

Telemedicine Reimbursement

An Overview of Medicare and Medicaid

Telemedicine Reimbursement

Why is it important?

Encourages use of telemedicine services

Provides mechanism to reimburse providers

One tool to ensure sustainability of program

Telemedicine Reimbursement Medicare

- First authorized in Balanced Budget Act of 1997
 - Fee splitting
 - Limited CPT code reimbursement
 - Limited eligible presenters

Telemedicine Reimbursement Medicare

- BIPA of 2000 - some improvements
 - Eliminated fee sharing
 - Eliminated need for “telepresenter”
 - Expanded eligible services
 - Included payment to distant site physician only

Telemedicine Reimbursement Medicare

- BIPA of 2000 - some improvements
 - Expanded definition of originating site
 - Expanded eligible geographical regions
 - Allowed originating site facility fee
 - Permitted use of store and forward

Telemedicine Reimbursement Medicare

- BIPA of 2000 - some improvements

But

Still substantial limitations:

- Eligible geographic locations
- Eligible originating sites
- Eligible services
- Eligible providers

Telemedicine Reimbursement Medicare

Current Eligibility - Geographical Locations

- Must be a primary care Health Professional Shortage Area (HPSA)
- Cannot be a Metropolitan Statistical Area (MSA)

Telemedicine Reimbursement Medicare

Current Eligibility - Geographical Locations

HPSA: Three Criteria

- Rational area for delivery of primary care
- <1 primary care physician per 3,500 people
- Insufficient capacity of providers

MSA: County or contiguous counties with:

- One city with population of 50,000 or more
- Census Bureau-defined urbanized area of at least 50,000 and metropolitan population of at least 100,000

Telemedicine Reimbursement Medicare

Current Eligibility - Originating Sites:

Medicare includes:

Office of a Physician

Hospital

Critical Access Hospital

Rural Health Clinic

Federally Qualified Health
Center

Additions Needed:

Skilled Nursing Facilities

Community Mental Health Centers

County Mental Health
Departments

Public Health Departments

Indian Health Service Sites

Telemedicine Reimbursement Medicare

Current Eligibility - Medical Practitioners

Medicare Includes:

Physician
Nurse Practitioner
Physician Assistant
Nurse Midwife
Clinical Nurse Specialist
Clinical Psychologist
Clinical Social Worker
Nutrition Professional

Recommended Additions:

Dietitians
Genetics Counselors
Physical Therapists
Occupational Therapists
Speech Therapists

Telemedicine Reimbursement

Eligible Services

- Consultations
- Office or other outpatient visits
- Individual psychotherapy
- Pharmacologic management

Telemedicine Reimbursement Medicare

Current Eligibility - Services

Medicare Includes :

Consultations
Office or other outpatient visits
Individual psychotherapy
Pharmacologic management
ESRD services
Individual nutritional therapy

Recommended Additions:

Nursing facility care
Speech language pathology
Audiology
Physical therapy services

Medicare Telehealth Improvement Act

- S. 2812 – Introduced by Stabenow, Conrad and Thune
- What the bill does:
 - Adds to eligible sites – skilled nursing facilities, dialysis centers, community mental health centers
 - Adds to eligible providers – physical therapists, occupational therapists, speech-language pathologists, audiologists and diabetes educators
 - Creates and advisory committee of practicing telehealth providers

Telemedicine Reimbursement Medicaid

- State administered program with federal match
- Each state sets its Medicaid telemedicine reimbursement policy
- If you've seen one state Medicaid telemedicine reimbursement policy, you've seen one state Medicaid telemedicine reimbursement policy!

Telemedicine Reimbursement Medicaid

35 States Reimburse for Telemedicine

Alabama, Alaska, Arizona, Arkansas, California, Colorado, Georgia, Hawaii, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, North Carolina, North Dakota, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, West Virginia, Wisconsin, Wyoming

Telehealth Reimbursement Medicaid

- There is a difference between what Medicaid fee for service providers are willing to pay and what Medicaid managed care providers are willing to pay.
- Generally speaking, fee for service providers are much less resistant to reimbursement than are managed care providers

Telemedicine Reimbursement Medicaid

Reimbursement models vary among states:

- Internal agency decision
- Legislative initiatives
- Regulatory initiatives
- Other: SCHIP, Waivers

Telemedicine Reimbursement Medicaid

Common Themes

- What are the eligible services?
- What sites are eligible?
- What providers are eligible?
- Who pays for the service?
- Is there an origination site fee?
- Who promulgates the rules?

Telehealth Reimbursement Medicaid

Common Issues

- Because it is virtual, there will be widespread fraud and abuse
- Because it increases access, the use of telehealth will increase cost
- Because there is not a body of comprehensive and conclusive data, an informed statute cannot be created

Resources

- http://atmeda.org/ICOT/sigbusiness_reimbursement.html
- www.americantelemed.org/news/policy_issues/2006_medicaid_handbook2.pdf

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