

Significant Telehealth Expansion Proposed in Bipartisan Senate Bill

Monday, February 29, 2016

Earlier this month, a bipartisan group, led by U.S. Senator Brian Schatz (D-Hawaii), introduced a bill in the Senate focused on promoting cost savings and quality care under the **Medicare** program through the use of telehealth and remote patient monitoring (RPM) services, and incentivizing such digital health technologies by [expanding coverage](#) for them under the Medicare program. The bill, **Creating Opportunities Now for Necessary and Effective Care Technologies (CONNECT)** for Health Act (S. 2484 and H.R. 4442), has received statements of support from over 50 organizations, including the American Medical Association, the American Heart Association, the American Telemedicine Association, the American Association of Retired Persons, Anthem, Intel and Kaiser Permanente. An independent study suggests that the [bill](#) will save the government approximately \$1.8 billion over a 10-year period.



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Background on Medicare Coverage of Telehealth Services

Medicare has historically provided coverage for telehealth services in those instances where patients would otherwise be geographically distant from appropriate providers. Section 1834(m) of the Social Security Act provides that telehealth services are covered if the beneficiary is seen: (a) at an approved “originating site” (e.g., physician offices, hospitals, skilled nursing facilities) that is located within a rural Health Professional Shortage Area (HPSA) that is either outside of a Metropolitan Statistical Area (MSA) or in a rural census tract, or a county outside of a MSA; (b) by an approved provider (e.g., physicians, nurse practitioners, clinical psychologists); (c) for a defined set of services, including consultations, office visits, pharmacological management, and individual and group diabetes self-management training services; and (d) using certain telecommunications technologies.

As discussed below, the CONNECT for Health Act removes certain barriers to Medicare coverage—which may encourage providers to increase the types of telehealth services provided to Medicare beneficiaries, including RPM services—and reflects the broader phenomenon of the gradual movement of digital health tools from the sidelines into every day care and a recognition that such tools are essential to achieving the goals of health reform. Key aspects of the CONNECT for Health Act are summarized below:

Opportunities for Telehealth and RPM “Bridge” Demonstration Waivers and APM Participants

The bill creates a telehealth “bridge” demonstration program that provides waivers to eligible applicants (e.g., physicians, physician assistants, nurses, practitioners, clinical nurse specialists, nurse anesthetists and alternative payment model (APM) participants) who are furnishing telehealth or RPM services that are consistent with the goals of the Merit-Based Incentive Payment System (MIPS), including goals of quality, clinical practice improvement, resource utilization or the incentive payments for participation in eligible APMs.

If granted, the applicant will not be subject to certain restrictions applicable to other telehealth providers under section 1834(m) of the Social Security Act, including originating site restrictions, geographic limitations and any limitation on the type of provider who may furnish telehealth services.

To ensure compliance with the CONNECT for Health Act’s requirements, demonstration program participants must annually submit information requested by the Secretary of Health and Human Services for evaluation of the

demonstration program, including information on utilization and expenditures for telehealth or remote patient monitoring services, and data regarding the preceding year's quality measures. Additionally, demonstration program participants must submit to random audits of claims to ensure that waivers are being used as intended. (Qualifying APM participants will not need to participate in such audits.)

Notably, the bill does not address whether payment for these services will be determined by the physician fee schedule or some other schedule to be created by Secretary Burwell.

Expansion of RPM Services for Individuals with Chronic Conditions and Recent Hospitalizations

Medicare currently does not reimburse for RPM services. The CONNECT for Health Act proposes to provide reimbursement for RPM services for certain patients with chronic conditions (*i.e.*, patients with two or more covered chronic conditions and a history of two or more hospitalization or emergency room visits related to covered chronic conditions in the preceding 12 months). Rural health clinics and federally qualified health centers are named in the bill as eligible providers of RPM services for such patients.

Notably, the bill separately defines telehealth and RPM, the effect of which is to exempt RPM services from the current Medicare restrictions applicable to the coverage of telehealth services. However, the bill includes its own set of restrictions on coverage for RPM services, such as limiting its use to the treatment of patients with chronic conditions (as defined above).

Stroke Evaluation Sites and Native American Health Service Facilities as Sites Eligible for Telehealth Reimbursement

Medicare reimbursement for telehealth services is currently limited to a narrow list of originating sites in specific geographic areas. Under the bill, any site (without geographic restriction) may serve as the originating site for purposes of acute stroke evaluation or management. However, eliminating the originating site restrictions may have limited effect due to the fact that the most common current procedural terminology (CPT) codes used for stroke (99291 and 99292) are currently not reimbursable telehealth codes, and the CONNECT for Health Act does not address the need for additional CPT codes for the treatment of acute stroke.

In addition, the bill permits any site to be reimbursed if it is a facility of the Indian Health Service authorized under the Native Hawaiian Health Care Improvement Act, regardless of geography.

The bill excludes newly permitted originating sites from receiving the facility fee paid to originating sites under section 1834(m)(2)(B) of the Social Security Act.

Medicare Advantage Changes

The CONNECT for Health Act proposes changes to Medicare Advantage (MA) plans, such that an MA plan may elect to use telehealth or RPM services to provide benefits under the original Medicare fee-for-service program option, including items or services furnished to treat medical or behavioral health conditions. The MA plan will not be subject to certain restrictions under section 1834(m) of the Social Security Act, including originating site restrictions, geographic limitations and any limitation on the type of provider who may furnish telehealth services.

The bill requires MA plans that elect to provide telehealth services to enrollees to annually submit data on expenditures and utilization.

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