

A stylized sunburst graphic with multiple rays emanating from the left side, set against a solid orange background.

# **TRANSFORMING HEALTH CARE WITH TELEHEALTH**

## **STATE AND NATIONAL TELEHEALTH POLICY TRENDS AND ISSUES**

### **HAWAII TELEHEALTH POLICY SUMMIT**

**Honolulu, HI**

**January 7, 2016**



Center for  
**Connected  
Health Policy**  
The National Telehealth Policy Resource Center

We are an independent,  
*public interest* organization  
dedicated to promoting  
better systems of care  
improved health outcomes &  
provide greater *health equity*  
*of access to quality,*  
*affordable care and services*  
*for all*



*Salud by Xavier Cortada*



# HRSA/OAT GRANT 2012-2016



[POLICY MAP >>](#)

[REIMBURSEMENT >>](#)

[About the Program](#)

[What is Telehealth](#)

[Telehealth Policy](#)

[Legal Issues](#)

[Health Information Technology](#)



**Telehealth technologies** are valuable assets to help achieve the "Triple Aim" of improved quality of care, better health outcomes, and lowered costs.

[Learn More >>](#)

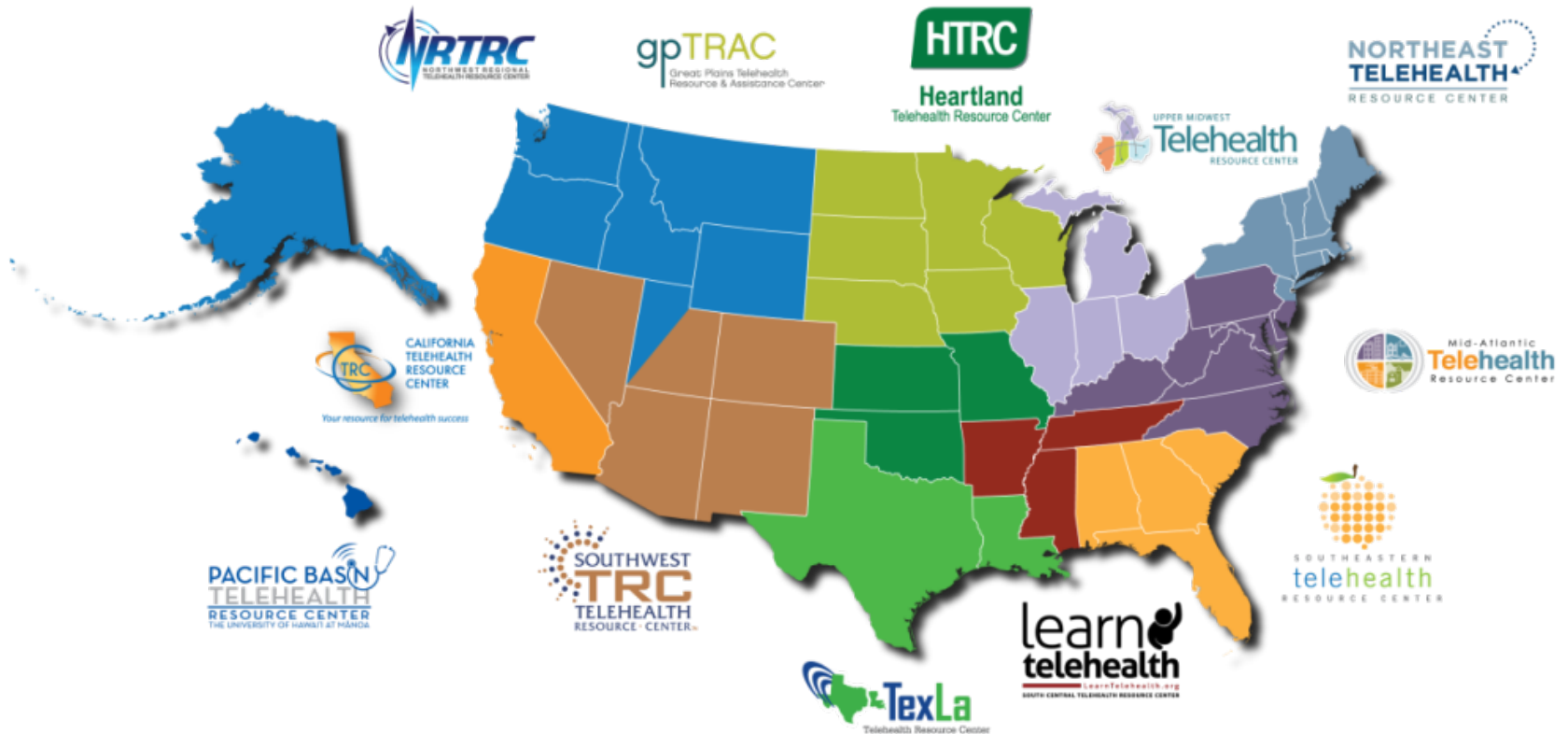


## WWW.CCHPCA.ORG



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# TelehealthResourceCenters.org



2 National Resource Centers

