

THE
NATIONAL LAW REVIEW

Illinois Telemedicine Rules: Licensing, Practice, Payment

Thursday, February 25, 2016

Illinois is experiencing growth in telemedicine and telehealth offerings available to patients in the Prairie State. Historically, Illinois telehealth services have been more limited to hospital and institutional settings, but the last few years have since seen an expansion among providers offering such services directly to patients. And yet, Illinois remains a state that has not seen the same level of growth or overall “embracing” of telemedicine services compared to other large states.

This article discusses three legal issues regarding telemedicine services in Illinois: 1) licensing; 2) practice standards; and 3) payment and reimbursement. Health care providers, hospitals, and start-up companies offering telemedicine services in Illinois should review these rules to best deploy their services in this state.

Telemedicine and Medical Licensing in Illinois

Illinois statutes include telemedicine within the [definition](#) of the practice of medicine. Telemedicine is defined as “the performance of any of the activities listed...including, but not limited to, rendering written or oral opinions concerning diagnosis or treatment of a patient in Illinois by a person located outside the State of Illinois as a result of transmission of individual patient data by telephonic, electronic, or other means of communication from within the state.” An individual offering services via telemedicine to a patient located in Illinois must be licensed in the State of Illinois unless he or she meets an exception. Illinois’ physician licensure rules align with most states and the Federation of State Medical Boards (FSMB) telemedicine [guidelines](#). The FSMB guidelines require the distant site physician be licensed by the state medical board where the patient is located.

Among the notable telemedicine-related licensing exceptions in Illinois are the following:

- Periodic consultations between a person licensed under the act and a person outside the state of Illinois.
- A second opinion provided to a person licensed under the statute.
- Diagnosis or treatment services provided to a patient in Illinois following care or treatment originally provided to the patient in the state in which the provider is licensed to practice medicine.

Making it easier to practice telemedicine across state lines, Illinois becomes one of twelve states to adopt the Interstate Medical Licensure Compact. States participating in the Compact agree to expedite license applications for physicians seeking to practice medicine across multiple states. Senator David Koehler and Representative Mike Smiddy introduced twin bills to the Illinois Legislature last year, and [the bill](#) was signed into law by Governor Bruce Rauner on July 20, 2015. Compact legislation has been introduced in [fourteen additional states](#), and we expect to see more states join the Compact this year.

Illinois Telemedicine Practice Standards

Unlike other states, Illinois’ Medical Board has not issued practice standards or guidance with respect to telemedicine. Indeed, Illinois has no formal telemedicine practice regulations outside the Medical Practice Act. Certainly, the creation of a valid doctor-patient relationship is fundamental to the practice of medicine via



Article By [Nathaniel M. Lacktman](#)
[Melesa A. Freerks](#)[Taylor E. Whitten](#)
[Foley & Lardner LLP](#)
[Health Care Law Today](#)
[Communications, Media & Internet](#)
[Health Law & Managed Care](#)
[Illinois](#)

telemedicine or in-person. Illinois has not issued guidelines on this, and the regulations are silent on telemedicine and in-person examinations. In the absence of express guidance, the best practice is to defer to the professional medical judgment of the treating physician in accordance with the applicable standards of care.

Telemedicine Payment and Reimbursement in Illinois

Commercial Insurance Coverage

Currently, 29 states plus the District of Columbia have enacted telemedicine commercial insurance laws requiring commercial health insurance companies cover telemedicine services to the same extent they cover in-person services. Illinois does not have such a law, despite efforts to enact one. One recent legislative approach for payment was a 2014 [bill](#) that would have prohibited individual and group accident and health insurance plans, if they chose to cover telemedicine, from requiring in-person contact.

Illinois Medicaid

The Illinois Department of Healthcare and Family Services Medicaid program covers telemedicine services. Under [Illinois Medicaid regulations](#), “telemedicine” is the use of a telecommunication system to provide medical services for the purpose of evaluation and treatment when the patient is at one medical provider location and the rendering provider is at another location. Illinois Medicaid expounded upon that definition by defining “telehealth” as “the use of a telecommunication system to provide medical services between places of lesser and greater medical capability and/or expertise, for the purpose of evaluation and treatment.” Unfortunately, Illinois Medicaid requires that “a physician or other licensed health care professional ... be present at all times with the patient at the originating site.”

In 2011, Illinois expanded Medicaid coverage of telemedicine services to allow services by physicians, advanced practice nurses, podiatrists, FQHCs, RHCs, and Encounter Rate Clinics. Illinois also expanded coverage to telepsychiatry. Illinois submitted a [CMS § 1115 Waiver](#) proposal to improve its Medicaid program which included the development of a statewide specialty telemedicine network. Approval of this waiver is still pending.

Illinois Medicaid Managed Care

Illinois Medicaid managed care coverage of telehealth-based services in Illinois is another opportunity for providers. While the covered services under the FFS basic benefit require an “interactive telecommunication system”, the Illinois Model Managed Care Organization Contract allows Medicaid plans an option to offer expanded benefits, such as telemedicine services.

Additional efforts to engage Illinois providers on telemedicine issues are underway. For example, the Partnership for a Connected Illinois recently launched the Illinois Telehealth Initiative, an effort intended to advance the use of broadband and telehealth technologies in Illinois. Additional efforts are being driven by engaged leaders at healthcare incubators and universities in Illinois. We will continue to monitor Illinois for any rule changes that affect or improve telemedicine opportunities in the state.

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