

TeleUtopia – Getting Paid for Telehealth Consultations

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Agenda

- Public Payers
 - Medicare
 - Medicaid
- Private Payers
- Editorial Comments
- Resources

Public Payers

- First up...Medicare
- From BBA 1997
 - Fee splitting
 - Limited CPT code reimbursement
 - Limited eligible presenters
- To BIPA
 - Abolished fee splitting
 - Originating site fee
 - Expanded CPT codes
 - Expanded geographic areas to non MSA

Medicare Coverage

- Remote patient face-to-face
- Non face-to-face services that are conducted through live video conference or via store and forward
- Home telehealth services

Medicare Eligible Medical Services

- Consultations
- Office or other outpatient visits
- Individual psychotherapy
- Pharmacologic management
- Psychiatric diagnostic interview examination
- End stage renal disease related services
- Individual medical nutritional therapy

Medicare Eligible Providers

- Physicians
- Nurse Practitioner
- Physician Assistant
- Nurse Midwife
- Clinical nurse specialist
- Clinical psychologist
- Clinical social worker
- Registered dietitian
- Nutrition professional

Medicare Eligible Facilities

- The office of a physician or practitioner
- A hospital
- A critical access hospital
- A rural health clinic
- A federally qualified health center

Medicaid

- State administered program
 - Federal match
- Provides health care to 51 million Americans
- Provides comprehensive health and long term care for low income families, the elderly and the disabled

States (35) that Reimburse for Telemedicine

Alabama, Alaska, Arizona, Arkansas, California, Colorado, Georgia, Hawaii, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, North Carolina, North Dakota, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, West Virginia, Wisconsin, Wyoming

Variance in Coverage

- In a survey done in 2004 (Institute for Child Health Studies, U of Florida), 27 states reimbursed for telemedicine services through Medicaid. Medicaid coverage looks different from state to state:
 - Medical consultations or treatments – 22 states
 - Psychological consultations or treatment – 12 states
 - Home health – 2 states
 - Case management – 2 states
 - Patient education (diabetes) – 1 state

Strategies for Medicaid Coverage: Models

- Internal agency decision for payment
- Regulated reimbursement
- State bill mandating payment for telemed services
- State Insurance Commissioner office barring discrimination for telehealth delivered services
- SCHIP, waiver or other authorized program
- Demonstration project

Strategies to get Medicaid Telehealth Reimbursement

- **Legislative Initiatives**
 - Writing a bill
- **Regulatory Initiatives**
 - Medicaid Payer Directive
 - Office of the Insurance Commissioner Directive
 - State Medicaid PPO/HMO Contracts
 - Governor's Order
 - Dept. of Health and Family Services Initiatives
 - Third Party Payer Collaboration
- **Other Methods**
 - Waivers
 - SCHIP

Strategies for Medicaid Reimbursement: Persuading & Politicking

- Know your state
 - Health trends
 - Economy
 - Who's running things
- Know your Medicaid Office
 - Organizational Issues
 - Budget
 - Challenges
- Pull together statewide team
 - Health organizations and providers
 - Key opinion leaders
 - Researchers
- Have homework done
 - Impacts and Outcomes
 - Anecdotes
- Use networks
 - Support from influential orgs and people

Private Payers

- States prohibiting private insurers from discriminating
 - California, Hawaii, Texas, Louisiana
- States with government mandated legislation regarding private payer reimbursement
 - California, Louisiana, Texas, Oklahoma, Kentucky
- Growing # of states enacted telemed reimbursement laws and incorporating in state codes

Examples of New Legislation

- Kansas
 - HB 2065: Private insurers should cover medical care provided via telemedicine as they do for face-to-face
 - Coverage should include:
 - Office visits or consultations
 - Individual psychotherapy
 - Pharmacological management
 - Emergency Services
 - If passed, it would become effective January 2008

Securing Private Pay

- Formal request/negotiation
 - Relationships matter
 - Strength in numbers
 - Potential outcomes matter
- Submit bill to payer with delivery modality made clear
- Pursue legislation

Private Payers

Current status (Whitten & Buis, 2006)

- 55% respondents report receiving payment from private payers
- Telemed programs billing 130 private payers for 75 clinical specialties
- 81% stated no difference in reimbursement amount between telemed and f2f
- 58% do not bill facility fee
- 56% do not receive payment of any kind from managed care organizations

Comments

- Telemedicine programs have great difficulty being specific about private pay
- Other mechanisms driving costs of doing telemedicine
 - Cost savings structures
 - Grants
- Many telemedicine programs not interested in pursuing private pay

Editorial Comments

- Payment is essential
- Reimbursement does not guarantee utopia
 - Organizational issues
 - Needs driven applications
- Consumer/market demand will drive use and payment

Resources

- Medicare and Medicaid
 - www.cms.gov
- Center for Telehealth and eHealth Law
 - www.ctel.org
- American Telemedicine Association
 - www.americantelmed.org
- Telemedicine Information Exchange
 - www.tie.telemed.org
- Arizona Telemedicine Network
 - www.telemedicine.arizona.edu
- Midwest Alliance for Telehealth and Technology
 - www.midwesttrc.org

Questions?

Arizona

- Arizona Telemedicine Program created in 1996
- Partnership between Arizona State Legislature and Arizona Health Science Center
- 8 policies were created and passed as a package by the legislature
 - Have proved to be the foundation of the state's telemedicine network
- Centralized program
 - Eases bottlenecks of competing applications and paperwork
- Extend broadband telecommunications to rural communities
- Universal Fund Service Fund Program

Examples of New Legislation

1/2

- New York:
 - SB 4669: Improve the management of acute or chronic health conditions along with developing and implementing patient care models using telemedicine and telehealth for special populations
 - SB 4677 “The Telemedicine Access Act” – require insurers to provide coverage for telemedicine