

CMS Revises Telehealth Reimbursement Requirements

[Save to myBoK](#)

By Sandra Hernandez, MSMIS, RHIA, CCS, CPHI, CHC

The Centers for Medicare and Medicaid Services (CMS) has continued its efforts to reduce the administrative burden for physicians and “restore the doctor-patient relationship” by easing reimbursement requirements for telemedicine services.¹

In 2019, CMS established a new interpretation of the applicability of statutory requirements for reimbursement of remote communication technology, separating it from telehealth services delivered under section 1834(m) of the Social Security Act. The Calendar Year (CY) 2019 Medicare Physician Fee Schedule (MPFS) Final Rule expands Medicare-covered telehealth services that will give beneficiaries improved access to care while potentially lowering out-of-pocket costs. The measure is also aimed at reducing costs of the program. In April, CMS Administrator Seema Verma announced finalization of this policy, expanding the new telehealth benefits to Medicare Advantage enrollees and allowing these services to be offered outside of the plan’s supplemental benefits.

Telehealth Payment Rules

Under section 1834(m), payment for telehealth services under Medicare must meet certain requirements, including type of telehealth service, qualifying physician or practitioner, originating site where the patient is located, distant site of the provider, and technology utilized.

Under the new interpretation, services deemed as “telehealth services” are professional consultations, office visits, and office psychiatry services. Essentially, any evaluation and management services typically furnished in a face-to-face encounter and reported with codes 99241-99275 (consultations), 99201-99215 (office visits), and psychiatric services reportable with codes 90832-90838 and 90863 are eligible.

For reimbursement purposes, these telehealth services must be delivered using technology that enables “live” interaction, such as live video conferencing facilitating two-way audio and video communication.

Currently, Alaska and Hawaii participate in a federal telemedicine demonstration program that exempts them from this requirement. These two states may receive payments for telehealth services that use store-and-forward technologies which provide for asynchronous transmission of health information in single or multimedia formats. Store-and-forward technology is a method of collecting and sending clinical information electronically to another site for evaluation, including diagnostic reports, images, and video or sound files.

CMS defines an originating site as the “location where a Medicare beneficiary gets physician or practitioner services through a telecommunications system.” In order to qualify for telehealth services under Medicare, the beneficiary must be present in an originating site located in either a rural health professional shortage area (HPSA) or a county outside a metropolitan statistical area (MSA) when the telehealth service is furnished. An originating site is technically a facility identified by CMS where a patient must be present when a telehealth service is furnished (e.g., a doctor’s office or a hospital).

2019 Final Rule Changes

In its 2019 Final Rule, CMS recognized growing public concern that existing requirements under section 1834(m) pose “limitations on appropriate payment for evolving physicians’ services that are inherently furnished via communication technology, especially as technology and its uses have evolved in the decades since the Medicare telehealth services statutory provision was enacted.” New reimbursement policies and codes, which were effective January 2019, were enacted for other types of services furnished remotely using telecommunications technologies that CMS does not consider Medicare telehealth services and are therefore not subject to the restrictions under section 1834(m).

The following services are deemed reimbursable under the 2019 Medicare Physician Fee Schedule (MPFS) Final Rule:

Brief Communication Technology Based Services

New HCPCS Code: G2012

- When a physician or other qualified healthcare professional has a brief non–face-to-face check-in with a patient via communication technology to assess whether the patient’s condition necessitates an office visit.
- Service occurs real-time and does not involve transmission of a recorded image.
- CMS requires verbal patient consent be documented in the medical record.

Remote Evaluation of Pre-Recorded Patient Information

New HCPCS Code: G2010

- Remote professional evaluation of patient-transmitted information conducted via pre-recorded store-and-forward video or image technology.
- Service involves provider’s evaluation of a patient-generated still or video image and the communication back to the patient.
- CMS requires verbal or written patient consent.