NRTRC	gpTRAC	NETRC
CTRC	HTRC	UMTRC
SWTRC	SCTRC	MATRC
PBTRC	TexLa	SETRC

12 Regional Resource Centers



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# WHAT IS TELEHEALTH?



Telehealth is a means of enhancing health care, public health, and health education delivery and support using digital telecommunication

technologies.



# APPLICATIONS & BENEFITS OF TELEHEALTH

## Timely Access to Diagnosis & Treatment

- Primary and Specialty Care Services (Live or Asynchronous)
- Direct to Consumer
- Acute, Chronic, & Emergency Care



# APPLICATIONS & BENEFITS OF TELEHEALTH

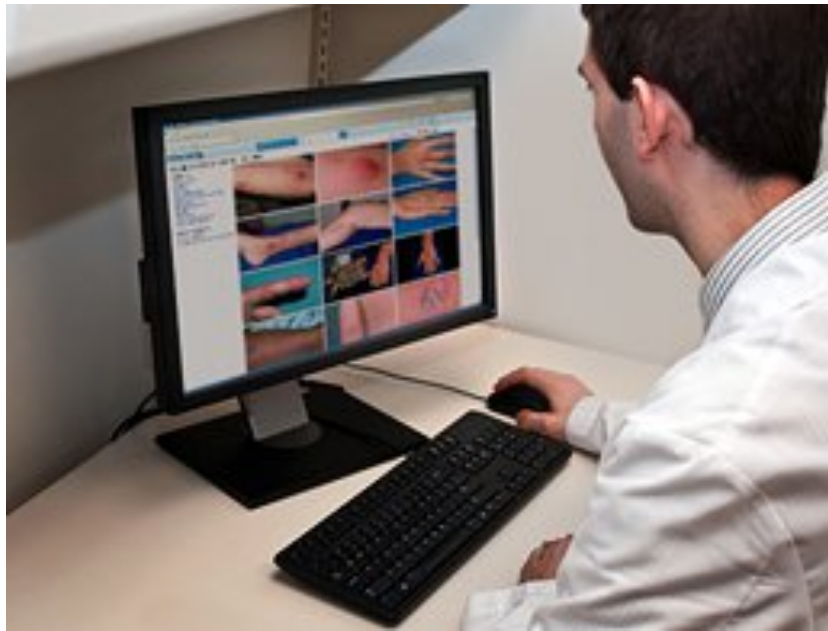
## Enhanced Consultation & Communication

- Patient/Consumer ↔ Health Care Team
  - Uses secure portal for email communication or live video using smart phone, tablet or computer.
  - *Virtual* Patient-Centered Health Home



# PROVIDER CONSULTATION

- **eConsult:** a web-based system that allows PCPs and specialists to securely share health information and advise on patient care





# APPLICATIONS & BENEFITS OF TELEHEALTH

## Remote Monitoring

- Management of Chronic Conditions
- In Home-Aging in Place
- Acute Intensive Care (Tele-ICU)
- Bluetooth or broadband connected-mHealth

