

POLICY AND OPERATIONAL STANDARDS

KTHN006 – MEDICARE COVERAGE/REIMBURSEMENT FOR TELEHEALTH ORIGINATING SITE FACILITY FEE AND TELEHEALTH PROFESSIONAL FEE

Established coverage provisions relating to telehealth services and the method of determining coverage/reimbursement services by the Centers for Medicaid and Medicare Services
TELEHEALTH BOARD APPROVAL – JUNE 16, 2014

In October 2001, H.R. 5661, also known as the Benefits Improvement and Protection Act of 2000 (BIPA), amended section 1834 of the Budget Balance Act to provide for a new subsection (m) "Payment for Telehealth Services," which expanded the payment for Telehealth services. BIA limited reimbursement to those eligible individuals that received services at originating sites. These sites included offices of a physician or practitioner, critical access hospitals, rural health clinics, federally qualified health centers, and hospitals.

This amendment contained provisions for expanded Medicare payment for Telehealth services. The newly passed provisions expanded the scope of reimbursement by not requiring a telepresenter and adding additional services over a broader geographic area. The following are among some of the provisions passed:

- Elimination of the provider "fee sharing" requirement;
- Elimination of Medicare participating "tele-presenters" requirement;
- Expansion of telehealth services to include direct patient care, physician consultations, and office psychiatry services;
- Inclusion of payment for the physician or practitioner at the distant site at the rate applicable to services generally;
- Expansion of the definition of originating sites to include physician and practitioner offices, critical access hospitals, rural health clinics, federally qualified health centers, and hospitals (not including nursing homes);
- Expansion of the geographic regions in which originating sites are located to include rural health professional shortage areas, any county not located in a Metropolitan Statistical Area, and any entity approved for a federal telehealth demonstration project; and,
- Permission for the use of store and forward applications in Alaska and Hawaii for federal demonstration projects.
- All telehealth encounters that are provided for the benefit of patients with Medicare must follow the legal and regulatory guidelines mandated by the Centers for Medicare and Medicaid Services (CMS) and that agency's rules should be consulted.

Telehealth Encounter Occurring Between Two Healthcare Facilities That Are Owned by the Same Organization

There is no prohibition against billing for telehealth services when a single entity owns both the originating site and the distant site. However, the distant site cannot be the same location as the originating site.