WASHINGTON STATE TELEMEDICINE COLLABORATIVE

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PARITY LAWS

Overview

KEY POLICY CONSIDERATIONS

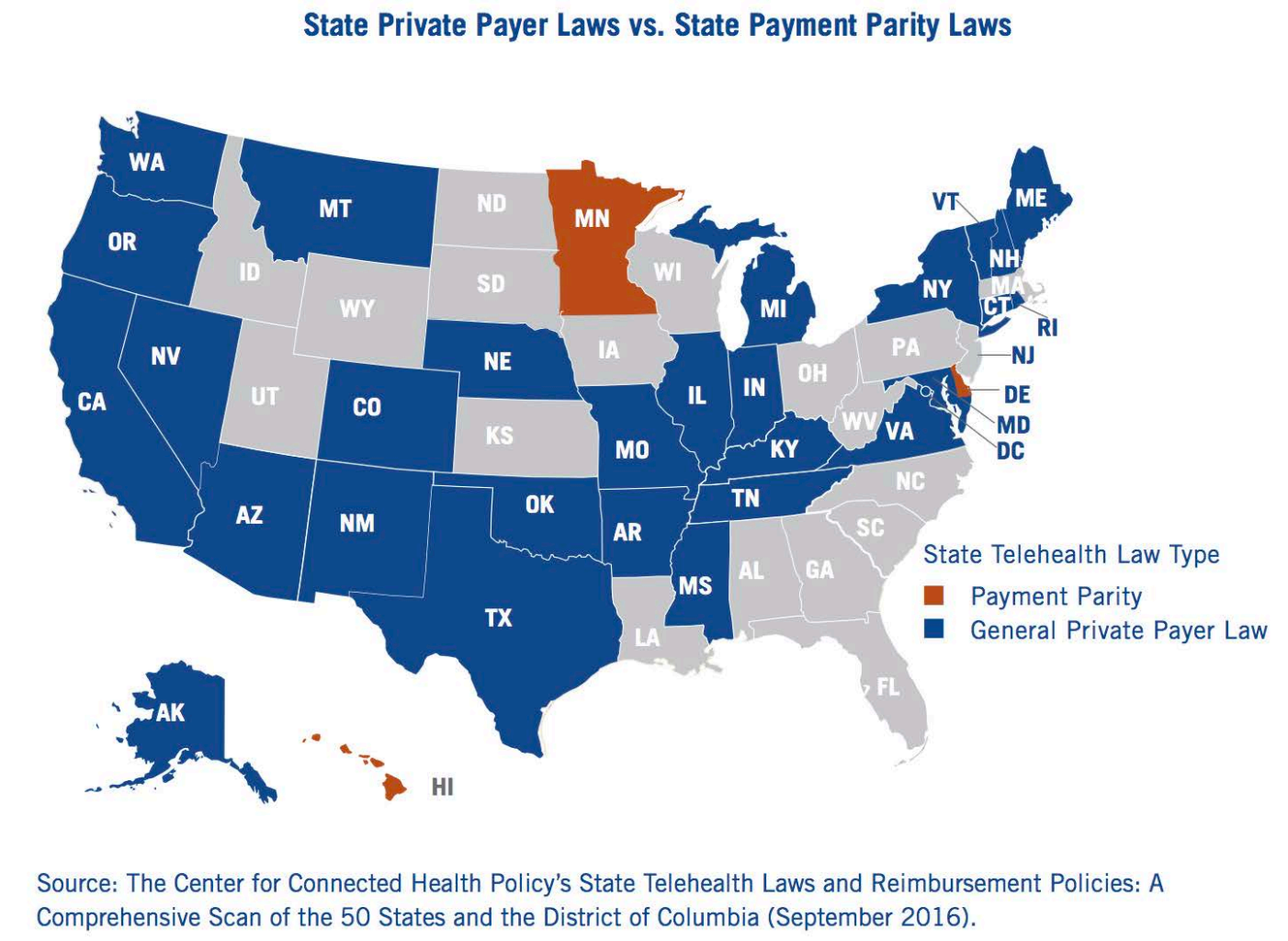
- Telehealth reimbursement *parity*
- Definitions matter and differ
- Language matters = restrictions
  - Lists in law or regulation are frequently rapidly outdated and require time for language and implementation updates
  - Other variances: provider types, clinical services, modalities, rural/urban or geographic restrictions, informed consent, establishing treatment relationship, prescribing, licensure, patient setting, in-person exams, state employee plans, schools, workers comp, essential health benefits

