Center for Connected Health Policy
The National Telehealth Policy Resource Center

S. 2343 – Telehealth Innovation and Improvement Act of 2015

(House version of the bill is HR 4155 (Rep. Black, R-TN))

Senators: Gardner (R-CO) & Peters (D-MI)

Author Intent: To require the Center for Medicare and Medicaid Innovation (CMI) to test the effect of including telehealth services in Medicare health care delivery reform models.

BILL LANGUAGE	CURRENT LAW
Beginning January 1, 2017, the Secretary shall select for testing under CMI payment and service delivery models that have "expanded telehealth services" which shall include remote monitoring services (furnished in conjunction with models that test the use of accountable care organizations), bundled payments and other coordinated care models as the Secretary determines.	Currently there is no requirement for models to include telehealth.
The term "expanded telehealth services" means services furnished for one or more specified conditions through one or more specific type of technology.	N/A
Under the definition of "expanded telehealth services," the specified conditions the services must treat are: • Chronic hypertension • Ischemic heart diseases • Chronic obstructive pulmonary disease • Heart failure • Heart attack • Osteoarthritis • Diabetes • Chronic kidney disease • Depression • Atrial fibrillation • Cancer • Asthma • Stroke • Total hip replacement procedures • Total knee replacement procedures • Parkinson's disease • And other such conditions or diseases determined by the Secretary	N/A

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The specific types of technologies that must be used to deliver "expanded telehealth services" are: • Remote monitoring technologies, include remote device management that are used to remotely interrogate or program a medical device (ex: pacemakers); • Bi-directional audio/video technologies; • Physiologic and behavioral monitoring technologies; • Engagement prompt technologies; • Store and forward technologies; • Point-of-care testing technologies; or • Others that the Secretary may specify	Current Medicare policy only reimburses for live video. Store-and-forward is only reimbursed for telemedicine demonstration programs in Hawaii and Alaska.
The types of services include those currently being reimbursed under the Medicare program, although geographic and site restrictions would not apply.	• Eligible Medicare beneficiaries may only receive services via telehealth if they are located in a specified type of facility and geographically located in: • An area designated as a rural health professional shortage area (HPSA); • In a county not included in a Metropolitan Statistical Area (MSA); or • Participating in a Federal telemedicine demonstration project
To be included under the term "expanded telehealth services," the service must demonstrate when furnished that it is likely to do one or more of the following: • Assist eligible physicians or practitioners coordinate care for patients; • Enhance collaboration among providers and suppliers in the provision of care to patients; • Improves quality of care furnished to patients; • Results in reduced hospital admissions and readmissions; • Reduces or substitutes for physician office visits;	N/A

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• Results in reduced utilization of skilled nursing facility services; or • Facilities the return of patients to the community more quickly than would otherwise occur in the absence of such service. Telehealth delivered services that are currently approved for reimbursement under Medicare are automatically included, however, the current geographical and site restrictions would not apply.	
Only physicians and certain practitioners who are currently eligible to receive Medicare reimbursement for delivering services via telehealth are eligible to provide these "expanded telehealth services".	The same providers are currently reimbursed in Medicare.
The Secretary shall establish payment amounts for the provision of these services.	Under the Medicare program, services delivered via telehealth are reimbursed the same rate as in-person services.
Models will be evaluated by an independent entity.	The Secretary conducts an evaluation of CMI models.
If the independent evaluation shows that a model has reduced spending or improved quality of patient care without increasing spending and the Chief Actuary of the Centers for Medicare ***and*** Medicaid Services (CMS) certifies that an expansion would reduce net program spending, then that "expanded telehealth service" will be applied to all CMI models with respect to that condition or conditions.	N/A
Should a "expanded telehealth service" show it has reduced spending without reducing quality of care or improved quality of care without increasing spending ***and*** the CMS Chief Actuary certifies that an expansion would reduce net program spending, that "expanded telehealth service" would be applied to a Medicare fee-for-service beneficiary without regard to geographical or site location of the beneficiary.	

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While telehealth has always been an option to use under CMI service delivery and payment models, S. 2343 would make it a requirement that "expanded telehealth service" models be tested beginning in January 1, 2017. This directive would provide an opportunity to assess what models may show cost savings and improved quality of care.

ELIGIBLE SERVICES

Before a service can even be an "expanded telehealth service," it must be shown that the service is likely to meet one or more of the following:

- Assist eligible physicians or practitioners coordinate care for patients;
- Enhance collaboration among providers and suppliers in the provision of care to patients;
- Improves quality of care furnished to patients;
- Results in reduced hospital admissions and readmissions;
- Reduces or substitutes for physician office visits;
- Results in reduced utilization of skilled nursing facility services; or
- Facilities the return of patients to the community more quickly than would otherwise occur in the absence of such service.

IMPACT & ANALYSIS

No definition or process was provided in S. 2343 to detail how it can be shown that a service is "likely" to meet one or more of the aforementioned elements. It would probably be left to the Secretary, though it was not specified in the bill, to develop a process to determine whether a service met this standard. The standard may or may not be difficult to meet, although it should be noted that the bill language does require that some models utilizing telehealth be tested. Additionally, S. 2343 would include all currently approved telehealth delivered services that are reimbursed under Medicare and eliminate any geographical or site limitations when being piloted in the models. If cost savings or improved quality without increase in spending can be found, this could lead to a permanent change in the Medicare fee-for-service program. Not only could new services be approved for telehealth reimbursement in Medicare without having the current location restrictions apply to it, but existing reimbursable telehealth delivered services would also be eligible for the exemption.

