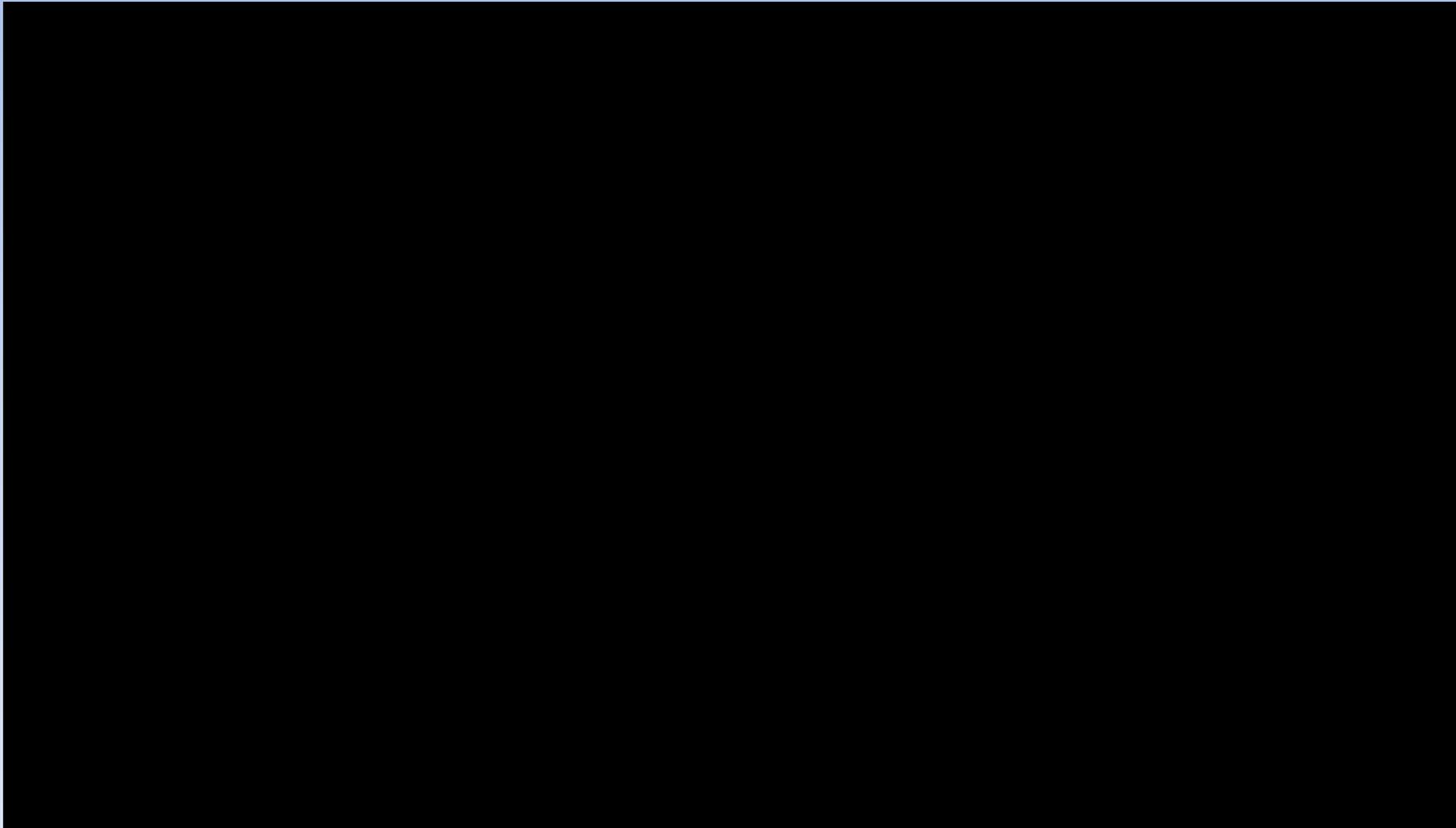


# Overview

- 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)