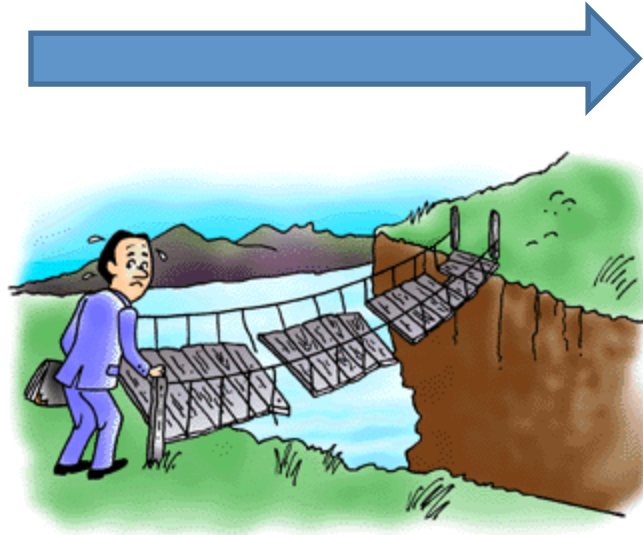


health evidence aging  
policy technology assessment  
demographics costs  
death economics  
risk factors services  
capacity disability

# HEALTH CARE REFORM

## Volume-based

- Pay for service (volume)
- Cost-based reimbursement
- Hospital/physician independence
- Inpatient focus
- Stand-alone care systems
- Illness care



## Value-based

- Pay for results (quality/efficiency)
- Shared risk
- Partnerships and collaborations
- Continuum of care
- Community health improvement (HIT)
- Wellness care



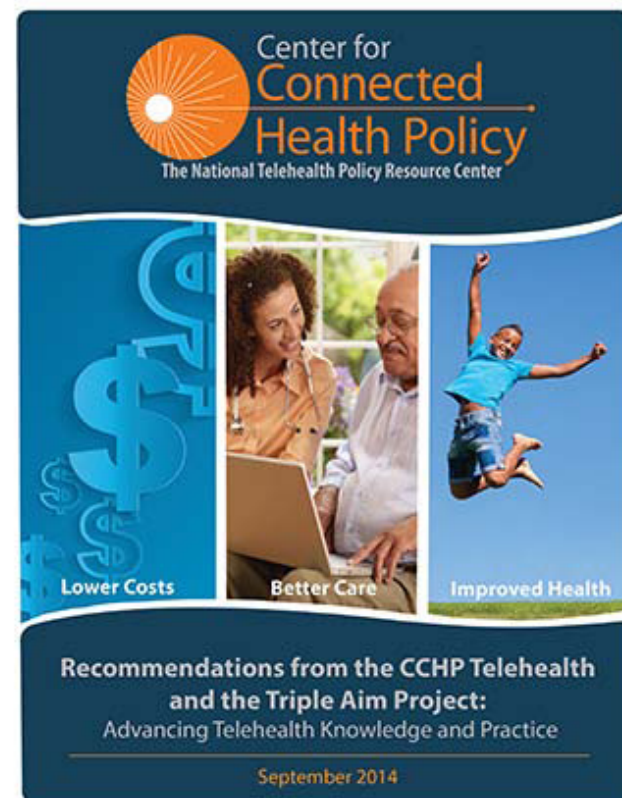
# THE VALUE PROPOSITION FOR TELEHEALTH



*Advances in telecommunication technologies can help **redistribute** health care **expertise** to where and when it is needed, and create greater **value** among consumers, public & private payers, and health systems*









*“We now feel it’s cheaper to do surgery via Skype. So, go home and lie down in front of your computer.”*



A stylized sun with a solid orange circle on the left and several long, thin, light orange rays extending towards the right. The background is a solid orange color, and a horizontal grey band runs across the bottom of the image.

# ***STATE POLICY ANALYSIS & TRENDS***

# MEDICAID PROGRAM

## CMS reimbursement policy for Medicaid:

*“States may reimburse for telehealth under Medicaid so as long as the service satisfies federal requirements of efficiency, economy, and quality of care”*





# TELEHEALTH STATE-BY-STATE POLICIES, LAWS & REGULATIONS

Laws,  
Regulations,  
Pending Bills,  
State & Federal


 **Telehealth Policy**

National Policy

- State Laws and Reimbursement Policies
- Medicare
- Medicaid
- Legal Barriers
- Health Information Technology
- HIPAA

California Policy

- Medi-Cal
- Telehealth Advancement Act

 **Calendar**

Government Health Care Congress 2015 ; Medicaid Summit »

JULY 14-16, 2015

Arlington, Virginia

Don't miss the opportunity to hear CCHP's executive director, Mario Gutierrez, speak at the 2015 Government Health Care Congress; Medicaid Summit! Health insurance executives, state and federal officials will gather across three summits to discuss the future of Medicaid expansion, Medicare regulations, access to care, cost savings and Dual Eligible demonstrations. For more information or to register for this conference, visit the [Medicaid Summit](#).

