

ARIZONA  
TELEMEDICINE  
PROGRAM



# The Business Aspects of Telemedicine & Telehealth

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# What We Will Be Covering

- Telehealth Revenue Streams
- Expense Considerations
- Telehealth Billing and Reimbursement

## ARIZONA TELEMEDICINE PROGRAM



# Revenue Streams

- Contracts and Grants
- Parent Organization Support and Philanthropy
- Patient Services Reimbursement

# Contracts & Grant Funding

- There are many government and private contract and grant funding opportunities
- Usually the candidate needs to submit a sustainability plan to obtain funding
- This ensures the project will continue at the end of the contract or grant period
- Gov: <https://www.grants.gov/web/grants/learn-grants/grant-programs.html>
- Priv: <https://proposalcentral.com/> (you must create a login)

# Top Reasons Small Businesses Fail

1. Starting for the wrong reason
2. Too small or no market
3. Poor management
4. Insufficient capital
5. Wrong location
6. Lack of planning (Business plan in particular)
7. Overexpansion
8. No website or social media presence

<https://www.businessknowhow.com/startup/business-failure.htm>

# What exactly does a Sustainability/Business Plan Accomplish?

1. It lays out your plan and expectations in detail
2. It illustrates the fiscal viability of the plan
  - Will it be profitable?
  - If so, when?
  - Shows you have thought through the finances
3. Forces author to make decision for Go/No go

# Sustainability/Business Plans

- There are many formats available to produce business plans
- 15 Steps to Writing a Telehealth Business Plan (National Consortium of TRCs)
  - [https://www.umtrc.org/clientuploads/Resources/Getting\\_Started\\_Guides/15\\_Step\\_Business\\_Model\\_June\\_2018.pdf](https://www.umtrc.org/clientuploads/Resources/Getting_Started_Guides/15_Step_Business_Model_June_2018.pdf)
- Be sure and point out alternatives and why you ruled them out

# Parent Organization and Philanthropy

- Some organizations or donors will fund the initiation of a new telehealth program
- Biz plan must align with organization's mission and must answer the question for your funder: **WIIFM**
- The support will probably be time-limited and a sustainability plan will be needed



# Patient Services Receipts

- Patient billing and collections are generally not a good primary mechanism to pay for a telehealth program ...Unless
- It is a closed or capitated clinical environment where significant cost savings can be realized ....OR
- Viewed as “Loss Leader”

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# Expense Considerations

- Fixed and Variable Expenses
- Expense Categories

# Expense Considerations

- Fixed and Variable Expenses
  - Personnel
  - Equipment and operations
  - Technology
  - Overhead
- Some expenses could fall into either category AND might need to be considered for both the referring and receiving sites
  - As TH continues to become more mobile, expenses will be reduced

# Expense Considerations

## Personnel – all sites

	<u>Fixed</u>	<u>Variable</u>
• Medical director	X	(NP)*
• Site coordinator	X	(NP)*
• Other clinical	X	X
• Technical	X	X
• Administrative	X	X

## Equipment and operations – all sites

	<u>Fixed</u>	<u>Variable</u>
• Space cost	X	X
• Network equip**	X	
• Installation costs**	X	
• User end equip**	X	
• Transmission costs	X	X
• Supplies (clin,tech,ops)		X
• Travel and training		X

\* Not Preferred

\*\* Non-Recurring

# Expense Considerations

## Technical and Maintenance

	<u>Fixed</u>	<u>Variable</u>
• Maintenance contracts		X
• Help Desk	X	X
• Equip refresh fund	X	(NP)
• Other??		

## Overhead

	<u>Fixed</u>	<u>Variable</u>
• Medical records	X	X
• Billing & Collection	X	X
• Human Resources	X	X
• Contracting	X	X
• Legal and Compliance	X	X
• Malpractice	X	
• Central Administration	X	
• Other ??		

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# Billing & Reimbursement



# Patient Services

- Clinical needs identified
  - Which technology?
  - Consulting versus ongoing treatment
  - Referring provider & patient expectations
  - Payment/Reimbursement mechanism
    - Block time
    - Fee for Service
    - Collecting Co-pays
    - Protocol for uninsured (?) or denied/non-covered services?

