

# Telemedicine Reimbursement

## An Overview for Oregon

# A Brief History - Medicare

- In 1997 the Balanced Budget Act first authorized Medicare to reimburse for telemedicine services
- Since 2000 there have been numerous improvements, but serious limitations remain impacting geographic location, originating sites and eligible services
- Medicare has become the de facto standard for reimbursement for many Medicaid and private payer programs

# A Brief History - Medicaid

- To date 35 states have rules relating to the reimbursement of telemedicine services
- A significant number have the same provisions offered by Medicare
- Other reimbursement models have been developed using waivers, state legislative initiatives, and regulatory initiatives
- The full potential of these models has not been realized due in part to low utilization rates and poor tracking of telemedicine delivered services.

# A Brief History – Private Insurers

- Private insurers are subject to regulations set by the states
- Until this year only five states had laws regarding the reimbursement of telemedicine
- Three more states including Oregon were successful in passing legislation this year
- Some private insurers provide some reimbursement for telemedicine services without legislative mandates

# A Brief History – Oregon

- HJR 4 was passed by the Oregon Legislature during the 2003 session. It stated that it was Oregon's policy that telemedicine services will be reimbursed.
- Oregon Medicaid fee for service added administrative rules which allowed broad reimbursement for services delivered telemedically
- Several private payers added contract language, most of whom followed Medicare guidelines

# A Brief History - Oregon

- SB 519 was introduced in 2007, and SB 1100 was introduced in 2008; neither passed
- Neither bill was fully vetted with healthcare providers and insurers
- While neither bill was acceptable, they did result in a request to the Telehealth Alliance of Oregon from Sen. Monnes Anderson that the Alliance lead a workgroup to draft a consensus bill that would require private insurers to reimburse for telemedicine services

# A Brief History - Oregon

- A workgroup was convened in January 2008 and met monthly
- The draft concept paper was submitted to Legislative Counsel in September 2008 and became SB 24
- SB 24 A was passed by the Senate in April of 2009, by the House in May and signed by the Governor in June

# The Current Landscape - Medicare

- Approximately 14.6% of Oregonians are insured by Medicare
- Services delivered telemedically are eligible for reimbursement if they comply with five parameters for care setting, geography, clinician/provider type, service type and technology type
- There is currently legislation in Congress that would expand these parameters



# The Current Landscape - Medicare

The parameters for care setting are:

- The patient must be physically present at the originating site
- Accepted originating sites are:
  - A physician/practitioner office
  - A Federally Qualified Health Center
  - A Critical Access Hospital
  - A hospital-based renal dialysis center
  - A community mental health center
  - A Rural Health Clinic
  - A rural hospital
  - A skilled nursing facility

# The Current Landscape - Medicare

The geographic parameters are:

- A rural Health Professional Shortage Area (HPSA)
- A rural county which is a county that is not a Metropolitan Statistical Area (MSA) county
- An entity that participates in a Federal Telemedicine demonstration project

# The Current Landscape - Medicare

The parameters for clinician provider type are:

- Physician
- Nurse practitioner
- Physician assistant
- Nurse midwife
- Clinical nurse specialist
- Clinical psychologist
- Clinical social worker
- Nutrition professional

# The Current Landscape - Medicare

The parameter for technology type is:

- An interactive telecommunications system is required except in the case of the Federal Telemedicine demonstration programs in Alaska and Hawaii where the user of asynchronous or “store and forward” technology is allowed

# The Current Landscape - Medicare

The parameters for service type are:

- Consultations
- Office or other outpatient visits
- Individual psychotherapy
- Pharmacologic management
- Psychiatric diagnostic interview examination
- End state renal disease related services
- Individual medical nutrition therapy
- Neurobehavioral status exam
- Follow-up inpatient telehealth consultations

# The Current Landscape Oregon Medicaid

- Approximately 10.7% of Oregonians are covered by Medicaid. Of those covered by Medicaid approximately 15% are covered under traditional fee for service and 85% are covered by managed care plans.
- Very broad reimbursement of services delivered telemedically. Includes some provisions for phone and email

# The Current Landscape Oregon Medicaid

- Very low utilization.
- Managed care plans are not required to reimburse for services delivered telemedically unless it is negotiated into their contracts

# The Current Landscape

## Oregon SB 24

- Approximately 42% of Oregonians are covered by some form of health benefit plan
- SB 24 applies to health benefit plans only in Oregon
- SB 24 becomes effective January 1, 2010
- SB 24 does not require rule making, but leaves the option open for the Department of Consumer and Business Affairs to do so should the need arise



# The Current Landscape

## Oregon SB 24

- SB 24 requires a health benefit plan to provide coverage of a service delivered telemedically if:
  - The plan provides coverage of the health service when provided in person by the health professional
  - The health service is medically necessary
  - The health service does not duplicate or supplant a health service available to the patient in person

# The Current Landscape

## Oregon SB 24

- An originating site is defined as the physical location of the patient receiving the service
- Under SB 24 originating sites include, but are not limited to:
  - Hospital
  - Rural health clinic
  - Federally qualified health center
  - Physician's office
  - Site where public health services are provided
  - Skilled nursing facility
  - Renal dialysis center

# The Current Landscape

## Oregon SB 24

- A plan may not distinguish between originating sites that are rural and urban in providing coverage
- A plan may subject services delivered telemedically to all terms and conditions of the plan, including but not limited to deductible, co-payment, or co-insurance requirements

# The Current Landscape

## Oregon SB 24

- SB 24 does not require a health benefit plan to reimburse a provider for a health service that is not a covered benefit under the plan or to reimburse a health professional who is not a covered provider under the plan.

# What happens next?

- Training, training and more training
  - For clinicians providing services
  - For hospitals and clinics with patients who need and could avail themselves of services delivered telemedically
  - For billers and coders of services
  - For health benefit plan providers

# What happens next?

- Discussions with the payers and providers about upgrades that may be needed to their billing and coding software
- Encouraging the use of the “GT” modifier
- Data collection on the utilization of services that are delivered telemedically
- On-going review of problems encountered and support for needed resolutions

# For more information

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