Home » Telehealth Policy » National Policy » State Laws and Reimbursement Policies

## State Laws and Reimbursement Policies

The Center for Connected Health Policy helps you stay informed about telehealth-related laws, regulations, and Medicaid programs. We cover current and pending rules and regulations for the U.S. and all fifty states.



All Current Laws and Policies

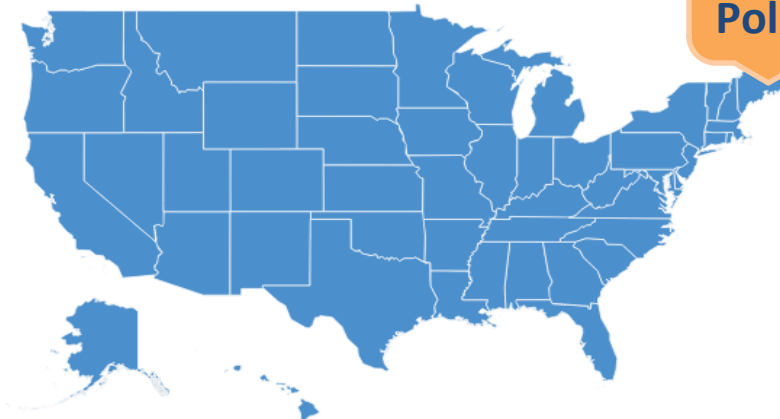


All Pending Legislation and Regulations



Full Report  
"State Telehealth Laws and Reimbursement Policies"

### Law and Policies by State:



Interactive  
Policy Map

# KEY POLICY AREAS OF ANALYSIS & REFORM

- **Definition:** Telemedicine or telehealth?
- **Reimbursement** by modality
- **On-line Prescribing**
- **Consent** (written, verbal, none?)
- **Cross-state licensing** & practice
- **Private Payer Parity**
- **Location** of service
- **Site Transmission Fee**





# NO TWO STATES ARE ALIKE!

43

have a definition  
for **telemedicine**  
**states**

28

(and DC) have a  
definition for **telehealth**  
**states**

**2 states**

New Jersey and Rhode Island  
have **no definition** for either





# MEDICAID REIMBURSEMENT BY SERVICE MODALITY



Live Video

47 states and DC

Store and Forward

Only in 9 states

Remote Patient Monitoring

16 states



# PARITY IN PAYMENT WITH IN-PERSON

27 states and DC

have telehealth private payer laws

*Some go into effect at a later date.*

*This is the most common policy change at the state level!*

***Parity is difficult to determine:***

- Parity in services covered vs. parity in payment
- many states make their telehealth private payer laws  
“subject to the terms and conditions of the contract”



# In 2015 over 200 bills in 42 states

- Reimbursement
- Telehealth professional standards  
(need for in-person exam, prescribing, etc.)
- Pilot Projects
- Cross-State Licensing

## Bills for 2016 so far

- Telehealth professional standards
- Licensing
- Prescribing
- Changes to existing telehealth laws



A stylized sun with a solid orange circle on the left and numerous thin, light orange rays radiating outwards across the top half of the image. The background is a solid orange color, and the bottom half of the image is a solid grey color.

# ***HIGHLIGHTS OF INDIVIDUAL STATES***

# DEFINITION & MODALITY: MINNESOTA vs. CONNECTICUT

## MINNESOTA:

***“Telemedicine” is “the use of telecommunications to furnish medical information and services. Telemedicine consultations must be made via two way interactive **video** or **store-and-forward** technology.”***

***(Medicaid Program Definition)***

## CONNECTICUT:

***“Telehealth” means the mode of delivering health care or other health services via information and communication technologies to facilitate the diagnosis, consultation and treatment, education, care management and self-management of a patient's physical and mental health, and includes (A) interaction between the patient at the originating site and the telehealth provider at a distant site, and (B) **synchronous interactions, asynchronous store and forward transfers or remote patient monitoring.*****

*Telehealth does not include the use of facsimile, audio-only telephone, texting or electronic mail.”*