STATE COVERAGE

- Thirty-one states and the District of Columbia have enacted laws mandating the coverage of telehealth-provided services under **private health insurance plans**
- 48 states and D.C. have some sort of reimbursement for telehealth in their public program (i.e. Medicaid) (Massachusetts and Rhode Island do not)
  - 49 states have some coverage for **telemental health**
  - 40 sates have some coverage for **home telehealth**
  - 22 states are authorized to cover **remote patient monitoring**
  - 16 states are authorized to cover **store-and-forward**

Source: https://higherlogicdownload.s3.amazonaws.com/AMERICANTELEMED/3c09839a-fffd-46f7-916c-692c11d78933/UploadedImages/Policy/State%20Policy%20Resource%20Center/2017%20-%20Feb%20ATA%20State%20Telemedicine%20Toolkit_CVG%20RMBS%20-%20Feb%202017.pdf

CCHP STATE PRIVATE PAYER PARITY



Source: The Center for Connected Health Policy's State Telehealth Laws and Reimbursement Policies: A Comprehensive Scan of the 50 States and the District of Columbia (September 2016).

Source: https://www.milbank.org/wp-content/uploads/2017/08/MMF-Telehealth-Report-FINAL.pdf

REFRESHER

Collaborative charge and problem

SB 6399 OVERVIEW

- Bill passed concerning telemedicine payment parity effective 6/7/18
- Background:
  - Variance exists between how federal, state, and private payers reimburse for telemedicine services
  - A goal for telemedicine is to reduce premiums and overall out-of-pocket spending for patients
  - The legislature intends to utilize recommendations from the telemedicine collaborative to establish a telemedicine payment parity pilot program to evaluate the benefits of telemedicine

Bill information http://apps2.leg.wa.gov/billsummary?BillNumber=6399&Year=2017&BillNumber=6399&Year=2017

WORK TO BE DONE

- The Collaborative must review telemedicine payment parity and develop recommendations for reimbursement at same rate for store-and-forward as in-person for the following conditions:
  - Diabetes
  - Stroke
  - Mental health
  - Opioid dependence
  - Chronic pain
- Include consideration of facility fees
- Define parameters for a five- year telemedicine payment parity pilot program
  - Include claims analysis
  - Training program component for telemedicine and billing

