Health Information Technology (HIT) Guide for the Delta Rural Hospital Performance Improvement (RHPI) Program

Telehealth: Rules, Reimbursement and Licensing

Prepared for: Delta Rural Hospital Performance Improvement Program by the National Rural Health Resource Center, subcontractor to Mountain States Group

5/9/2011

Rural Hospital Performance Improvement Project is funded by the federal Office of Rural Health Policy (HRSA, DHHS) through a contract to Mountain States Group, Inc.
Overview
According to the American Telemedicine Association, “telemedicine is defined as the use of medical information exchanged from one site to another via electronic communications to improve patients' health status. Closely associated with telemedicine is the term "telehealth," which is often used to encompass a broader definition of remote health care that does not always involve clinical services. Videoconferencing, transmission of still images, e-health including patient portals, remote monitoring of vital signs, continuing medical education and nursing call centers are all considered part of telemedicine and telehealth.” [1]

It is important to note that telemedicine is not a separate medical specialty. Products and services related to telemedicine are often part of a larger investment by health care institutions in either information technology or the delivery of clinical care. Even in the reimbursement fee structure, there is usually no distinction made between services provided on-site and those provided through telemedicine. Also, there is often no separate coding required for billing of remote services. [1]

Benefits of Telemedicine

<table>
<thead>
<tr>
<th>Improved Access</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over the past several years, telemedicine has been used to bring health care services to patients in distant locations. Not only does telemedicine improve access to patients but it also allows physicians and health facilities to expand their reach, beyond their facilities. [5]</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cost Efficiencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reducing or containing the cost of health care is one of the most important reasons for funding and adopting telemedicine technologies. Telemedicine has been shown to reduce the cost of health care and increase efficiency through better management of chronic diseases, shared health professional staffing, reduced travel times, and fewer or shorter hospital stays. [5]</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Patient Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>The greatest impact of telemedicine is on the patient, their family and their community. Using telemedicine technologies reduces travel time and related stresses to the patient. Telemedicine services offer patients the access to providers that might not be available otherwise as well as medical services without the need to travel long distances. [5]</td>
</tr>
</tbody>
</table>
### Telemedicine Services

#### Specialty Referral Services

These services typically involve a specialist assisting a general practitioner in rendering a diagnosis. For example, this may involve a patient "seeing" a specialist over a live, remote consult or the transmission of diagnostic images and/or video along with patient data sent to a specialist for viewing later. Radiology continues to make the greatest use of telemedicine with thousands of images "read" by remote providers each year. Other major specialty areas include: dermatology, ophthalmology, mental health, cardiology and pathology. [5]

#### Patient consultations

Patient consultations typically involve using telecommunications to provide medical data, which may include audio and still or live images between a patient and a health professional for use in rendering a diagnosis and treatment plan. This might originate from a remote clinic to a physician's office using a direct transmission link or may include communicating over the Internet. [5]

#### Remote patient monitoring

Remote patient monitoring uses devices to remotely collect and send data to a monitoring station for interpretation. Such "home telehealth" applications might include a specific vital sign, such as blood glucose or heart ECG or a variety of indicators for homebound patients. These services have been used to supplement the use of visiting nurses. [5]

#### Medical education

Telemedicine has been used to provide continuing medical education credits for health professionals and special medical education seminars for targeted groups in remote locations. [5]

### Delivery Mechanisms

#### Networked programs

Networked programs link tertiary care hospitals and clinics with outlying clinics and community health centers in rural areas. The links may use dedicated high-speed lines or the Internet for telecommunication links between sites. It is estimated that telemedicine programs involve close to 2,000 medical institutions throughout the country. Of these programs, it is estimated that about half (100) are actively providing patient care services on a daily basis. The others are only occasionally used for patient care and are primarily for administrative or educational use. [5]
**Point-to-point connections**

Point-to-point connections using private networks are used by hospitals and clinics that deliver services directly or contract out specialty services to independent medical service providers at ambulatory care sites. Radiology, mental health and even intensive care services are being provided under contract using telemedicine to deliver the services. [5]

**Primary or specialty care to the home connections**

Primary or specialty care to the home connections involve connecting primary care providers, specialists and home health nurses with patients over single line phone-video systems for interactive clinical consultations. [5]

**Home to monitoring center**

Home to monitoring center links are used for cardiac, pulmonary or fetal monitoring, home care and related services that provide care to patients in the home. Often normal phone lines are used to communicate directly between the patient and the center although some systems use the Internet. [5]

**Web-based e-health patient service sites**

Web-based e-health patient service sites provide direct consumer outreach and services over the Internet. Under telemedicine, these include those sites that provide direct patient care. [5]

**Medicare Reimbursement for Telemedicine**

Medicare provides reimbursement for telemedicine services, however, it is limited. Medicare will pay for a limited number of Part B services that are furnished by a physician or practitioner to an eligible beneficiary via a telecommunications system. For eligible telehealth services, the use of a telecommunications system substitutes for an in-person encounter. [4]