Interprofessional Internet Consultation

Revised CPT Codes: 99446-99449

New CPT Codes: 99451-99452

- Service involves consultations between professionals via communications technologies, such as telephone or internet.
- CMS requires verbal patient consent.

Beginning in 2019, several changes made under the Bipartisan Act of 2018 allowed CMS to change the originating site geographic conditions found in section 1834(m) for treatment of end-stage renal disease and acute stroke patients. They include the inclusion of renal dialysis facilities and an individual’s home as permissible originating telehealth services sites for treatment of end-stage renal disease as well as the inclusion of an individual’s home as an originating site for patients with substance use disorder or a co-occurring mental health disorder. Under the new rules, treatment of strokes through telehealth is now permissible in any hospital, critical access hospital, or mobile stroke unit.

Despite CMS’ initiatives toward increasing the utilization of innovative technologies and telehealth services by Medicare beneficiaries, individual states still vary in their coverage under Medicaid programs, private insurance, and laws pertaining to telehealth. A study in May 2019 by the Center for Connected Health Policy found there are varying degrees of regulation for eligible originating sites.

For further state-specific information regarding telehealth law, visit the Center for Health Policy’s online tool at www.cchpca.org/telehealth-policy/current-state-laws-and-reimbursement-policies?jurisdiction=77&category=All&topic=All.

Notes

Centers for Medicare and Medicaid Services (CMS). “CMS Proposes Historic Changes to Modernize Medicare and Restore the Doctor-Patient Relationship.” July 12, 2018. <https://www.cms.gov/newsroom/press-releases/cms-proposes-historic-changes-modernize-medicare-and-restore-doctor-patient-relationship>.

References

Social Security Administration. “Compilation of the Social Security Laws. Special Payment Rules for Particular Items and Services.” https://www.ssa.gov/OP_Home/ssact/title18/1834.htm.

Centers for Medicare and Medicaid Services. "Medicare Program Revisions to Payment Policies Under the Physician Fee Schedule and Other Revisions to Part B for CY 2019." Federal Register. November 23, 2018.

<https://www.federalregister.gov/documents/2018/11/23/2018-24170/medicare-program-revisions-to-payment-policies-under-the-physician-fee-schedule-and-other-revisions>.

CMS. "CMS Proposes to Modernize Medicare Advantage, Expand Telehealth Access for Patients." October, 26, 2018.

<https://www.cms.gov/newsroom/press-releases/cms-proposes-modernize-medicare-advantage-expand-telehealth-access-patients>.

CMS. "CMS finalizes policies to bring innovative telehealth benefit to Medicare Advantage." April 5, 2019.

<https://www.cms.gov/newsroom/press-releases/cms-finalizes-policies-bring-innovative-telehealth-benefit-medicare-advantage>.

CMS. "CMS Finalizes Changes to Advance Innovation, Restore Focus on Patients." November 1, 2018.

<https://www.cms.gov/newsroom/press-releases/cms-finalizes-changes-advance-innovation-restore-focus-patients>.

Center for Connected Health Policy. "State Telehealth Laws and Reimbursement Policies Report." Spring 2019.

<https://www.cchpca.org/telehealth-policy/state-telehealth-laws-and-reimbursement-policies-report>.

Center for Connected Health Policy. "CMS Finalized Telehealth Changes to Physician Fee Schedule CY 2019."

<https://www.cchpca.org/sites/default/files/2018-11/Finalized%20PFS%202019%20Infographic%20Final%20V.%204.pdf>.

Center for Connected Health Policy. "Big Changes in 2019 for Medicare Telehealth Policy." November 6, 2018.

<https://mailchi.mp/cchpca/big-changes-in-2019-for-medicare-telehealth-policy>.

Sandra Hernandez (sandrakhernandez@gmail.com) is director of coding at OrthoAtlanta.

Driving the Power of Knowledge

Copyright 2022 by The American Health Information Management Association. All Rights Reserved.