STORE-AND-FORWARD LANDSCAPE

National private payer and Medicaid reimbursement

STORE-AND-FORWARD

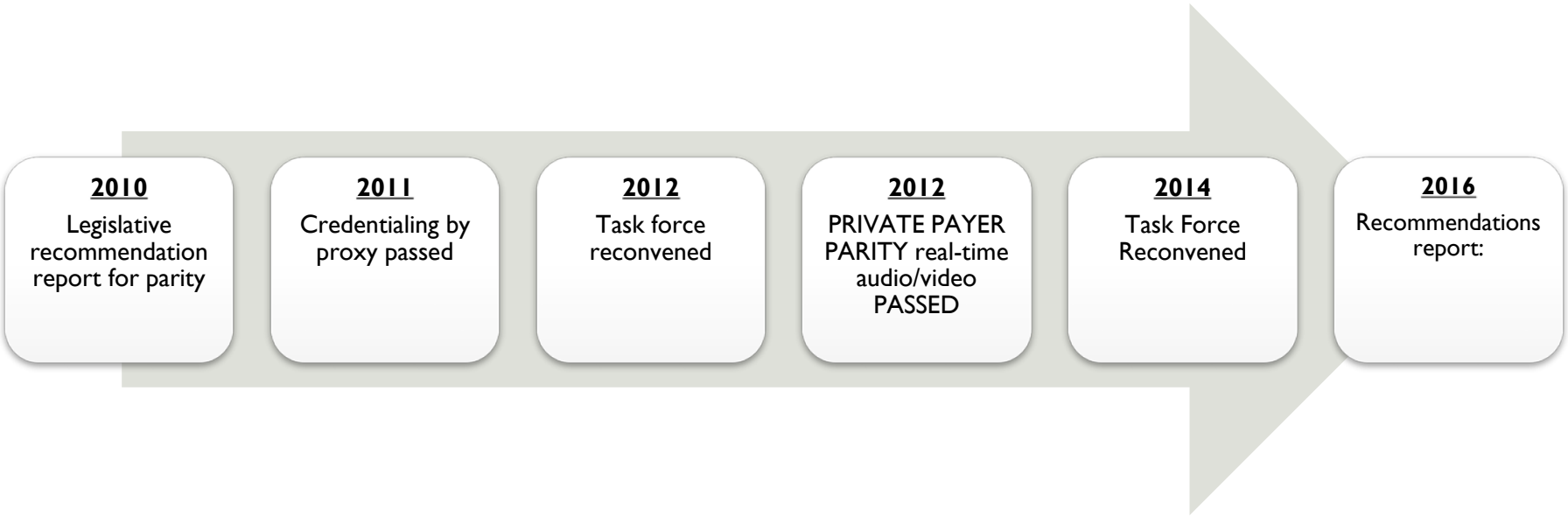
- Change the dialogue
  - *Parity* cannot exist for something that doesn't exist
- What should payment look like?
  - In fee-for-service models, what is equitable payment for the service?
  - How does this look in value-based payment models?
  - What technology requirements should exist to safeguard privacy and security, and maintain quality of service?
  - What up-front investments are required, and should those be paid for by payers?

STORE-AND-FORWARD LAWS

- 23 states have laws on the books for private payer store-and-forward; payment is across the spectrum
  - Sometimes this just includes parity with definition of telehealth including store-and-forward (i.e. Arkansas)
  - Sometimes is specialty specific (i.e. Vermont allows for, but does not require, teleophthalmology and teledermatology
  - Sometimes requires full payment (i.e. Minnesota requires telemedicine services shall be paid at the full allowable rate and the definition of telemedicine includes store-and-forward)
- 17 states have laws on the books for some form of Medicaid store-and-forward reimbursement; payment is across the spectrum
  - Sometimes is specialty specific (i.e. California Medi-Cal will reimburse for store and forward services for tele-dermatology, teledentistry and teleophthalmology)
  - Sometimes requires full payment (i.e. Mississippi: Private payers, MS Medicaid and employee benefit plans are required to provide coverage at the same level as in-person consultation for store-and-forward telemedicine services)

ANALYSIS APPROACH

Maryland Telemedicine Task Force Case Study



KEY ACCOMPLISHMENTS

2014 REPORT TO LEGISLATURE

Claims Data

- Beginning in October 2012, Maryland law required private payer reimbursement for certain telemedicine services (real-time audio/video only)
  - During the nine months following the effective date of the law, only about 50 health care practitioners submitted roughly 78 telehealth claims to payers
  - In 2013, about 16 practitioners were reimbursed by payers for services rendered via telehealth for roughly 132 claims

Hospital Survey Data

- Surveyed all (then) 46 acute care hospitals to ask current state telemedicine use and plans
- Findings: 88% of hospitals were using telehealth, primary reasons reported were improving quality and reducing readmissions

2014 REIMBURSEMENT LAW UPDATE

- In 2013, Maryland legislators considered bills that would have expanded the coverage of telemedicine-provided services under their Medicaid program.
- Maryland's fiscal analysis included estimates which suggested that telehealth coverage would cause a 2 percent increase in the use of physician services and ultimately increase Medicaid expenditures by $6.3 million in FY 2014 and $8.5 million in FY 2015
- Despite these costs, the Maryland Health Department estimated a net savings of $0.9 million in avoided transportation costs and $1.6 million in avoided emergency department admissions
- In 2014, MD legislators and state health officials revisited this issue and ultimately supported the enactment of telehealth parity for all Medicaid beneficiaries

Source :https://higherlogicdownload.s3.amazonaws.com/AMERICANTELEMED/3c09839a-fffd-46f7-916c-692c11d78933/UploadedImages/Policy/State%20Policy%20Resource%20Center/2017%20-%20Feb%20ATA%20State%20Telemedicine%20Toolkit_CVG%20RMBS%20-%20Feb%202017.pdf