***(CT PUBLIC ACT NO. 15-88)***





# MODALITY: MINNESOTA PRIVATE PAYER LAW

## Live Video & Store and Forward Parity Reimbursement:

*Telemedicine consults (which are **both live video and store & forward**) shall be paid at the same rate as in-person services (will apply to policies issued or renewed on or after Jan. 1, 2017)*

## Remote Monitoring:

*No mandated reimbursement under private payer law but, MN reimburses for “telehomecare” under Elderly Waiver (EW) and Alternative Care (AC) programs*



# MODALITY:

## MISSISSIPPI PRIVATE PAYER LAW

- Requires all health insurance and employee benefit plans to cover **store-and-forward** telemedicine and **RPM** (***certain conditions must be met***), in addition to **live video**
- Store and forward must be reimbursed to the **same extent** as if performed in-person. RPM reimbursement must include a minimum daily rate of \$10
- Prohibits geographic restrictions



# PROVIDERS: CALIFORNIA vs. WYOMING

## CALIFORNIA:

*“Health care provider means a person who is licensed under this division.” (all licensed health care providers)*

*(CA Business & Professions Code Sec. 2290.5(a)(3))*

## WYOMING:

*“Telemedicine means the practice of medicine by electronic communications or other means from a physician in a location to a patient in another location, with or without an intervening health care provider.”*

*(WY Statutes Sec. 33-26-102)*



# LOCATION: OREGON vs. WASHINGTON

## OREGON:

*Health plans may not distinguish between originating sites that are rural and urban in providing coverage.*

***(OR Revised Statutes Sec. 743A.058)***

## WASHINGTON:

*Originating sites may not distinguish between rural and urban. Eligible facilities to act as originating sites: hospital, rural health clinic, federally qualified health center, physician or other health care provider office, community mental health center, skilled nursing facility or renal dialysis center.*

***(Revised Code of WA Sec 41.05.48.43 & 74.09)***

**NOTE:** Most states do not have geographical restrictions, but many will limit sites.



# SERVICES THAT ARE REIMBURSABLE: VIRGINIA vs. TENNESSEE (Medicaid)

## VIRGINIA:

*Evaluation and Management, psychiatric care, specialty medical procedures, speech therapy, radiology services and procedures.*

*(VA Medicaid Provider Manual Physicians).*

## TENNESSEE:

*TennCare will reimburse for live video for related services.*

*(TN Dept. of Mental Health and Substance Abuse Services)*

**NOTE:** Most Medicaid programs will list specific CPT/HCPCS codes for telehealth reimbursement.





# OTHER POLICIES TO CONSIDER:

## NEVADA

*Prior authorization for the provision of telehealth services is expressly prohibited*

## MARYLAND

*Licensing exceptions for physicians in adjoining states of DE, VA, WV & PA*

## CALIFORNIA

*S&F Dental services reimbursed in the Medicaid program.*

## NEBRASKA

*Transmission costs covered by NB Medicaid.*



# CALIFORNIA

- In 2009 CCHP convened an expert working group to produce **Telehealth Model Statute Report**
- Convened a **Telehealth Coalition** to monitor legislative process
- Sought bipartisan bill authorship
- Briefed Administration leadership (Medi-Cal and Governor's Office)
- RESULT?: Most comprehensive legislation in US unanimously passed in one year & signed by Governor Brown



