

Demandforce

Your Guide to Telemedicine Reimbursement



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Your Guide to Telemedicine Reimbursement: Overview, Types of Telemedicine

Overview

Reimbursement for telemedicine is an ever-evolving matter that has been largely dependent on state and federal regulations. The combination of technological advancements, consumer convenience expectations, and provider shortages have forced federal and state regulators into proactive modes; however, laws vary in each state, resulting in significant differences in telemedicine reimbursement regulations.

Types of Telemedicine

Understanding the variations in telemedicine law first requires knowledge of the various terms utilized by legislators, along with various forms of telemedicine. There are three main types of telemedicine reimbursement: Live Video, Store-and-Forward, and Remote Patient Monitoring. Live synchronous video is the most broadly accepted form of telemedicine or telehealth, but reimbursement laws continue to advance, expanding reimbursement opportunities for other variants of telehealth.



Remote Monitoring

A form of virtual care delivery in which patient data is collected outside of traditional care settings and transmitted to a provider at a remote location. It is ideal for blood pressure and blood sugar monitoring.



Live Video

The means of providing healthcare services via live video conferencing, facilitating two-way audio and video communication either between a patient and provider, or two providers.



Store & Forward

The process of collecting and sharing clinical information electronically to a clinician. Information typically includes medical history, documents such as laboratory reports, images, and video and/or sound files.

Other Key Terms & Definitions

There are a number of additional terms that are utilized in state and federal legislation and within the telehealth policies of individual insurers. It is necessary to understand these terms in order to uncover the reimbursement opportunities that exist for providers and facilities.

Distant site references the location of the physician that is providing care through telehealth. It is also referenced as a Referral Site, Specialty Site or Hub Site in some legislation.

Originating site is the location of the patient during a telemedicine session, and it is also commonly referred to as the Remote Site or Spoke Site. Examples of originating sites include but are not limited to the following:

- Home
- Federally Qualified Health Center
- Hospital
- Physician's Office
- Long-Term Care Facilities

Many state and federal laws reference **Eligible Providers** that are qualified to be reimbursed for telemedicine. In many cases, laws will reference specific licensure types. Examples include Registered Nurse, Nurse Practitioner, Medical Doctor, Physician Assistant, Psychologist, and Licensed Mental Health Professional.

State licensure refers to the state medical boards and examiners that control licensing for medical providers. In order to provide virtual care services to residents of a specific state, providers must be licensed by that state's medical board.

HIPAA stands for the Health Information Portability and Accountability Act. It is a law that sets a minimum threshold for patient privacy, security of medical records, and guarantees patients the right to their medical records. Virtually all telemedicine laws either require compliance with the minimum standards of HIPAA or require that all sessions and information related to a telemedicine visit be encrypted and secure. If not, the virtual care services are not eligible for reimbursement.

Electronic Health or Medical Records are stored in enterprise medical platforms utilized by health systems, provider groups, and individual provider offices. In many cases, the law requires that telemedicine events/ appointments and related information be stored in an EHR/EMR platform.

Telehealth Parity is utilized to describe laws that mandate that telehealth services be reimbursed at a rate that is the same or equivalent to in-person care.

Your Guide to Telemedicine Reimbursement: Telehealth Regulations

Federal Telemedicine Laws

Federal telemedicine laws tend to be very focused on either specific government health programs or a desire to impact a designated health crisis. As such, the majority of federal laws do not make broad changes to the entire US population. Recent legislation has been focused on:

- Medicare
- Veterans Affairs
- Medicaid State Guidance
- Mental Health and the Opioid Epidemic

Despite the limited scope of federal legislation, over 41 bills were introduced over the past 2 years. If passed, new legislation would expand Medicare reimbursement for the treatment of numerous health conditions via telehealth.

State Telehealth Laws

States are leading the way for telemedicine by drafting and passing “Telehealth Parity Laws”. These laws explicitly state that services provided through telemedicine are to be reimbursed at a rate that is equivalent to in-person care, provided the quality of care is equal. These laws are responsible for initiating reimbursement policies for virtual care within private insurers and Medicaid.