# Billing and Reimbursement: Medicare

- After more than 20 years of glacial progress on Medicare TH reimbursement...
  - With strict restrictions on
    - Providers
    - Patient location
    - CPT codes/Services
    - Licensure
    - Modality
- **IT TOOK A WORLDWIDE PANDEMIC TO BREAK OPEN TELEHEALTH REIMBURSEMENT**



Type of Service	Description	HCPCS/CPT	Patient/Provider Relationship
<b>Telehealth Visits</b>	Visit between provider and patient using audio/visual telecommunication	Approved codes only codes – 80 additions (see link below)	New or established Extent of 1135 waiver
<b>Virtual Check-In</b>	Brief (5-10 min) provider check in via telephone or other communication device to determine need office visitor other services, remote eval of records videos and/images	HCPCS-G2012 HCPCS-G2010	New or established Extent of 1135 waiver
<b>E-Visits</b>	Communication between patient and provider through online portal	99421-99423 G2061-G2063	New or established Extent of 1135 waiver
<b>Phone Calls</b>	Audio only evaluation and assessment services	98966-98968 99441-99443	New or established Extent of 1135 waiver

(<https://www.cms.gov/Medicare/Medicare-General-Information/Telehealth/Telehealth-Codes>)

# Medicare Reimbursement: During PHE

HHS temporarily waived or modified certain Medicare requirements including:

- Expanded Services: >160 Temp codes; still adding in May 2021
  - (<https://www.cms.gov/Medicare/Medicare-General-Information/Telehealth/Telehealth-Codes>)
- Expanded Providers: All health care providers billable and rates are at in-person FFS rates
  - OT/ PT/SLPs/LCSWs and clinical psychologists
- Patient geographic location (urban ok) and type of site limitation temporarily removed (home ok)
- Waiver on sanctions for collecting beneficiary cost share amounts (e.g. Co-pays)
- Temporary halt on existing relationship audits for telehealth visits
- Temporary waiver on in-person requirement for ESRD patients

# Medicare Reimbursement: During PHE

- Use of phones for patient visits
  - E/M, BH & Education services by phone (audio) only; reimbursement same for similar services
- Virtual check in services for new and established patients
  - Patient must initiate but ok for provider to educate prior to initiation
- Virtual supervision of clinical staff allowed
- RPM for both acute and chronic conditions and new as well as established patients
  - Is RPM really TH?
- Hospice and more home health TH services delivered

# Other Waivers: During PHE

- **FQHCs and RHCs Telehealth services – Check Details!**
  - CMS: Can temporarily serve as distant site as well as originating site, virtual check-in and E-visits allowed. Remote eval of patient images/video technology allowed
- **Critical Access Hospitals**
  - CMS is temporarily waiving the requirements that Critical Access Hospitals limit the number of beds to 25, and that the length of stay be limited to 96 hours

# Other Waivers: During PHE

## Skilled Nursing Facilities/Hospice/Home Health

- Telehealth visits approved in lieu of In-person and some frequency limitations waived
- CMS is temporarily waiving the 3-day prior hospitalization requirement for those people who need to be transferred due to a disaster or emergency
- CMS is temporarily allowing renewal authorization for SNF/Hospice beneficiaries

# Patient Services Reimbursement: Medicaid

- Medicaid – significant variability, determined state by state
  - All 50 states & DC have some type of TH coverage

**During PHE:** Medicaid programs were given broad authority to utilize telehealth including using telehealth or telephonic consultations when certain conditions are met

Several states are now starting to pull back PHE waivers.

# Patient Services Reimbursement - Private Insurance

## Private Insurance

- PHE billing guidelines are "fluid"
  - Some Priv Ins are starting to roll back some TH services; moving dates
  - Check what is going on in your state!

## Direct to Consumer/Self Pay

- Pre-PHE largest growing TH sector
- Private payers (e.g. Blues, Aetna, Cigna) are now partnering with national direct-to-consumer telehealth companies
- Convenient for patients
- But shuts out local providers and could disrupt continuum of care

# Post Public Health Emergency Medicare PFS Changes

The screenshot shows the CMS.gov website interface. At the top left is the CMS.gov logo and the text "Centers for Medicare & Medicaid Services". To the right is a search bar labeled "Search CMS" with a "Search" button. Below this is a navigation bar with eight yellow buttons: Medicare, Medicaid/CHIP, Medicare-Medicaid Coordination, Private Insurance, Innovation Center, Regulations & Guidance, Research, Statistics, Data & Systems, and Outreach & Education. A breadcrumb trail reads "Home > Medicare > Telehealth > List of Telehealth Services". On the left is a sidebar menu for "Telehealth" with a back arrow, containing links for "Submitting a Request", "Request for Addition", "CMS Criteria for Submitted Requests", "Review", "Deletion of Services", "Changes", "Adding Services", and "List of Telehealth Services". The main content area is titled "List of Telehealth Services" and contains the text "List of services payable under the Medicare Physician Fee Schedule when furnished via telehealth." and a link "List of Telehealth Services for Calendar Year 2021 (ZIP) - Updated 04/07/2021". At the bottom right of the page, it says "Page Last Modified: 04/09/2021 11:50 AM" and "Help with File Formats and Plug-Ins".