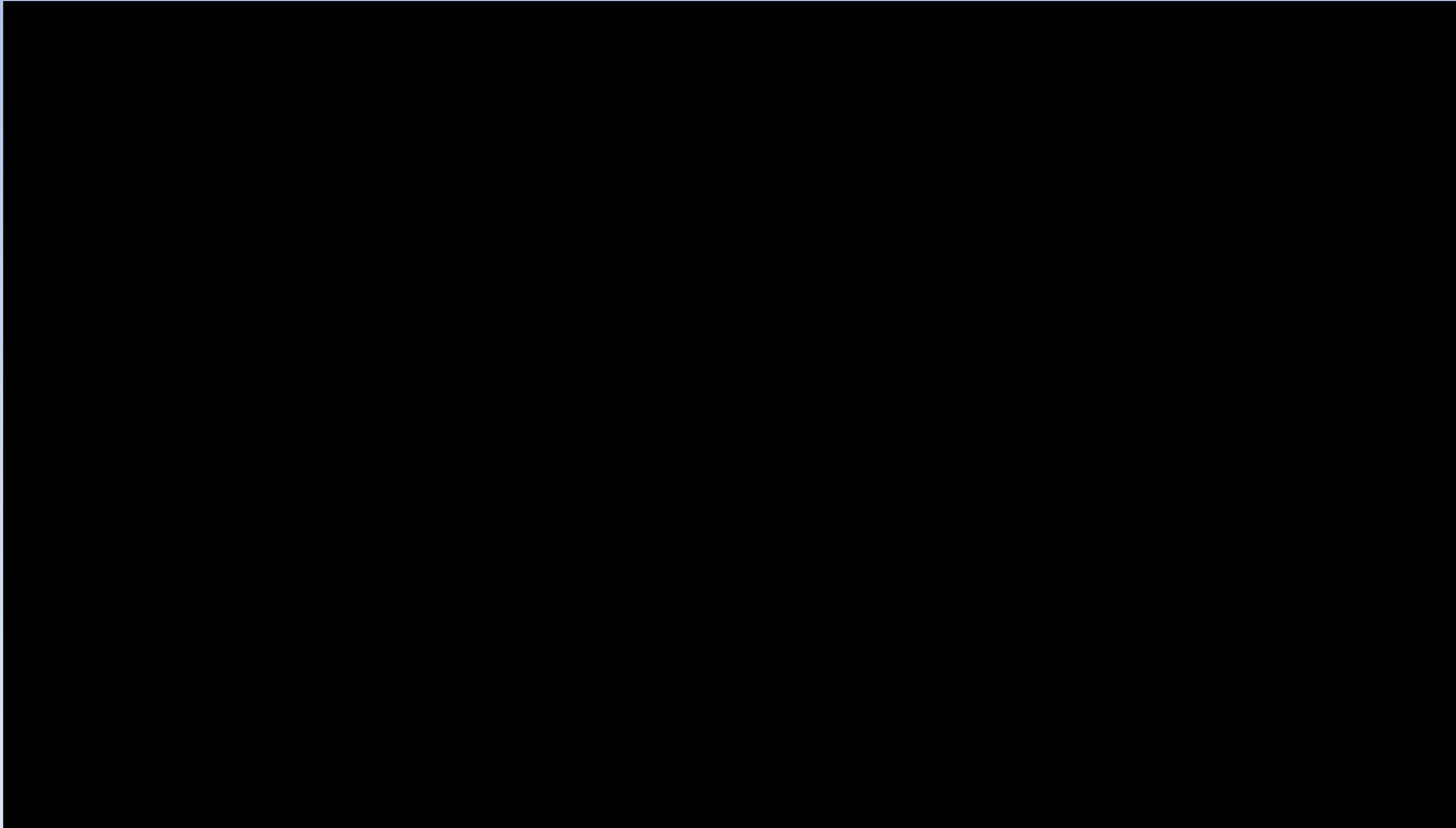


# Concepts in Medicare Telehealth

- 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?