As of 2019, 34 states and Washington, DC have parity laws in place; however, the presence of a parity law does not mandate that all services are deemed equivalent to in-person care, nor are these laws equally applied to Medicaid and private insurers. For example, Connecticut has a parity law in place for private insurers; however, the law is significantly limiting for Medicaid, stating: “Connecticut Medicaid is required to cover telemedicine services for categories of health care that the commissioner determines are appropriate, cost-effective and likely to expand access.”

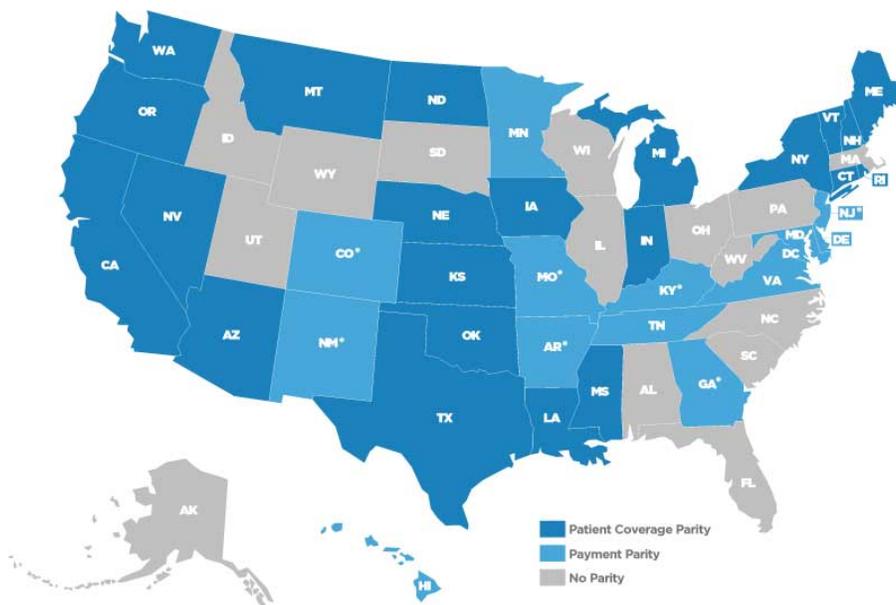
There are numerous state laws that provide nuanced loopholes that can limit telemedicine parity. It is important that stakeholders understand laws that govern the states in which an organization operates.

State Parity Laws & Originating Sites

11 States Without Parity Laws

The following states do not have existing parity laws which is a limiting factor in telemedicine adoption:

- Alabama
- Florida
- Idaho
- Illinois
- North Carolina
- Ohio
- South Carolina
- Utah
- West Virginia
- Wisconsin
- Wyoming



State Laws & Originating Sites

Within state legislation, originating site verbiage has the most significant impact on adoption and expansion of telemedicine programs. Many state laws have language that mirrors CMS guidance that requires:

- The patient to be in a rural or provider shortage area
- A provider to be present with the patient at the originating site
- The originating site to be a medical facility

These stipulations greatly limit patient demographics and prevent most health organizations from expanding virtual care initiatives beyond pilot programs. This is especially true in states that have existing parity laws along with a narrow scope of valid originating sites. The following tables and maps provide an overview of states that offer favorable originating-site regulations.

Insurance & Payer Reimbursement

Every insurance payer is different, with variances on what qualifies as a reimbursable telemedicine service. The following key factors can impact reimbursement eligibility and should be researched with credentialed insurance payers:

- Delivery Method or Modality Covered
- Provider Type
- Patient Location or Primary Residence
- Applicable Billing Codes
- Originating Site Restrictions
- Procedures to Establish Care
- Type of Reimbursement Fee

Delivering Care Across State Lines

The number one question pertaining to telemedicine is centered on delivery of care across state lines. We typically see this question for providers that want to continue serving under 3 scenarios:

- The provider wants to travel and continue providing care
- The provider is moving their practice out of state
- A patient is traveling and leaving the state for an extended period
- A patient is permanently moving out of state

The rule-of-thumb is to maintain licensing in the state where your patient resides; however, continuity of care will be the deciding factor for temporary travel or seasonal location changes. If the patient maintains a residence in the state where the medical provider is licensed, continuity of care will justify the continuation of care via telemedicine.

