If there has been one suggestion repeatedly echoed by providers to Congress and the current administration on how to help improve health care access, manage ongoing health care needs, increase convenience, and leverage modern technology, it has been for Medicare to pay for telehealth services. So what is keeping Medicare from pushing forward more quickly?
The goal of the Balanced Budget Act of 1997 (BBA) was to help expand telehealth reimbursement under Medicare in rural areas. This old construct largely continues today with regulations requiring rural locations and narrow “originating” and “distant” site requirements.

Flash forward to today, and one of the other inhibitors to further expansion under Medicare remains the impact to the federal budget. The Congressional Budget Office (CBO) provides the budgetary impacts for federal legislation, and has indicated in the past that various bills would cost the federal government more over the next 10 years (the federal budgeting window) than it would save. While there are many arguments about the long-term value of telehealth, for telehealth in Medicare to occur, Congress would need to pass a law allowing for its expanded use (for example, outside of rural locations) and then find money to pay for that expanded use.

**Key Medicare Regulatory Terms**

**Originating site** – An approved location where acceptable capability exists. The beneficiary must be in a rural area, defined as either a county outside of a Metropolitan Statistical Area or a rural Health Professional Shortage Area located in a rural census tract.

**Distant site** – Location of the qualifying practitioner who will provide the service or bill for the service.

**Recent improvements in Medicare telehealth reimbursement**

Currently, Medicare will reimburse for a short but expanding list of telehealth services that are conducted by eligible providers and offered in certain facilities in designated rural areas. The codes Medicare reimburses for generally revolve around the following services:

- End stage renal disease (ESRD)
- Behavioral health
- Chronic disease management
- Professional consultations, particularly in emergency departments

However, in the past year alone, Congress and the Centers for Medicare and Medicaid Services (CMS) have taken steps to continue pushing forward, signaling a growing recognition of the utility and value of
telehealth. CMS made several changes in its final 2018 Physician Fee Schedule rule, including allowing for payment of several additional codes related to chronic care management, health risk assessments, and psychotherapy. Of particular interest, CMS also finalized remote patient monitoring (RPM) as a separately billable service under CPT code 99091.

"Remote patient monitoring will create opportunities for providers and health systems to expand access and panel size, including keeping a close eye on high risk patients. Patients will have real-time assurance, driving better engagement and adherence and overall satisfaction. There are also economic benefits of providing RPM."

— Penny Osman Bahr, Principal

Under RPM, CMS will pay once every 30 days for the collection and interpretation of physiologic data such as ECG, blood pressure, and glucose monitoring that is digitally stored or transmitted by the patient or caregiver to qualifying health care professionals. This new RPM benefit became effective January 1, 2018. Because it is payable once every 30 days, RPM creates many new opportunities for providers and beneficiaries alike. Even better, CMS did not structure RPM to be paid as a telehealth benefit, so it is not subject to telehealth’s restrictive regulations.

CMS continues to work within its regulatory authority to open up telehealth usage in other ways. For example, as the Next Gen Accountable Care Organization (Next Gen ACOs) came online, CMS specifically granted telehealth waivers to them. The waivers removed geographic limitations and allowed a beneficiary’s home to be an originating site. Agency leaders are demonstrating a commitment to advancing the importance of telehealth, including CMS’ release of its first ever “Rural Health Strategy,” which included telehealth’s use in rural and underserved communities as a core objective.

In the recent Congressional session, dozens of bills were introduced, demonstrating ongoing interest in telehealth. The Bipartisan Budget Act of 2018 (BBA 2018) also included multiple new policies, including a set of provisions known as the “Creating High-Quality Results and Outcomes Necessary to Improve Chronic (CHRONIC) Care Act,” which included the following:

- **Expansion of the Next Gen ACO waiver.** Beginning 2020, the law allows for expanded use of telehealth services by extending the Next Generation ACO’s telehealth waiver authority to qualifying ACOs such
as the Medicare Shared Savings Program (MSSP) Track II and Track III, as well as other two-sided risk ACO models with prospective beneficiary assignments.

• **Expansion of telehealth for ESRD.** The law allows for the use of telehealth for those with end stage renal disease receiving dialysis at home. Beginning in 2019, clinical assessments can be done via telehealth under this ESRD policy as long as there are periodic face-to-face consultations, as further defined under the law. The law allows freestanding dialysis centers and patients’ homes to be originating sites. No geographic restrictions apply.

• **ED consultations for stroke.** Beginning January 1, 2019, the law allows telehealth consultation regardless of the hospital’s location for individuals with stroke symptoms.

• **Medicare Advantage.** In 2020, Medicare Advantage plans will be able to use telehealth as a base benefit for services available under Part B. Currently, telehealth services may be offered by Medicare Advantage plans, but only as supplemental benefits.