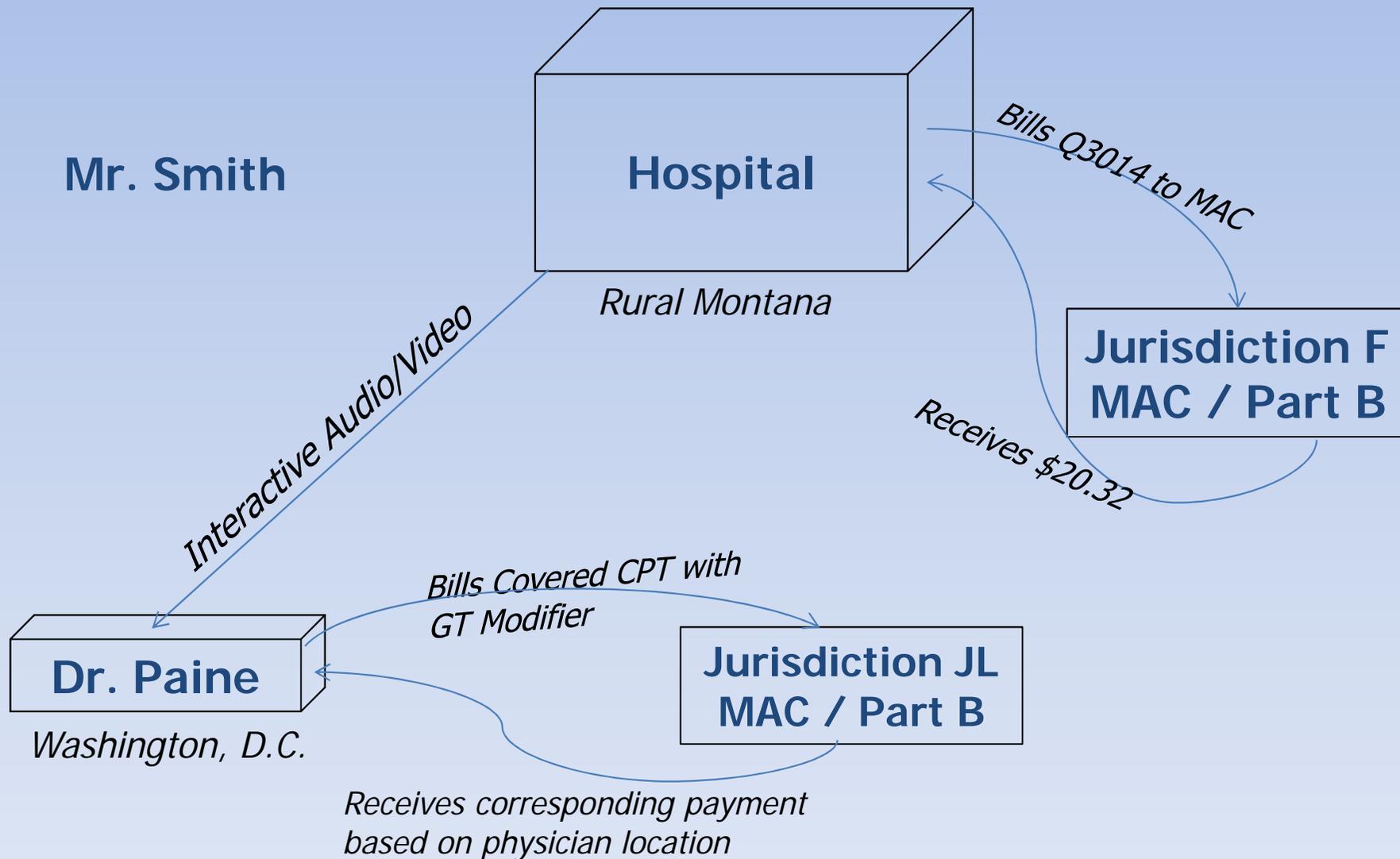
# Medicare and Telehealth

- 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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