# CALIFORNIA

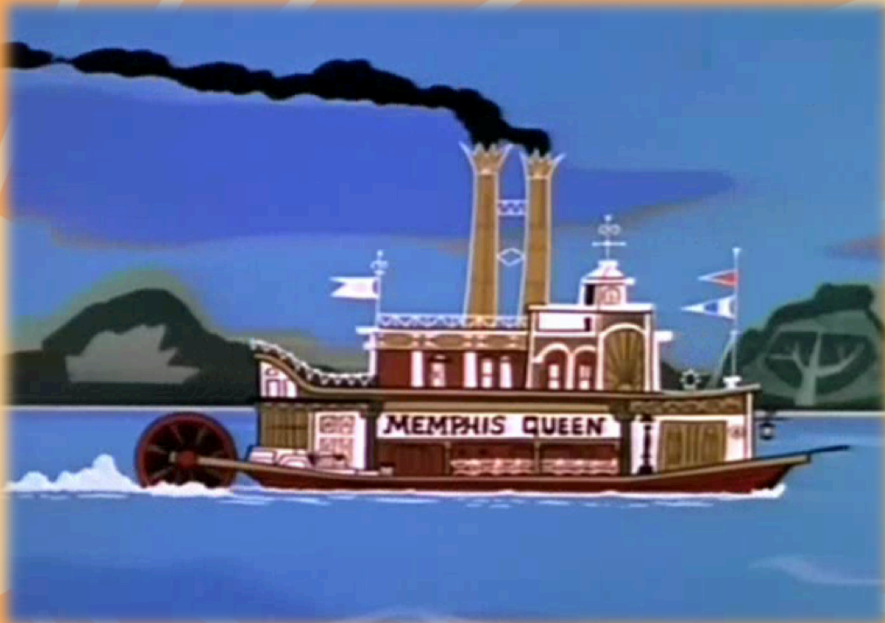
- **CA Telehealth Advancement Act of 2011 (AB 415):**
  - Replaced “telemedicine” with “**telehealth**”, and defined it broadly enough to include **store & forward and RPM**
    - Reimbursement dermatology and ophthalmology store/forward
    - Still no reimbursement for RPM in Medicaid program
  - Removed limits on the geographic and institutional **location** of where telehealth services can take place
  - Includes **all CA licensed professionals** as telehealth providers
  - Requires telehealth reimbursement **parity** by private payers and Medicaid



# STATE POLICY BEYOND LEGISLATION: LESSONS LEARNED

- **Regulatory** and administrative actions still needed to fully implement legislation
- Professional **licensing** boards can limit the benefits of legislation
- **Courts** can also play a role in interpretation of legislative policy





# ***FEDERAL TELEHEALTH POLICIES***



# TITLE XVIII OF THE SOCIAL SECURITY ACT



1960s

1970s

1980s

1990s

2000s

2010s



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# FEDERAL MEDICARE TELEHEALTH POLICY: OUTDATED!

- Reimbursement is available for only a limited number of Medicare Part B services
- Reimbursement limited to ***live video only*** substituting for in-person encounter
- Can ***only*** occur when the originating site is in a defined rural area:
  - a Health Professional Shortage Area (HPSA),
  - a county outside of any Metropolitan Statistical Area (MSA), or
  - an AK/HI demonstration project



# Next Generation ACO



- Greater access to home visits, telehealth services, and skilled nursing facilities;
- “benefit enhancements” allow circumvention of Medicare rules that go beyond benefits of Medicare Advantage -Alternative Payment Model
- Would allow ACOs to utilize the technology ***regardless of a patient’s geographic location.***
- Only 20 Pilots in first two years



# FEDERAL BILLS INTRODUCED IN 2015

- **HR 6 The 21<sup>st</sup> century CURES Bill:** Passed House Energy & Commerce Committee; **dropped** provisions for Medicare to waive some telehealth restrictions---calls for studies by CMS and MedPAC on telehealth potential benefits, & what services should be reimbursed. Bill from the Senate HELP Committee to come...???
- **HR 2066 (Rep Harper) Telehealth Enhancement Act of 2015:**
  - Authorizes an Accountable Care Organization to include coverage of telehealth and remote patient monitoring as supplemental health care benefits to the same extent as in a Medicare Advantage plan
  - Recognizes telehealth services and remote patient monitoring in the national pilot program on payment bundling
  - Includes additional originating sites for TH care (but without receiving payment of a facility fee), any critical access hospitals, sole community hospitals, home telehealth sites, as well as others



# Federal BILLS INTRODUCED IN 2015

- **Hr 2948 (Rep Thompson) Medicare Telehealth Parity Act of 2015:**  
Passed House Energy & Commerce Committee; **dropped** provisions for Medicare to waive some telehealth restrictions---calls for studies by CMS and MedPAC on telehealth potential benefits, & what services should be reimbursed. Bill from the Senate Help Committee to come...
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# FEDERAL BILLS INTRODUCED IN 2015

- **HR 2948 (Rep Thompson) Medicare Telehealth Parity Act of 2015:**
  - Phased-in approach to expand eligible facilities and eliminate geographic restrictions
  - Expand eligible providers and services
- **HR 3081 & S 1778 (Rep Nunes) TELemedicine for MEDicare Act of 2015:**

Allows a Medicare participating physician to provide services across state lines via telehealth to a Medicare beneficiary without being licensed in the beneficiary state, as long as the provider holds a valid license in their own state.
- **S 2343 (Sen Gardner) Telehealth Innovation and Improvement Act of 2015:**
  - Requires CMI to test effect of including telehealth services, particularly RPM in Medicare health care delivery reform models, with certain conditions.
  - If testing currently reimbursable telehealth-delivered Medicare services, geographic and site restrictions would not apply in the testing.
  - If tested services meet certain parameters, may be made reimbursable in Medicare fee-for-service.