# Category 1- Services Similar to Those Already Approved on TH List

G2211 - Visit Complexity with certain Office/Outpatient E&M Services (Delayed until CY2024)

G2212 – Prolonged Office/Outpatient E&M Services

90853 – Group Psychotherapy

96121 – Psychological & Neurobehavioral Status Exam

99483- Care Planning for Patients with Cognitive Impairment

99334-35 – Domiciliary, Rest Home or Custodial Care Services

99347-48 – Home Visits For Substance Use Disorder & Co-occurring Mental Health Disorder; Home is an Eligible Site for SUD and Co-occurring Mental Health Disorder Patients

# Category 3 - TH Services Added During PHE Included on a Temp Basis for Further Evaluation

*HHS Secretary could extend waiver period through 12/31/2023*

# Now What? 2022 Professional Fee Schedule Proposed Rule

1. Back to the ~~Future~~ Past – Back to non-MSA/HPSA geographic patient location for most services
2. Telemental Health – Grand Prize Winner
  - Permanent access to telemental health services w/no geographic limit; patient home ok
    - But patient must be seen by provider within 6 mths initial visit and every 6 mths thereafter
  - Audio services still ok (may require additional documentation & lower level codes only)
  - FQHCs/RHCs can deliver telemental health services
2. Again, Category 3 Services could continue thru end of 2023 to allow time for evaluation.
3. Inclusion of AI software for Diabetic Retinopathy

# Now What? 2022 PFS Proposed Rule

4. RPM/RTM New set of codes for Remote Therapeutic monitoring (for non-physiologic data)
  - Concerns:
    - RPM/RTM are not aligned (billable providers)
    - Possible confusion with use (too similar)
    - Possible compliance issues due to inadvertent misuse
    - Equipment Issues

PFS Proposed Rule response period ends September 13, 2021 5:00pm EDT

# 7/26/21 Priorities for Health Care Reform Letter

(Signed by 430 Groups)

1. Remove Obsolete Restrictions on the Location of Patient and Provider
  - Urban setting and patient home ok
2. Maintain and Enhance HHS Authority to Determine Appropriate Providers, Services, and Modalities for Telehealth
  - Provide Sec HHS flexibility to expand TH services
  - HHS & CMS can maintain or remove TH services based on regulatory process
  -
3. Ensure Federally Qualified Health Centers, Critical Access Hospitals, and Rural Health Clinics Can Furnish Telehealth Services After the PHE.
  - Including appropriate reimbursement
4. Remove Restrictions on Medicare Beneficiary Access to Mental & Behavioral Health Services Offered Through Telehealth
  - Remove In-person visit requirements

# ATA's Highest Telehealth-related Federal Priorities

## 1. Telehealth Modernization Act (S.368, H.R. 1332)

- Removes originating and geographic site restrictions
- Gives HHS Sec authority to expand types of providers
- Allows TH to meet Face-to-Face requirements for hospice & home dialysis
- Enables CMS authority to add telehealth services
- Extends FQHC and RHC distant site designation

## 2. Protecting Access to Post-COVID Telehealth Act (H.R. 366)

- Removes originating and geographic site restrictions, adds home and locations determined by HHS Sec
- FQHC and RHC designated as distant site
- Extends PHE authority for future emergencies