The [Interstate Medical Licensure Compact](#) does offer a pathway for qualified physicians to obtain licensure across multiple states. Various physician and practice restrictions may apply.

Medicaid and Medicare Reimbursement

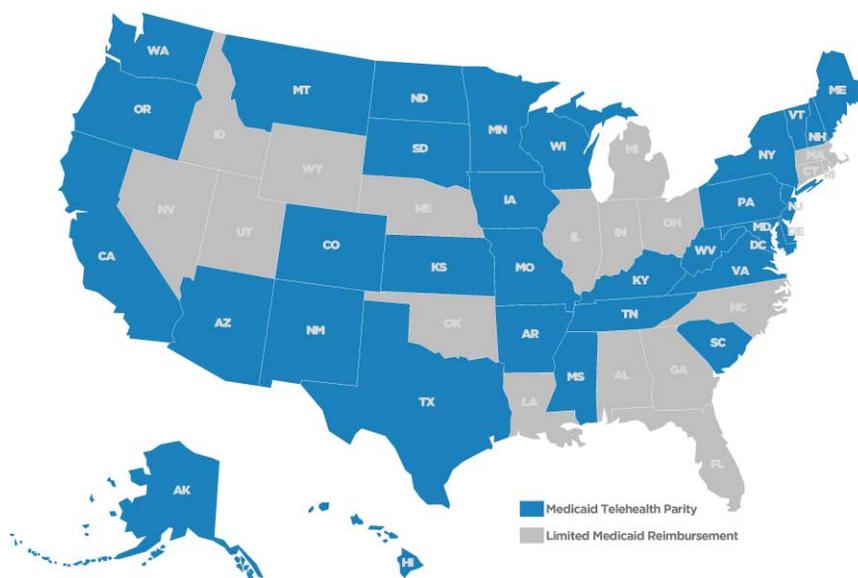
Medicaid

Over the last few years, state Medicaid programs have advanced coverage for telemedicine with 28 states providing reimbursement for medically necessary services at the same rate as in-person care:

- Arizona
- Arkansas
- California
- Colorado
- Delaware
- Iowa
- Kansas
- Kentucky
- Maine
- Maryland
- Minnesota
- Mississippi
- Missouri
- Montana
- New Hampshire
- New Jersey
- New Mexico
- New York
- North Dakota
- Oregon
- South Carolina
- South Dakota
- Tennessee
- Texas
- Vermont
- Virginia
- Washington

Twenty additional states offer limited Medicaid coverage for telemedicine initiatives:

- Alabama
- Connecticut
- Florida
- Georgia
- Idaho
- Illinois
- Indiana
- Louisiana
- Massachusetts
- Michigan
- Nebraska
- Nevada
- North Carolina
- Ohio
- Oklahoma
- Rhode Island
- Utah
- Wyoming



Medicaid and Medicare Reimbursement

All state Medicaid programs reimburse for some form of telemedicine, but there are many states that still restrict the majority of telehealth services.

Medicare

Medicare telehealth reimbursement is greatly dependent upon federal legislation and the Centers for Medicaid and Medicare (CMS) policies. In some cases, federal legislation will open reimbursement opportunities and, in other cases, CMS will proactively modify policies in their process of creating annual Physician Fee Schedules. The annual Physician Fee Schedule will be preceded by a proposed rule change that includes a comment period.

The Baseline for Medicare Telehealth Reimbursement

Medicare reimbursement has been traditionally utilized to solve for access challenges related to patients that receive care at a facility that is in:

- A county outside of a Metropolitan Statistical Area (MSA) or
- A [Health Professional Shortage Area](#) (HPSA) located in a rural census tract

The Health Resources and Services Administration (HRSA) determines HPSAs, and the Census Bureau determines MSAs. You can access [HRSA's Medicare Telehealth Payment Eligibility Analyzer](#) to determine a potential originating site's eligibility for Medicare telehealth payment.

