

# Modernizing Medicare Physician Payments by Recognizing Communication Technology-Based Services.

An Overview of CY 2019 Physician Fee  
Schedule Proposals



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# Disclosure

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**Nothing to Disclose:** I declare that I have no proprietary, financial or other personal interest of any nature or kind in any product, service and/or company that will be discussed or considered during the proposed program

# Medicare Physician Fee Schedule (PFS)

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## Background

- \$90 billion payment system
- Provides payment for the services of physicians and other billing professionals
- Units of payment
  - Payment rates
  - Resource costs
  - Updated annually through notice and comment rulemaking
- Units of service
  - More than 7,000 individual HCPCS codes
  - Coding granularity for certain services

# Medicare Telehealth Benefit

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- **Definition of Medicare Telehealth**
  - Section 1834(m)(4)(F) of the Social Security Act (the Act) defines telehealth services as professional consultations, office visits, and office psychiatry services, and any additional services specified by the Secretary.
  - 1834(m) also requires CMS to establish a process for adding or deleting services from the list of telehealth services on an annual basis.
  - These services must be performed by a physician or other health care practitioner.

# Conditions of Coverage

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- **Technology**
  - Interactive telecommunications system
  - Does not include telephone, fax, or email
  - Asynchronous (store and forward) only allowed as part of a federal telehealth demonstration program in Alaska and Hawaii
- **Geographic Restrictions**
  - Must be located in a Rural Health Professional Shortage Area located outside of a Metropolitan Statistical Area or in a rural census tract.
  - Health Resources and Services Administration (HRSA) has developed a website tool to provide assistance to potential originating sites to determine their eligibility.

# Conditions of Coverage Continued

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- **Authorized Originating Sites**
  - Office of a physician or practitioner, hospital, critical access hospital (CAH), rural health clinic, federally qualified health center, hospital-based or CAH-based renal dialysis centers (including satellites), skilled nursing facility, and community mental health center.
  - Note: The beneficiary's home is not an eligible originating site (except if participating in a CMS demonstration project; i.e. ESCO)

When all of these conditions are met, Medicare telehealth services are paid as though the service was performed in person. The originating site also receives a flat facility fee.

# Eligible Providers

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- Physicians
- Nurse Practitioners (NPs)
- Physician Assistants (PAs)
- Nurse-Midwives
- Clinical Nurse Specialists (CNSs)
- Certified Registered Nurse Anesthetists
- Clinical Psychologists (CPs) and Clinical Social Workers (CSWs)
- Registered Dietitians or nutrition professionals

**Note:** CPs and CSWs cannot bill for psychiatric diagnostic interview examinations with medical services or medical evaluation and management services under Medicare. These practitioners may not bill or receive payment for Current Procedural Terminology (CPT) codes 90792, 90833, 90836, and 90838.

# Billing and Payment

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- Submit claims for telehealth services using the appropriate CPT or HCPCS code for the professional service.
- To indicate that the billed service was furnished as a telehealth service from a distant site, submit claims for telehealth services using Place of Service (POS) 02: Telehealth:
- Originating sites are paid an originating site facility fee for telehealth services as described by HCPCS code Q3014. Bill the MAC for the originating site facility fee, which is a separately billable Part B payment.



# Beyond Medicare Telehealth

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- CMS makes separate payment for many other services that utilize telecommunications technology.
- The Statutory restrictions do not apply to these services, even though they may utilize telecommunications technology.
- Examples include:
  - CCM
  - Prolonged evaluation and management (E/M) services
  - Behavioral Health integration
  - Remote Monitoring

# Resources

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## **Telehealth Services**

[CMS.gov/Medicare/Medicare-General-Information/Telehealth](https://www.cms.gov/Medicare/Medicare-General-Information/Telehealth)

Chapter 12 of the Medicare Claims  
Processing Manual  
(Publication 100-04)