**Originating Sites**

An originating site is the location of an eligible Medicare beneficiary at the time of the service. Medicare beneficiaries are eligible for telehealth services only if they are presented from an originating site located in a rural Health Professional Shortage Area or in a county outside of a Metropolitan Statistical Area. [4] The originating sites authorized by law are:

- Hospitals
- The office of a physician or practitioner
- Critical Access Hospitals (CAH)
- Rural Health Clinics (RHC)
- Federally Qualified Health Centers (FQHC)
- Hospital-based or CAH-based Renal Dialysis Centers
- Skilled Nursing Facilities (SNF)
Community Mental Health Centers (CMHC) [4]

**Distant Site Practitioners**

Practitioners at the distant site who may furnish and receive payment for covered telehealth services (subject to State law) are:

- Physicians
- Nurse practitioners (NP)
- Physician assistants (PA)
- Nurse midwives
- Clinical nurse specialists (CNS)
- Clinical psychologists (CP) and clinical social workers (CSW)
- Registered dietitians or nutrition professionals [4]

**Medicare Covered Telehealth Services**

As a condition of payment, an interactive audio and video telecommunications system must be used that permits real-time communication between the physician or practitioner at the distant site and the beneficiary at the originating site. [4] The current list of Medicare telehealth services includes:

- Initial inpatient consultations
- 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 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
- 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 stats examination [4]

**Medicare Billing and Payment for Professional Services Furnished via Telehealth**

Distant site physicians and practitioners must submit claims for telehealth services using the appropriate CPT or HCPCS code for the professional service along with the telehealth
modifier GT, "via interactive audio and video telecommunications system”. By coding and billing the "GT" modifier with a covered telehealth procedure code, the distant site physician or practitioner certifies that the beneficiary was present at an eligible originating site when the telehealth service was furnished. By coding and billing the "GT" modifier with a covered ESRD-related service telehealth code, the distant site physician or practitioner certifies that one visit per month was furnished “hands on” to examine the vascular access site. [4]

Physicians and practitioners at the distant site bill the Medicare Carrier or A/B Medicare Administrative Contractor (MAC) for covered telehealth services. Distant site physicians and practitioners are paid 80 percent of the appropriate Medicare Physician Fee Schedule (PFS) amount for telehealth services. When distant site physicians or practitioners are located in a CAH and have reassigned their billing rights to a CAH that has elected the Optional (Elective) Method of reimbursement, services are billed to the Fiscal Intermediary (FI) or A/B MAC by the CAH and the payment amount is 80 percent of the PFS for telehealth services. [4]

**Medicare Billing and Payment for the Originating Site Facility Fee**

For telehealth services, originating sites are paid an originating site facility fee as described by HCPCS code Q3014. The originating site facility fee is a separately billable Part B payment. Physician and practitioner offices that serve as telehealth originating sites bill the Medicare Carrier or A/B MAC for the originating site facility fee. Hospitals, CAHs, RCHs, FQHCs, hospital-based or CAH-based Renal Dialysis Centers, SNFs, and CMHCs that serve as Medicare telehealth originating sites bill the FI or A/B MAC. [4]

**Telemedicine Legal and Regulatory Issues**

Telehealth raises a number of legal concerns, especially regarding cross-state practice and reimbursement. The links below are not intended to be a comprehensive analysis of the legal issues but will highlight some of the more prominent legal issues that arise when using telehealth technologies. [2]

- Licensure and Scope of Practice
- Federal Fraud and Abuse: Anti-Kickback Statute
- Federal Fraud and Abuse: Stark Law
- State Regulations and the Food and Drug Administration
- Privacy, Confidentiality and Security
- Online Prescribing and Telepharmacy
- Antitrust
- Medical Malpractice and Liability

**Telehealth Resource Centers**

The Telehealth Resource Centers (TRC) assist rural health care providers, facilities, and organizations within their specific region and around the nation to better utilize and implement telehealth technology. The TRCs are a resource for those just beginning their telehealth program development as well as those looking to add new telehealth-related services. The TRCs can assist your facility through the challenges impacting the
development of telehealth applications, projects and programs. The TRCs provide the following technical assistance services: [3]

- Program development and operational support
- Information on legal and regulatory issues
- Readiness assessments
- Business model development
- Program evaluation
- Sharing of best practices
- Strategic planning
- Market analysis
- Education on reimbursement provisions
- Technology assessments
- Equipment selection
- Tools and templates [3]

Below is a list of all of the TRCs with links to their websites.

**California Telemedicine & eHealth Center**
**Great Plains Telehealth Resource & Assistance Center**
**Northwest Regional Telehealth Resource Center**
**South Central Telehealth Resource Center**
**Southwest Telehealth Resource Center**
**Center for Telehealth and eHealth Law**
**Heartland Telehealth Resource Center**
**Pacific Basic Telehealth Resource Center**
**Southeast Telehealth Resource Center**
**Telehealth Technology Assessment Center**

**Sources**