**Embracing telehealth across the states**

While there is broad telehealth adoption and usage, the extent varies from state to state due to:

• State laws that define, regulate, and reimburse for these services differently
• State scope of practice laws
• State licensure requirements, including telehealth licensure, presence of an interstate compact, and related issues
• State insurance laws and regulations
• Connectivity issues

Virtually every state reimburses for some form of telehealth in its Medicaid program, though most require synchronous (live) interaction. Additionally, according to the Center for Connected Health Policy, 14 states reimburse for asynchronous (store and forward) and at least 20 reimburse for some type of remote patient monitoring. The majority of Medicaid managed care contracts (Medicaid MCOs), also include telehealth services. According to the Kaiser Family Foundation’s 2017 research, 68 percent of Medicaid MCOs reported using telehealth in at least one area of service, such as mental health, chronic care management, or health assessments. The majority of states also have laws requiring commercial coverage for various telehealth services.
Across the country, dozens of states have joined interstate compacts to attempt to reduce barriers in coverage and increase access. These compacts set up the structures and processes that help facilitate licensure in other compact states. As virtual care and telehealth increase, compacts help facilitate telehealth services.

Twenty-two states are now part of the interstate medical licensure compact (IMLC) whose mission is to help “increase access to health care for patients in underserved or rural areas and allowing them to more easily connect with medical experts through the use of telemedicine technologies.” For nurses, the enhanced Nurse Licensure Compact (eNLC) recognizes the fluidity of health care delivery and specifically cites as one of its benefits the ability of “nurses to practice in person or provide telehealth nursing services to patients located across the country without having to obtain additional licenses.” Currently, 29 states are members of the eNLC.

**Trends in telehealth policy**

With the delivery of health care rapidly changing, telehealth continues to progress. Recent health policy trends at both the state and federal level include:

- Growing recognition by the federal government that telehealth is an important component of expanding access to care. Reducing regulations and increasing reimbursement are key to furthering its broader use.
- Increasing usage of telehealth in key areas such as behavioral health. Due to workforce shortages of behavioral and mental health care providers, there is growing desire to use telemedicine to meet the needs of those with substance use disorders, including states seeking 1115 Medicaid waivers that include telehealth components.
- Testing telehealth in Medicare demos. CMS continues to exempt ACOs from restrictive regulations for telehealth when in two-sided risk models, such as the Next Gen ACO, and to test the use of telehealth in other demos, like the Frontier Community Health Integration Project Demo. This trend will only continue to increase.
- Allowing Medicare Advantage plans to incorporate telehealth as a base benefit in future plan years.
- Paying for telehealth services to treat unique patient needs, such as specific diseases or chronic conditions. This trend has been noted across all types of government and commercial health insurance.
Looking forward: more settings and applications coming

The opportunities for telehealth are rapidly expanding. While reimbursement has not caught up yet, the potential of the consumer market is attractive nonetheless to technology firms, fitness companies, and health care providers alike. Telehealth allows these entities to provide individualized, patient-centered, low-cost, and convenient access to care through new devices, drugs, services, and settings.

For example, major technology companies have already developed wearable devices that monitor a host of different physiological data, such as the KardiaBand. KardiaBand is used with an Apple watch to monitor heart rhythms. It received Federal Drug Administration (FDA) approval in late 2017. Pharmaceutical companies are also engaged, as seen in Otsuka Pharmaceutical’s Abilify MyCite, a pill that has a built-in sensor to monitor a patient’s drug adherence. Abilify MyCite was also approved by the FDA in 2017.

Growth also continues in the types and maturity of telehealth services and service settings. According to research by REACH Health, the most frequently used telehealth services are in psychiatry and behavioral health, stroke, neurology, radiology, and pediatrics, but growth is emerging in other specialties like dermatology, cardiology, chronic care, obstetrics, or gynecological services. REACH Health’s research also reveals that acute care settings are the farthest along with telehealth adoption followed by clinical settings. Other settings include correctional care and schools. Interestingly, one of the least advanced settings for telehealth use is in post-acute care (PAC).

In looking to the future, the PAC setting is particularly well suited for telehealth to address growing access demands, reduce hospital readmissions, improve patient health, and provide better care coordination across the health care continuum. One consideration for the future is how telehealth applications may be uniquely suited to offer new avenues to address population health needs and efforts to help keep communities healthier.

What to do next

The future of health care will include telehealth, but the pure number of opportunities for its application may feel daunting. As you contemplate where you are on your telehealth journey, here are a few ideas to consider:
Develop your strategy today on how, when, and where to invest. From increasing access or service territory to positioning your organization for new payment models and the future of how care will be delivered, telehealth will be an ongoing opportunity.

- Assess the chronic diseases you treat most and consider whether a remote patient monitoring strategy opens up a new care model with accompanying revenue.
- Consider the population health needs in your community to see whether telehealth could break down walls, provide convenience, or improve access.
- View telehealth as another modality of providing integrated care, not as a separate or distinct approach.
- View telehealth as a means to engage your patients in their care, increase their adherence to medications, monitor their conditions, and improve satisfaction with your services.
- Consider how telehealth could address specific workforce provider shortage needs you may have in your facility or community. Look at post-acute care settings and how telehealth can be employed to the advantage of your patients and your facility.
- Keep in mind that many two-sided risk models (Next Gen, certain MSSP tracks) waive telehealth restrictions and allow its broad use. Consider where you are on the road to value or two-sided risk payment models, since these offer increased telehealth flexibility.

How we can help

CLA can help you develop and put your telehealth strategy into place. From facilitating strategic planning to implementing a remote patient monitoring program to integrating telehealth into advanced payment models, we promise to help you seize the opportunities that the future presents.

Jennifer Boese
Director

T: 608-662-7635
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