Modalities Supported:

Medicare requires the use of synchronous or interactive video conferencing in order for services to qualify for reimbursement, provided that the patient is at an eligible originating site. Asynchronous or Store & Forward technology is not permitted unless the provider is part of a telemedicine demonstration program in Hawaii or Alaska.

Originating Sites Authorized By Law:

The patient must be located in one of the following sites to meet Medicare's requirement for reimbursement:

- The offices of physicians or practitioners
- Hospitals
- Critical Access Hospitals (CAHs)
- Rural Health Clinics
- Federally Qualified Health Centers
- Hospital-based or CAH-based Renal Dialysis Centers (including satellites)
- Skilled Nursing Facilities (SNFs)
- Community Mental Health Centers (CMHCs)
- Medicare-Eligible Telemedicine Providers

Medicaid and Private Payer Reimbursement

The following practitioners are eligible to furnish telehealth services and receive payment from Medicare:

- Physicians
- Nurse practitioners (NPs)
- Physician assistants (PAs)
- Nurse-midwives
- Clinical nurse specialists (CNSs)
- Certified registered nurse anesthetists
- Clinical psychologists (CPs)
- Clinical social workers (CSWs)
- Registered dietitians or nutrition professionals
- Eligible Medicare Telehealth Services

To access a full list of applicable Telehealth CPT & HCPCS codes, see CMS's MLN Booklet on Telehealth Services.

Medicaid and Private Payer Reimbursement

Additional Medicare Telehealth Programs

Medicare continues to respond to the changes in federal law and population needs by creating individual initiatives that are not part of the core telemedicine program. Some examples include efforts to fight opioid addiction, a focus on improving outcomes in chronic care, and behavioral health.

Behavioral Health Integration in Primary Care

Medicare launched Behavioral Health Integration initiatives in 2018 focusing on Primary Care settings, including FQHCs, Rural Health Centers. This program is designed to address mental health access by incentivizing Primary Care groups to incorporate behavioral health into their practices. Under General BHI and the Psychiatric Collaborative Care Model, Medicare removed geographic and originating site restrictions and is one of the most innovative behavioral health initiatives initiated by a payor.

Chronic Care Management in Primary Care

Medicare additionally launched programs for Chronic Care Management. These initiatives are also directed towards Primary Care and remove geographic and originating site restrictions, opening up broad usage of telehealth along with reimbursement opportunities.

Substance Abuse Treatment

For services furnished after July 1, 2019, Medicare will remove geographic limitations and allow the home to be an originating site. ([See CMS Manual Pub 100-04 Page 4](#))

Medicaid and Private Payer Reimbursement

End Stage Renal Disease

For Prolonged Preventative Service Codes HCPCS G0513 & G0514, effective January 1, 2019 patients in end-stage renal disease can use the home and renal dialysis facilities as originating sites. ([See CMS Manual Pub 100-04 Page 5](#)).

Acute Stroke Care

Telestroke | [Effective January 1, 2019](#), any hospital, critical access hospital, or mobile stroke unit is eligible to serve as an originating site for acute stroke care; however, these sites are not eligible for originating site fee reimbursement unless they meet the pre-existing requirements for an originating site. G0 (G Zero), to be appended on claims for telehealth services related to acute stroke care.

Virtual Check-Ins

[Effective January 1, 2019](#), the home can serve as an originating site for a 5-10 minute brief technology based check-ins for evaluation and management of established patients. (HCPS code G2012)

Private Payers

State telehealth laws, referenced at the top of this article, are the primary driver for telehealth reimbursement among private insurers.

For more information on Telemedicine solutions from Demandforce, visit <https://go.demandforce.com/DemandforceTelemedicine> or call us at 800.246.9853.

About Demandforce

Demandforce helps practices automate front office tasks and streamline patient communications with an all-in-one solution. From automated appointment reminders to robust reputation management, only Demandforce uniquely combines all the features and functionality a practice needs to grow, in one place.

For more information, or to see a demo, visit www.demandforce.com.