

CMS Proposes Changes to Telehealth Services for Calendar Year 2014

Overview

The Centers for Medicare and Medicaid Services (CMS) recently published its proposed Physician Fee Schedule for calendar year (CY) 2014, which includes several significant modifications and expansions to telehealth services for CY 2014. Comments on the proposed rules must be received by CMS by September 6, 2013.

Billing and Payment for Telehealth Services

CMS proposes to modify existing regulations regarding originating sites to expand possible eligible telehealth originating sites.

Currently, Medicare telehealth services may only be provided to an eligible telehealth beneficiary in one of the following qualifying originating sites:

1. Entities participating in federal telemedicine demonstration projects as of December 31, 2000;
2. Sites located in counties that are not in metropolitan statistical areas (MSAs); or
3. Sites located in areas that are designated as rural health professional shortage areas (HPSAs) under the Public Health Services Act (PHSA).

Because the PHSA does not specifically define a “rural” HPSA designation, CMS has previously interpreted it to mean an area that is not located in an MSA. This interpretation has limited the designation of telehealth originating sites to those HPSAs that are not located in MSAs. CMS proposes to keep the non-MSA eligibility category. It also proposes eligibility for HPSAs located outside of an MSA and HPSAs “located in rural census tracts [of an MSA] as determined by Office of Rural Health Policy (ORHP).” In the past, CMS and HHS have used ORHP’s methods to determine rural designations more precisely. CMS believes this will allow for inclusion of additional HPSAs as areas for telehealth originating sites, which would expand healthcare services access for those Medicare beneficiaries located in rural areas.

CMS also proposes to update its policy so that the geographic eligibility determination for an originating site would be made and maintained on a yearly basis, in line with other telehealth payment policies. CMS believes this would reduce the likelihood of interruptions in service due to changes in geographic designations mid-year. CMS proposes that the geographic eligibility for an originating site be made based on the status of the area as of December 31 of the previous calendar year.

Additions to List of Medicare Telehealth Services

CMS proposes to add CPT codes 99495 and 99496 for transitional care management services (TCM services) to the list of telehealth services on a category 1 basis for CY 2014. The proposed rule defines TCM services as:

- CPT code 99495 – Transitional care management services with the following required

elements: Communication (direct contact, telephone, electronic) with the patient and/or caregiver within two business days of discharge; medical decision making of at least moderate complexity during the service period; face-to-face visit within 14 calendar days of discharge; and

- CPT code 99496 – Transitional care management services with the following required elements: Communication (direct contact, telephone, electronic) with the patient and/or caregiver within two business days of discharge; medical decision making of high complexity during the services period; face-to-face visit within seven calendar days of discharge.

The proposed rule states that TCM “is comprised of one face-to-face visit within the specified time frame following a discharge, in combination with non-face-to face services that may be performed by the physician or other qualified health care professional and/or licensed clinical staff under his or her direction.” This update would allow for the face-to-face portion of the TCM to take place via telehealth because CMS believes that the interactions between the furnishing practitioner and the beneficiary described by the required face-to-face visit component of the TCM services are sufficiently similar to services currently on the list of telehealth services for those services to be added under Category 1.

Squire Sanders lawyers have significant experience in advising clients on telemedicine reimbursement issues. We continue to monitor regulatory changes in this area and are available to counsel clients on these matters. For more information regarding how we can assist you, please contact your principal Squire Sanders lawyer or one of the lawyers listed in this publication.

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