OPPORTUNITIES FOR THE COLLABORATIVE

RECAP: KEY POLICY TAKEAWAYS

- Inclusion or exclusion of certain language may create barriers to the utilization of telehealth by allowing payers to limit the types or uses of services that are reimbursed
- Very few telehealth private payer laws mandate parity in payment amount
- Store-and-forward and RPM are less likely to be included in a telehealth private payer law
- Unlike Medicare, telehealth private payer laws tend not to include explicit exclusions on types of services, providers, and limitations on locations, both geographic and site

TRACKING IMPACT ON ACCESS, QUALITY, AND COST

Categories of Evaluation Questions for Comparing Telemedicine to Alternative Health Services

- What were the effects of the application on the clinical process of care compared to the alternative(s)?
- What were the effects of the application on patient status or health outcomes compared to the alternative(s)?
- What were the effects of the application on access compared to the alternative(s)?
- What were the costs of the application for patients, private or public payers, providers, and other affected parties compared to the alternative(s)?
- How did patients, clinicians, and other relevant parties view the application, and were they satisfied with the application compared to the alternative(s)?

Each question assumes that an analysis of results will control for or take into account severity of illness, comorbidities, demographic characteristics, and other relevant factors. Source: Telemedicine: A Guide to Assessing Telecommunications in Health Care.
Institute of Medicine (US) Committee on Evaluating Clinical Applications of Telemedicine; Field MJ, editor.
Washington (DC): National Academies Press (US);

TRACKING IMPACT ON ACCESS, QUALITY, AND COST

- What were the effects of the telemedicine application on the clinical **process** of care compared to the alternative(s)?
- What were the effects of the telemedicine application on immediate, intermediate, or long-term **health outcomes** compared to the alternative(s)?
  - Clinical status
  - Mental and emotional well-being
  - Energy and vitality
  - Functional capability
- Access
  - Significant distance from primary, secondary, and tertiary medical services;
  - Poor transportation (e.g., lack of an automobile, limited or nonexistent bus service), even for relatively short distances
  - Inadequate financial resources, particularly insurance coverage or directly subsidized services
  - Family, educational, and cultural factors (e.g., illiteracy, distrust of technology)

Each question assumes that an analysis of results will control for or take into account severity of illness, comorbidities, demographic characteristics, and other relevant factors. Source: Telemedicine: A Guide to Assessing Telecommunications in Health Care.
Institute of Medicine (US) Committee on Evaluating Clinical Applications of Telemedicine; Field MJ, editor.
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OPPORTUNITIES FOR COLLABORATIVE

- Assess all payer claims database
  - Compare reimbursement for equivalent in-person services to store-and-forward services for the conditions identified
    - Over time
    - Assess variances by payer, service, location
  - Determine any differences in in-person vs. real-time audio/video services
  - Telehealth landscape in Washington
    - Location
    - Services
    - Frequency
  - Perform national scan and talk with key programs related to the services identified
- Baseline and projections of access, quality, and cost impacts
- Policy analysis
  - Define model policy language for Washington; consider exclusionary or inclusionary language
  - Identify gaps
  - Draft model language

QUESTIONS?

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APPENDIX

STORE-AND-FORWARD WASHINGTON REIMBURSEMENT

- WA Medicaid pays for store and forward when all of the following conditions are met:
  - There is an associated office visit that can be done either in person or via asynchronous telemedicine.
  - The transmission of information is HIPAA compliant
  - Written informed consent is obtained
  - If the consultation results in a face-to-face visit in-person or via telemedicine with the specialist within 60 days of the store and forward consult, the agency does not pay for the consult.
- Teledermatology services via store and forward must be billed with GQ modifier and 02 POS Code from the distant site. The sending provider bills as usual with the E&M code and no modifier.
- Private payers: *Upon initiation or renewal of a contract with the Washington state health care authority to administer a Medicaid managed care plan, a managed health care system shall reimburse a provider for a health care service provided to a covered person through telemedicine [or] store and forward technology if:*
  - *If the service is provided through store and forward technology there must be an associated visit between the covered person and the referring health care provider. Nothing in this section prohibits the use of telemedicine for the associated office visit.*
  - *Reimbursement of store and forward technology is available only for those services specified in the negotiated agreement between the managed health care system and health care provider.*