# ATA's Highest Telehealth-related Federal Priorities

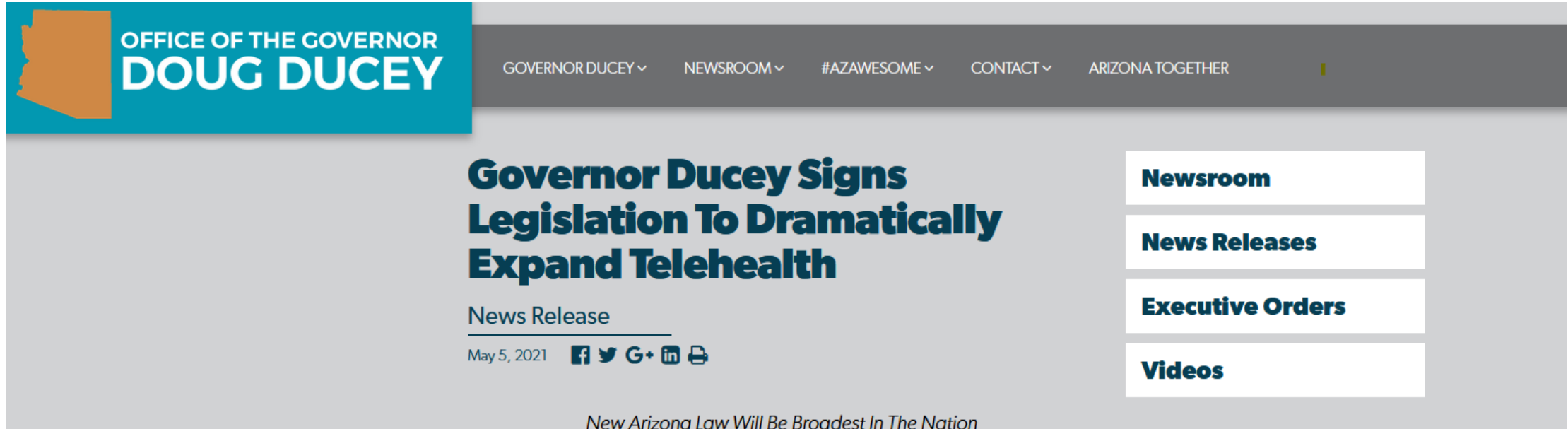
## 3. CONNECT for Health Act

- Provides HHS Secretary authority to waive TH restrictions when certain criteria are met (quality, cost etc.)

## 4. Telemental Health Care Access Act (S. 2061, H.R. 4068)

- Removes six-month in-person requirement for M-care beneficiaries being treated for mental illness via TH

# Update on Telehealth in Arizona



The screenshot shows the top navigation bar of the Office of the Governor Doug Ducey website. The navigation menu includes: GOVERNOR DUCEY, NEWSROOM, #AZAWESOME, CONTACT, and ARIZONA TOGETHER. The main content area features a large headline: "Governor Ducey Signs Legislation To Dramatically Expand Telehealth". Below the headline, it is categorized as a "News Release" dated "May 5, 2021" and includes social media sharing icons for Facebook, Twitter, Google+, LinkedIn, and Print. A sub-headline reads: "New Arizona Law Will Be Broadest In The Nation". On the right side, there is a vertical menu with links to "Newsroom", "News Releases", "Executive Orders", and "Videos".



# AZ HOUSE BILL 2454

- One of many bills introduced in states throughout the country this year to continue TH coverage allowed in the post PHE
- HB 2454 permanently sustains the emergency measures put into place in response to the PHE in March 2020
- Included in the Bill:
  - A provision for a 25-member telehealth advisory committee (Governor-appointed)
  - Allows out-of-state HC providers to provide services in AZ if they are licensed and in good standing with home state licensing board
    - Must comply with liability coverage, follow AZ standard of care and consent to AZ jurisdiction for litigation

# What is The Future of Telehealth?

It is still being written now!

So.....

Be a Co-Author



Ernest Hemingway Image:  
<https://www.google.com/search?client=firefox-b-1-d&q=images+of+hemingway>

# References for the Billing Section:

American Telemedicine Association: <https://www.americantelemed.org/>

The Arizona Telemedicine Program and Southwest Telehealth Resource Center COVID-19 Resources Page: <https://southwesttrc.org/resources/covid19>

Centers for Medicare and Medicaid Services

<https://www.cms.gov/Medicare/Medicare-General-Information/Telehealth>

<https://www.cms.gov/newsroom/fact-sheets/calendar-year-cy-2022-medicare-physician-fee-schedule-proposed-rule>

Center for Telehealth and e-Health Law: <http://ctel-innovations.com/about#about-us>

Sullivan, T. (2021). Many Groups Call on Congress to Expand Telehealth Flexibilities. *Policy and Medicine*

<https://www.policymed.com/2021/09/many-groups-call-on-congress-to-expand-telehealth-flexibilities.html>

Yarbrough, C. (2021, Sep). The Draft Medicare Physician Fee Schedule and Telehealth: with a Southwestern Kick. Southwest Telehealth Resource Center, Arizona Telemedicine Program and Arizona Department of Telehealth Webinar <https://telemedicine.arizona.edu/webinars/previous>

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# Questions?

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