Telehealth Additions in CY 2017 Proposed Fee Schedule

On July 7, 2016, the Center for Medicare and Medicaid Services (CMS) published their CY 2017 proposed revisions related to the Physicians Fee Schedule (PFS). Comments on the proposals are due no later than 5 pm on September 6, 2016. The proposal includes the addition of several codes for reimbursement regarding end-stage renal disease related services for dialysis; advance care planning; and critical care consultations furnished via telehealth using new Medicare G-codes. CMS is also proposing a new payment policy related to the use of a new place of service (POS) code specifically designated to report services furnished via telehealth.

Additional Codes

CMS has an established process for adding codes to the list of Medicare telehealth services eligible for reimbursement. The process includes assigning qualifying requests to either one of two categories. Category 1 is reserved for services that are similar to services already approved on the Medicare telehealth list such as professional consultations, office visits and office psychiatry services. Category 2 (which entails a more extensive qualification process) is for services that are not similar to current telehealth services on the Medicare list, but pose a significant benefit for the patient.

For the CY 2017 proposed PFS, CMS has proposed to add the following CPT Codes to the list of eligible Medicare telehealth services on a Category 1 basis:

- **90967-90970**: End-stage renal disease related services for dialysis less than a full month of service, per day. The proposed fee schedule notes that there is a required clinical examination of the catheter access site which must be furnished face-to-face “hands on”.

- **99497-99498**: Advance care planning including the explanation and discussion of advance directives such as standard forms, by the physician or other qualified health care professional; first 30 minutes, face-to-face with the patient, family member(s), or surrogate.

Creation of Code

CMS has also proposed to create new codes to adequately reflect the resource costs of providing critical care consultation services remotely to critically ill patients. They propose to make payments through new codes (GTTT1 and GTTT2) for initial and subsequent services, used to specifically describe critical care consultations furnished via telehealth. These codes, like all of the codes Medicare currently covers via telehealth would be subject to the same geographic and other statutory restrictions that apply to telehealth services.
Place of Service

Currently, providers report the POS code of the originating site for telehealth services. CMS has proposed that instead, a new telehealth specific POS code be created and used by providers at the distant site as early as January 1, 2017. They propose to use the facility PE RVUs to pay for the telehealth services reported by physicians or practitioners with the telehealth POS code. This change, according to the proposed PFS would only result in a difference of 1.0 PE RVUs between the facility and non-facility PE RVUs on three codes on the telehealth list. Therefore, they do not anticipate that the proposal would result in a significant change in the total payment for the majority of services on the telehealth list. CMS believes use of the new POS code “would improve payment accuracy and consistency in telehealth claims submissions.” The POS code would not apply to originating sites billing the facility fee.

Regulatory changes consistent with this include:

- Change to regulation Section 414.22(b)(5)(i)(A) addressing the PE RVUs – amends section to specify that the facility PE RVUs are paid for practitioner services furnished via telehealth under 410.78.
- Clarify that the payment under the PFS is made at the facility rate when services are furnished in a hospital but for which the hospital is not being paid.
- Delete Section 414.32 that refers to the calculating of payment for certain services prior to 2002.

Analysis

The proposed addition of codes to CMS’ telehealth approved list of telehealth reimbursable services are still subject to the geographic and scope of service restrictions defined for telehealth delivered care.

The creation of the critical care codes come after several years of requesting inclusion of critical care evaluation and management codes for reimbursement if the service was provided via telehealth. Each year, those requests have been denied because CMS found that there is “no evidence suggesting that the use of telehealth could be a reasonable surrogate for the face-to-face delivery of this type of care.” However, CMS did find that some studies showed some critical care services provided via telehealth had clinical benefit but did not fall under the current critical care E/M codes. Additionally, CMS recognized that there may be greater resource costs in providing these services that would not be covered under currently existing telehealth consultation codes. The creation of the critical care consultation services codes specific to telehealth may set a precedent for CMS and others such as the American Medical Association (AMA) to create additional telehealth specific codes that more adequately reflect the value of some of the unique elements involved in a telehealth encounter. However, while it is a recognition that current codes may not be adequate to reflect telehealth delivered services, creation of new codes may also serve to separate out telehealth as a distinct service rather than as a tool to deliver a service.

As CMS notes in their discussion on the proposed telehealth specific POS code, many providers are currently confused about the correct POS code (originating or distant site) to use when they are billing for a telehealth service. CMS believes the use of this new telehealth POS code, which will utilize the facility PE RVUs, would improve payment accuracy and submission claims. The addition of this new code would be an adjustment for telehealth providers and may generate additional confusion. If approved, the new POS code could be used as early as January 1, 2017.