State Telehealth Laws and Reimbursement Policies

Due to the rapid rise in telehealth utilization during COVID-19, states are adopting more robust telehealth policies than ever before. Often adding detail and clarifications to their existing Medicaid, private payer and professional policies.

The Report’s Methodology

- States were reviewed between July and early-September 2022.
- CCHP only counts states as providing reimbursement if official Medicaid documentation is found confirming they are reimbursing for a specific modality. A statutory requirement alone is not enough.
- COVID-19 emergency policies are not included in CCHP’s reporting, though they may still be found in the policy finder. Only permanent policies are accounted for in the report.
- A state is counted as reimbursing for a modality/eligible site even if they do so in a very limited way. Therefore, it’s always important to check the state’s specific information.

What’s New?

- CCHP added the jurisdictions of Virgin Islands and Puerto Rico to its policy finder.
- An entire new category was created addressing telehealth Medicaid fee-for-service policy for federally qualified health centers (FQHCs).

Medicaid Reimbursement

The majority of state Medicaid programs continue to maintain restrictions around allowable telehealth modalities, eligible originating sites, services allowed and providers able to utilize telehealth. However, many are making incremental changes to expand telehealth, with new services such as teledentistry and additional covered providers such as speech language pathologists.

The use of the new Place of Service Code 10 (which indicates telehealth services provided to patients at home) in some Medicaid programs caused an increase in the number of states CCHP has found reimbursing services to the home.

*Some states reimburse this modality solely as part of Communication Technology-Based Services (CTBS), which have their own separate codes and reimbursement rates.
Private Payer Law

Forty-three states, the District of Columbia and Virgin Islands have a private payer law that address telehealth reimbursement. Not all of these laws require reimbursement or payment parity. New elements CCHP has noted in private payer laws in this update include:

- Private payer laws that include unique elements such as requiring payment parity for only a limited period of time such as until 2024 or 2025.
- Payment parity that applies to only certain specialties.

Prescribing

States are increasingly clarifying the requirements around prescribing via telehealth, often putting parameters around establishing a provider/patient relationship. Rules around the prescribing of controlled substances tend to be more strict than those that apply to non-controlled substances.

Note: Providers must also comply with federal limits on prescribing controlled substances.

Licensure

More states than ever before added a cross state licensure exception, out-of-state telehealth registration process or telemedicine license. Most targeted exceptions are for instances where a provider has a prior relationship with the patient. For example, the Virginia Medical Board created an exception for patients with a prior practitioner patient relationship and have been seen in-person in the past 12 months. Conversely, most states that allow out-of-state provider registrations have an application process, requirements that must be met, and require a fee payment. In total, 25 states now have special licenses, certificates or exceptions to licensing related to telehealth.

Adoption of Interstate Compacts continue to be common for states. The numbers:

- States, D.C. & Guam: Interstate Medical Licensure Compact (37)
- States and D.C.: Physical Therapy Compact (33)
- States: Audiology and Speech-Language Pathology Interstate Compact (ASLP-IC) (23)
- States and the territory of Guam and Virgin Islands: Nurse Licensure Compact (37)
- States and DC: Psychology Interjurisdictional Compact (PSYPACT) (32)
- States: Emergency Medical Services Personnel Licensure Interstate Compact (REPLICA) (22)
- States: The Advanced Registered Nurse Compact (22)
- States: Occupational Therapy Compact (22)
- States: The Counseling Compact (17)
- States: The Advanced Registered Nurse Compact (3)