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Keeping America Healthy

Telemedicine (/medicaid/benefits/telemed/index.html)

Telemedicine

For purposes of Medicaid, telemedicine seeks to improve a patient's health by permitting two-way, real time interactive communication between the patient, and the physician or practitioner at the distant site. This electronic communication means the use of interactive telecommunications equipment that includes, at a minimum, audio and video equipment.

Telemedicine is viewed as a cost-effective alternative to the more traditional face-to-face way of providing medical care (e.g., face-to-face consultations or examinations between provider and patient) that states can choose to cover under Medicaid. This definition is modeled on Medicare's definition of telehealth services (42 CFR 410.78). Note that the federal Medicaid statute does not recognize telemedicine as a distinct service.

Telemedicine Terms

Distant or Hub site: Site at which the physician or other licensed practitioner delivering the service is located at the time the service is provided via telecommunications system.

Originating or Spoke site: Location of the Medicaid patient at the time the service being furnished via a telecommunications system occurs. Telepresenters may be needed to facilitate the delivery of this service.

Asynchronous or "Store and Forward": Transfer of data from one site to another through the use of a camera or similar device that records (stores) an image that is sent (forwarded) via telecommunication to another site for consultation. Asynchronous or "store and forward" applications would not be considered telemedicine but may be utilized to deliver services.

Medical Codes: States may select from a variety of HCPCS codes (T1014 and Q3014), CPT codes and modifiers (GT, U1-UD) in order to identify, track and reimburse for telemedicine services.

Telehealth (or Telemonitoring) is the use of telecommunications and information technology to provide access to health assessment, diagnosis, intervention, consultation, supervision and information across distance.

Telehealth includes such technologies as telephones, facsimile machines, electronic mail systems, and remote patient monitoring devices, which are used to collect and transmit patient data for monitoring and interpretation. While they do not meet the Medicaid definition of telemedicine they are often considered under the broad umbrella of telehealth services. Even though such technologies are not considered "telemedicine," they may nevertheless be covered and reimbursed as part of a Medicaid coverable service, such as laboratory service, x-ray service or physician services (under section 1905(a) of the Social Security Act).

Provider and Facility Guidelines

Medicaid guidelines require all providers to practice within the scope of their State Practice Act. Some states have enacted legislation that requires providers using telemedicine technology across state lines to have a valid state license in the state where the patient is located. Any such requirements or restrictions placed by the state are binding under current Medicaid rules.

Reimbursement for Telemedicine

Reimbursement for Medicaid covered services, including those with telemedicine applications, must satisfy federal requirements of efficiency, economy and quality of care. States are encouraged to use the flexibility inherent in federal law to create innovative payment methodologies for services that incorporate telemedicine technology. For example, states may reimburse the physician or other licensed practitioner at the distant site and reimburse a facility fee to the originating site. States can also reimburse any additional costs such as technical support, transmission charges, and equipment. These add-on costs can be incorporated into the fee-for-service rates or separately reimbursed as an administrative cost by the state. If they are separately billed and reimbursed, the costs must be linked to a covered Medicaid service.

State Flexibility in Covering/Reimbursing for Telemedicine Services and the Application of General Medicaid Requirements to Coverage of Telemedicine Services

Telemedicine is viewed as a cost-effective alternative to the more traditional face-to-face way of providing medical care (e.g., face-to-face consultations or examinations between provider and patient). As such, states have the option/flexibility to determine whether (or not) to cover telemedicine; what types of telemedicine to cover; where in the state it can be covered; how it is provided/covered; what types of telemedicine practitioners/providers may be covered/reimbursed, as long as such practitioners/providers are "recognized" and qualified according to Medicaid statute/regulation; and how much to reimburse for telemedicine services, as long as such payments do not exceed Federal Upper Limits.

If the state decides to cover telemedicine, but does not cover certain practitioners/providers of telemedicine or its telemedicine coverage is limited to certain parts of the state, then the state is responsible for assuring access and covering face-to-face visits/examinations by these "recognized" practitioners/providers in those parts of the state where telemedicine is not available.

Therefore, the general Medicaid requirements of comparability, statewideness and freedom of choice do **not** apply with regard to telemedicine services.

CMS Approach to Reviewing Telemedicine SPAs

- States are not required to submit a (separate) SPA for coverage or reimbursement of telemedicine services, if they decide to reimburse for telemedicine services the same way/amount that they pay for face-to-face services/visits/consultations.
- States must submit a (separate) reimbursement (attachment 4.19-B) SPA if they want to provide reimbursement for telemedicine services or components of telemedicine differently than is currently being reimbursed for face-to-face services.
- States may submit a coverage SPA to better describe the telemedicine services they choose to cover, such as which providers/practitioners are; where it is provided; how it is provided, etc. In this case, and in order to avoid unnecessary SPA submissions, it is recommended that a brief

description of the framework of telemedicine be placed in an introductory section of the State Plan and then a reference made to telemedicine coverage in the applicable benefit sections of the State Plan. For example, in the physician section it might say that dermatology services can be delivered via telemedicine provided all state requirements related to telemedicine as described in the state plan are otherwise met.