STORE-AND-FORWARD PRIVATE PAYER REIMBURSEMENT NATIONALLY

- Arkansas: effective January 1, 2018 Health plans required to reimburse for telemedicine, which includes store and forward
- California: Private payers **may** reimburse for store and forward
- Colorado: payers may not restrict or deny coverage solely because the service is provided through telehealth (definition includes store-and-forward)
- Connecticut: requires payers reimburse telehealth to the extent coverage is available for in-person services (definition of telehealth includes store and forward)
- Hawaii: Hawaii Medicaid and private payers are required to cover appropriate telehealth services (which includes store and forward) equivalent to reimbursement for the same services provided in-person
- Minnesota requires telemedicine services shall be paid at the full allowable rate (definition of telemedicine includes store-and-forward)

STORE-AND-FORWARD PRIVATE PAYER REIMBURSEMENT NATIONALLY

- New Jersey: Insurers and NJ Medicaid must provide reimbursement for telemedicine or telehealth. Store and forward is not explicitly included, but could fit into these definitions
- New Mexico: Private payers are required to provide coverage for services delivered through store and forward, equivalent to in-person coverage
- New York: Private payers may, but are not mandated to, reimburse for store-and forward delivered services
- Tennessee: Health insurance entities required to cover telehealth services, which by definition includes store-and-forward
- Vermont: Allows, but doesn't require, reimbursement for tele-ophthalmology and tele-dermatology

STORE-AND-FORWARD MEDICAID REIMBURSEMENT NATIONALLY

- Alaska
- Arizona
- California: Medi-Cal will reimburse for store and forward services for tele-dermatology, teledentistry and tele-ophthalmology
- Hawaii: Hawaii Medicaid and private payers are required to cover appropriate telehealth services (which includes store and forward) equivalent to reimbursement for the same services provided in-person
- Illinois: The Illinois Medicaid definition encompasses store and forward, will reimburse a provider at a distant site when they "review the medical case without the patient being present."
- Indiana: there is reimbursement for store and forward technology to facilitate other reimbursable services. Separate reimbursement of the spoke-site payment is not provided for this technology
- Kentucky: Teleradiology only
- Maine: coverage for telemonitoring services (which may or may not take place in real time) under certain circumstances
- Minnesota: Payment will be made for only one reading or interpretation of diagnostic tests such as x-rays, lab tests, and diagnostic assessments

STORE-AND-FORWARD MEDICAID REIMBURSEMENT NATIONALLY

- Missouri: Reimbursement for store-and-forward for orthopedics, dermatology, ophthalmology and optometry, in cases of diabetic retinopathy, burn and wound care, dental services which require a diagnosis, and maternal-fetal medicine ultrasounds. Payment cannot exceed the payment for a face-to-face consultation of the same level.
- Mississippi: Private payers, MS Medicaid and employee benefit plans are required to provide coverage at the same level as in-person consultation for store-and-forward telemedicine services
- Montana: Private payers are required to provide coverage for services delivered through store and forward technology, equivalent to in-person coverage.
- Nebraska: Teleradiology only
- New Jersey: Insurers and NJ Medicaid must provide reimbursement for telemedicine or telehealth. Store and forward is not explicitly included, but could fit into these definitions
- New Mexico
- Nevada
- Oklahoma: Health care services delivered by telehealth such as remote patient monitoring, store and forward, or any other telehealth technology must be compensable by OHCA in order to be reimbursed

STATE PAYMENT PARITY LAW EXAMPLES

- Minnesota: Private payers are required to provide coverage for telemedicine in the same manner, and at the same reimbursement rate, as other services provided in person.
- Delaware: Private payers must provide coverage for the cost of health care services provided through telemedicine, and telehealth as directed through regulations by the Department. Insurers must pay for telemedicine services at the same rate as in-person.
- Hawaii: Hawaii requires coverage of telehealth services, equivalent to reimbursement for the same services provided via-face-to-face contact.

Source: http://www.cchpca.org/state-laws-and-reimbursement-policies