MODALITY TO DELIVER SERVICES

S. 2343 singles out remote monitoring services for inclusion as a means of delivering services and notes in other places that "expanded telehealth services" are not restricted to only live video. The bill lists six technological ways services can be delivered and the option for the Secretary to select others:

- Remote monitoring technologies, include remote device management that are used to remotely interrogate or program a medical device (ex: pacemakers);
- Bi-directional audio/video technologies;

- Physiologic and behavioral monitoring technologies;
- Engagement prompt technologies;
- Store and forward technologies;
- Point-of-care testing technologies; or
- Others that the Secretary may specify

IMPACT & ANALYSIS

Terminology not typically seen when discussing telehealth are utilized in S. 2343 including "bi-directional audio/video technologies" (live or real time video). Others appear to point towards mHealth such as "engagement prompt technologies" which may include applications that send reminders to take medications. The intent may be to cast a wider net in testing how these "expanded telehealth services" can be delivered which providers greater flexibility in testing new ways to deliver care.

SPECIFIC CONDITIONS TARGETED

The "expanded telehealth services" models will be targeted towards treating one or more specific condition with the potential for the Secretary to add others. The conditions specified in S. 2343 are:

- Chronic hypertension
- Ischemic heart diseases
- Chronic obstructive pulmonary disease
- Heart failure
- Heart attack
- Osteoarthritis
- Diabetes
- Chronic kidney disease
- Depression
- Atrial fibrillation
- Cancer
- Asthma
- Stroke
- Total hip replacement procedures
- Total knee replacement procedures
- Parkinson's disease

IMPACT & ANALYSIS

Although the Secretary may add other conditions to be treated in these test models the list is limited to these specific ailments. This limitation may prevent the exploration of using telehealth to treat other conditions, for example other mental health conditions besides depression. Additionally, if the piloting is limited to a service to treat these specific conditions and that service passes the test to be expanded into the Medicare fee-for-service program (see "Expanding Services to Other CMI Models & Medicare" section below), would the expansion into Medicare only be for that one condition? If so, other conditions that can be treated in the same manner that has been proven to be cost effective and of equal quality would not get the benefit of the exemptions that the tested "expanded telehealth services" receives.

LIMITED LIST OF PROVIDERS

Under the bill only an "eligible physician or practitioner" may provider services. A physician is defined by section 1861(r) and a practitioner is defined under section 1842(b)(18)(C), under the Social Security Act.

IMPACT & ANALYSIS

S. 2343 uses the same definition for a physician and practitioner as the current law related to telehealth reimbursement under the Medicare program. This provides only a limited list of eligible practitioners who can provide services under the "expanded telehealth services" models. Providers such as audiologists, speech pathologists, physical and occupational therapists' services would not be eligible to be tested under these models.

EXPANDING SERVICES TO OTHER CMI MODELS & MEDICARE

An "expanded telehealth service" could reach beyond the testing model. If an expanded telehealth service shows that it has reduced spending or improved quality of patient care without increasing spending, that service will then be applied to all CMI models. If the expanded telehealth service shows it has *reduced spending without reducing quality* of care or i*mproved quality of care without increasing spending*, that expanded telehealth service would apply to a Medicare fee-for-service beneficiary without the geographical or site restrictions. Both actions would also require the CMS Chief Actuary certifying that expanding such a service would reduce net spending for the program.

As noted above, not only could new telehealth delivered services be approved for reimbursement in Medicare without facing any geographical or site restrictions, but currently existing services may also have those location restrictions removed if the service is tested and meets the aforementioned requirements. Medicare beneficiaries may be able to access telehealth delivered services outside of the limited areas that currently exist. Additionally, if a telehealth delivered services currently being reimbursed in Medicare passes the test under S. 2343 and uses a modality other than live video, such as store-and-forward or remote patient monitoring, it would be an expansion of the delivery modality that is reimbursable under Medicare.

However, as noted above, the limited list of conditions eligible for testing under S. 2343, may also limit what is reimbursed to only services that treat those specific conditions. While telehealth delivered services to Medicare beneficiaries could potentially be increased under S. 2343, there may still be some limitations as to what they are used to treat even if the services do meet the requirements to be adopted into the fee-for-service program.

PAYMENT

S. 2343 will give the Secretary the ability of using one or more options on payment methodology to establish payment rates. These methods are:

- The Medicare fee schedule;
- A new fee schedule that the Secretary creates specifically for the expanded telehealth services; and/or
- A payment methodology for shared risk savings and losses that is designed to ensure savings with respect to telehealth services under the model

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IMPACT & ANALYSIS

While S. 2343 requires the Secretary to take into consideration the cost of furnishing such expanded telehealth services in setting the rates, depending on the methodology selected, reimbursement potentially may be less than what a telehealth provider sees under Medicare fee-for-service. Additionally, should an "expanded telehealth service" meet the requirements to be approved for Medicare fee-for-service the same above payment methodology may also be applied. The amount paid for the "expanded telehealth service" under Medicare fee-for-service will then be 80 percent of the lesser of the actual charge for services or the amount determined through the above methodology. Either method would result in a smaller reimbursement amount for "expanded telehealth services" than exists for the currently reimbursed services in Medicare fee-for-service.

EVALUATION

An independent entity will evaluate the expanded telehealth services model. This is different from other CMI models where the Secretary conducts the evaluation. The evaluation will take place three years after the model's implementation. The evaluation will look at the quality of care, the costs and any impediments the model encountered including federal and state laws; licensing and credentialing; and limited broadband access or limited health information technology capabilities.

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