

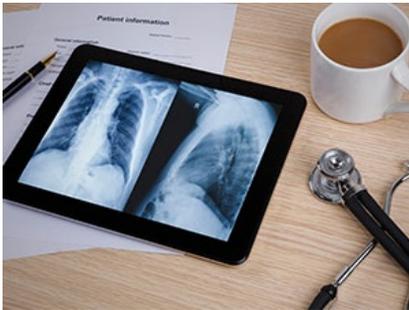
THE NATIONAL LAW REVIEW

CMS Proposes New Medicare Telehealth Coding Rules

Monday, August 1, 2016

The **Centers for Medicare and Medicaid Services (CMS)** issued its proposed [Medicare Physician Fee Schedule \(PFS\) for CY 2017](#) on July 7, 2016. In it, CMS would require practitioners to use a new place of service (POS) code to report telehealth services. The proposed rule also includes several new covered telehealth services. If enacted, the proposed rules are effective January 1, 2017.

New Place of Service Code for Medicare Telehealth Services



Currently, CMS instructs practitioners billing telehealth services to report the POS code that would have been reported had the service been furnished in-person where the beneficiary is located.

This rule has generated confusion because some practitioners incorrectly report the POS where they, themselves, are located when the service is furnished. Under the proposed rule, practitioners would report a new “telehealth” POS code to indicate the service was telehealth service furnished

from a distant site.

The telehealth POS code would not apply to originating sites billing the facility fee. CMS’ reasoned that originating sites are not furnishing a telehealth service as the patient is physically present at the originating site. Accordingly, the originating site would continue to use the POS code that applies to the type of facility where the patient is located.

New Reimbursement Rate Calculations for Medicare Telehealth Services

With regard to payment rates for telehealth services under the new POS code, CMS would use the practice expense relative value units (PE RVUs) to pay for telehealth services tagged with the code. There are only three codes on the telehealth services list with a difference greater than 1.0 PE RVUs between the facility PE RVUs and the non-facility PE RVUs. Other than those three codes, payment rates for telehealth services should remain unaffected by the proposed rule. As such, CMS does not anticipate this rule change to significantly change the overall payments for the telehealth services under Medicare. Rather, CMS believes use of this new telehealth POS code will improve payment accuracy and consistency in claims submission.

New Telehealth Services Under Medicare

CMS proposed adding eight codes to the list of covered telehealth services. These are:

- End-stage renal disease (ESRD) related services for dialysis (90967, 90968, 90969 and 90970);
- Advance care planning services (99497 and 99498); and



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- Critical care consultations furnished via telehealth using new Medicare G-codes (GTTT1 and GTTT2).

CMS declined to add codes related to observation care, emergency department visits, psychological testing, physical and occupational therapy, and speech language pathology. While the proposed rule expands the scope of covered telehealth services by adding eight new codes, coverage by Medicare for telehealth services continues to be subject to the same five statutory conditions for coverage.

Make Your Voice Heard

Interested telemedicine companies and health care providers should review the proposed rule and consider submitting comments to make your voice heard regarding these new changes. Comments can be in support of the proposed rule or suggest changes, but all comments are due by September 6, 2016. Anyone may submit a comment, and may do so anonymously. Submit comments online [here](#). Alternatively, submit comments by mail to:

- *Regular Mail*: Centers for Medicare & Medicaid Services, Department of Health and Human Services, Attention: CMS-1654-P, P.O. Box 8013, Baltimore, MD 21244-8013
- *Express or Overnight Mail*: Centers for Medicare & Medicaid Services, Department of Health and Human Services, Attention: CMS-1654-P, Mail Stop C4-26-05, 7500 Security Boulevard, Baltimore, MD 21244-1850

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