Medicare Telehealth Services in Puerto Rico

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As U.S. healthcare providers continue to use telehealth, telemedicine, and virtual care services to expand their services and geographic footprint overseas, they are beginning to ask whether or not Medicare will cover telehealth services provided to Puerto Rico. Not only is Puerto Rico classified as a Medicare coverage location, but Puerto Rico contains geographic areas that can qualify as originating sites for Medicare telehealth service purposes. Moreover, with the health care access challenges in Puerto Rico, that market may present an excellent opportunity for U.S.-based hospitals and providers to offer telehealth services to Puerto Rico medical institutions and patients, helping solve for the major shortage of medical professionals in the Commonwealth.

Telehealth in Puerto Rico

With more than 3,000 physicians leaving the Commonwealth in an exodus over the last five years, Puerto Ricans are bracing for a crisis in health care. Coupled with cuts to Medicare Advantage plans slated for January 2016, this may lead to higher out of pocket costs for patients, as well as higher costs for hospitalizations and other services. Physician shortages and increased patient payment responsibilities foreseeably reduce in patients seeking and receiving preventative care services designed to manage chronic care and prevent acute inpatient stays. The same holds true for an increased need for specialist physician expertise in Puerto Rico, a service that can readily and easily be offered via telehealth by specialists located at U.S.-based academic medical centers.

Medicare Beneficiaries in Puerto Rico

As of 2012, there were nearly 700,000 Medicare beneficiaries in Puerto Rico, representing approximately 19% of Puerto Rico’s total population and 1.4% of Medicare beneficiaries overall. With some limited exceptions, the Medicare program generally does not cover services furnished outside the United States. However, although Puerto Rico is a territory and its own Commonwealth, Medicare does cover services furnished in Puerto Rico. CMS regulations state, in pertinent part:

The United States includes the 50 States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, The Northern Mariana Islands, and for purposes of services rendered on board ship, the territorial waters adjoining the land areas of the United States.

CMS' definition of “United States” means that Medicare covers services provided to beneficiaries in Puerto Rico.

Medicare Telehealth Originating Sites in Puerto Rico

In order for Medicare to cover telehealth services, the beneficiary must be located at a qualifying originating site at the time the service is furnished. An originating site must be located in:

1. a Health Professional Shortage Area (HPSA) outside of a Metropolitan Statistical Area (MSA) or
within a rural census tract;

2. a county outside of a MSA; or

3. an approved federal demonstration project.

There are many HPSAs in Puerto Rico, including single counties, comprehensive health centers, a correctional facility and HPSA populations. There are also several Puerto Rican counties outside of a MSA. Thus, there is a wealth of geographic areas to serve as potential qualifying originating sites where patients in Puerto Rico can receive telehealth services from physicians at distant sites in the U.S.

**Key Takeaway**

In light of the health care delivery concerns in Puerto Rico, offering telehealth services may provide greater access to care and improved quality. It also offers a solution for remote locations and locations with shortages of physicians and specialists. Moreover, as Medicare covers telehealth services in Puerto Rico, providers can look to build arrangements in that market knowing there already is at least one third party payer source for the services, while simultaneously exploring other payment sources such as commercial and institutional payments.

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