# ***TECHNOLOGY-ENABLED HEALTH CARE IN THE 21<sup>ST</sup> CENTURY***



A good hockey player plays where the puck is.  
A great hockey player plays where the puck is going to be.

— Wayne Gretzky

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# VIRTUAL CARE ANYWHERE

Deloitte estimates that **75 million virtual visits** occurred in North America during 2014





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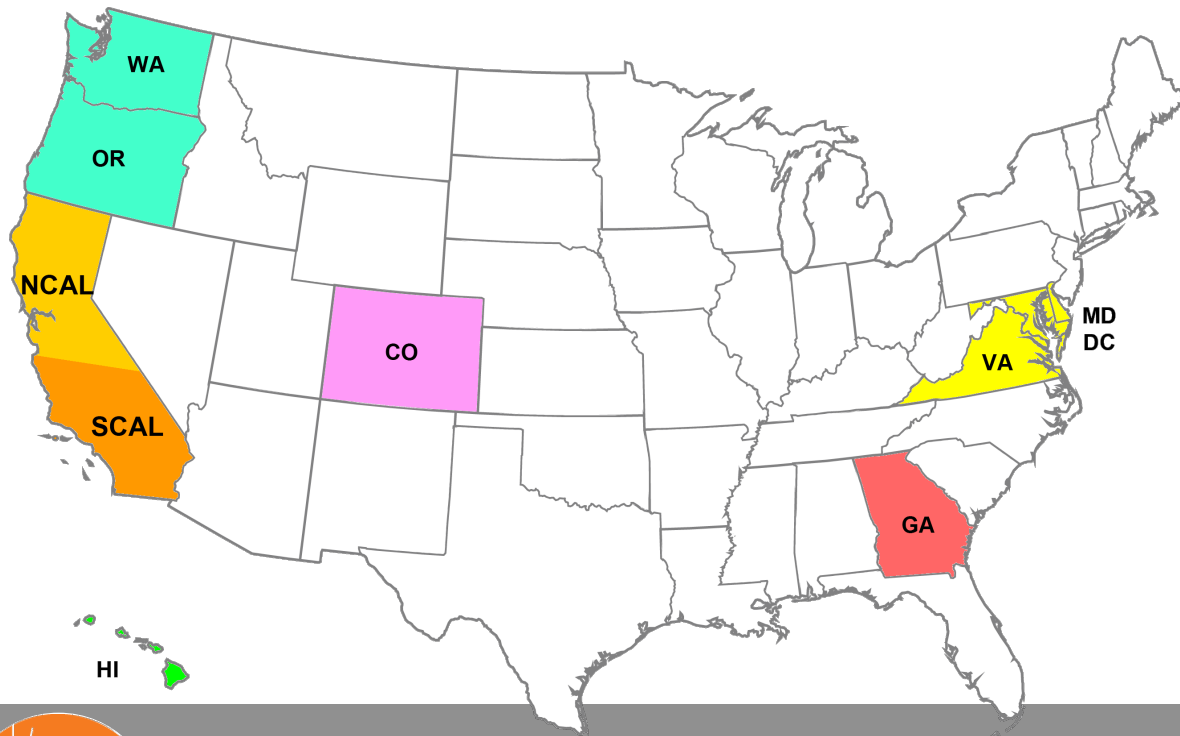
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# Kaiser Permanente-Transforming Care

- Nation's largest **nonprofit** health plan
- Integrated health care delivery

3 Organizations in one: Health insurer, hospital system, physician partnerships

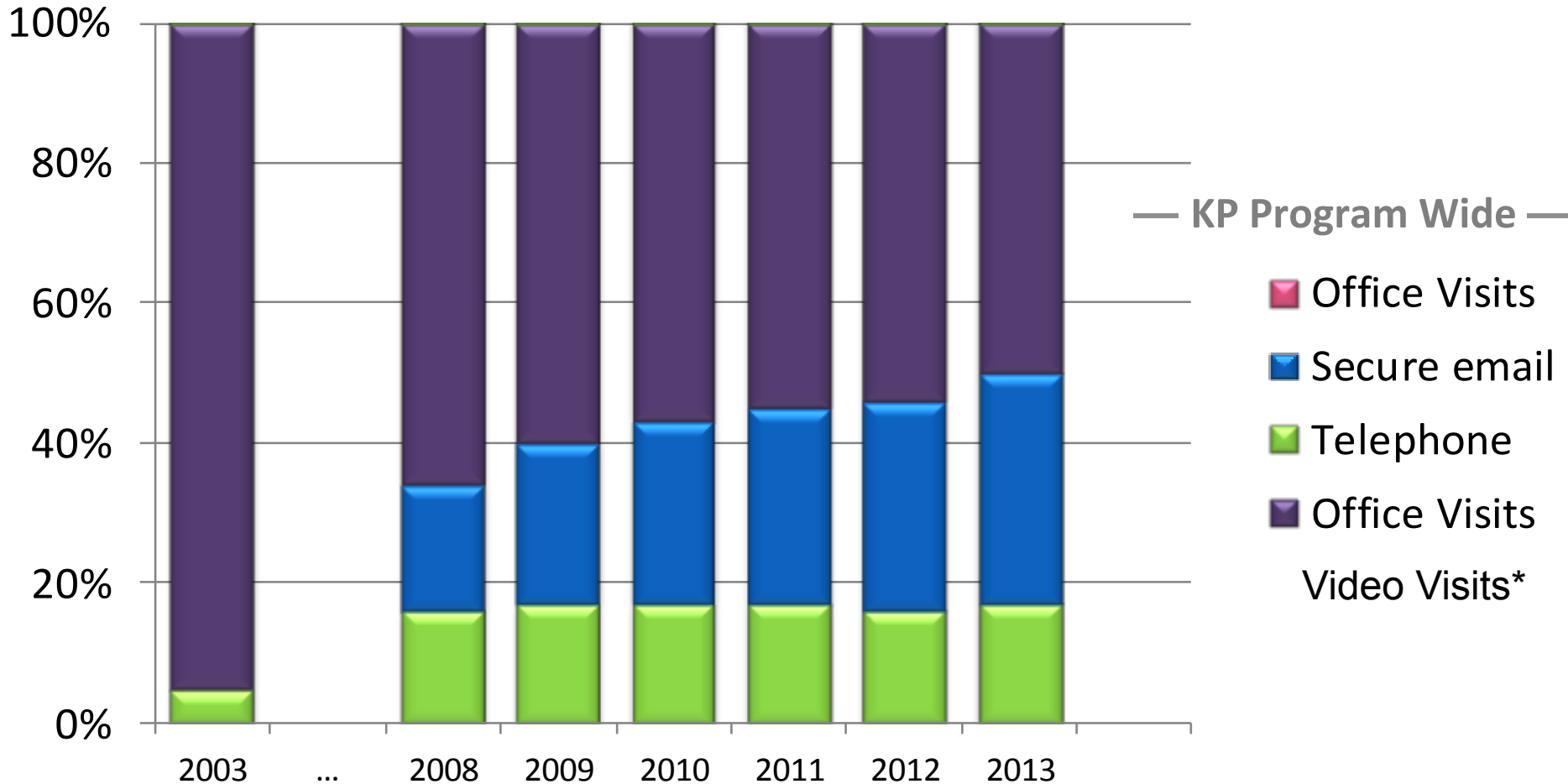


- 9.3M members
- 17K physicians
- 174K employees
- \$53B revenue
- 60% of adult members on kp.org
- Kp.org is part of the EHR – a patient portal



# Transforming Primary Care Encounters

Virtual Visits Projected to be 70% by 2018



\* 4376 in 2013



# Mercy+Virtual

*A hospital without beds*

*3 million virtual visits in the next 5 years*

*<http://mercytelehealth.com>*



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A stylized sunburst graphic with multiple rays emanating from the left side, set against a solid orange background. The rays are light orange and vary in length and angle.

**THANK YOU!**

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**YOUR FREE SOURCE OF  
INDEPENDENT INFORMATION AND  
ANALYSIS OF TELEHEALTH POLICIES**

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