
TELEMEDICINE MEDICAL SERVICES

Biennial Report to the Texas Legislature

As Required by Texas Government Code § 531.0216

Texas Health and Human Services Commission

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Executive Summary

HHSC found an increase in the number of providers using telemedicine from state fiscal year 2009 to 2011. From fiscal year 2009 to 2011, the number of providers using telemedicine increased by 113 percent. The number of clients receiving telemedicine services increased by 128 percent from 2009 to 2011, while the expenditure of telemedicine services increased by 143 percent. It is assumed that this increase is the direct result of expanded telemedicine services, improved tracking of telemedicine, acceptance by providers, and other telemedicine network expansion initiatives aimed at improving access to specialty and sub-specialty care in Medicaid.

Since Texas Medicaid began providing telemedicine medical services in 1998, services have been modified and expanded, with the goal of providing better access to health services for individuals in medically underserved areas. Legislation was passed each legislative session from 2001 to 2007 to improve the provision of telemedicine services in the state by expanding the eligible providers and locations and creating pilot projects. In 2011, significant changes were made by the legislature to further expand the types of providers and kinds of services that can be reimbursed by Medicaid; these changes however, are not included in this report.

On July 1, 2011, HHSC made changes to the Texas Administrative Code (TAC) to remove a limitation for clients 0-20 years of age to be located in a rural or underserved area, when utilizing telemedicine to see a distant provider, who is a specialist or sub specialist. In 2013, HHSC expects to adopt changes to 1 TAC 354.1430 related to definitions which will remove the telemedicine and telehealth limitation on clients to be in a rural or underserved area regardless of the provider or provider specialty.

The changes to Medicaid's telemedicine policy have resulted in increased visibility of services and also increased the state's ability to track telemedicine utilization and distinguish between patient and provider sites.

Introduction

Pursuant to the Texas Government Code Section 531.0215, the Texas Health and Human Services Commission (HHSC) is required to submit a report to the Legislature by December 1 of each even-numbered year, on the effects of telemedicine medical services on the Medicaid program, including:

- The number of physicians and health professionals using telemedicine medical services.
- The geographic and demographic disposition of the physicians and health care professionals.
- The number of patients receiving telemedicine medical services.
- The types of services being provided.
- The cost of telemedicine medical services to the program.

In 2012, HHSC conducted an analysis of telemedicine services over the previous two fiscal years. The results of that analysis are compared to historical data.

History and Background

Defining Telemedicine

The state of Texas rule for Medicaid telemedicine services, Texas Administrative Code §354.1430, defines telemedicine as the practice of health care delivery, by a provider who is located at a site other than the site where the patient is located, for the purposes of evaluation, diagnosis, consultation, or treatment that requires the use of advanced telecommunications technology.

The provision of telemedicine services involves: (1) a patient site presenter responsible for presenting the patient for services; and (2) a distant site provider rendering consultation or evaluation for the purposes of diagnosis or treatment of the patient. The patient site presenters and distant site providers are restricted to certain provider types and locations as specified in the state's rules for Medicaid services.

Terms and Definitions

Texas Medicaid uses the following words and terms to define telemedicine services, providers, and places of service.

Telemedicine – The practice of health care delivery, by a provider who is located at a site other than the site where the patient is located, for the purposes of evaluation, diagnosis, consultation, or treatment that requires the use of advanced telecommunications technology.

Distant Site – The location where the consulting or treating physician is physically located.

Distant Site Provider – The distant site provider who uses telemedicine to provide health care services to the patient. The distant site provider must be a physician who is licensed to practice medicine in Texas under Subtitle B, Title 3, Occupations Code.

Patient Site – The site where the patient is located.

Patient Site Presenter - The patient site presenter is the individual at the patient site who introduces the patient to the distant site provider for examination, and to whom the distant site provider may delegate tasks and activities in accordance with 22 TAC §174.6 (relating to Delegation to and Supervision of Patient Site Presenters). The patient site presenter must be: licensed or certified in this state to perform health care services and must present and/or be delegated tasks and activities only within the scope of the individual's licensure or certification; and/or a qualified mental health professional (QMHP) as defined in 25 TAC §412.303(48) (relating to Definitions).

Rural Area – A county that is not included in a metropolitan statistical area as defined by the U.S. Office of Management and Budget (OMB) according to the most recent U.S. Bureau of the Census population estimates.

Underserved Area – An area that meets the current definition of a medically underserved area or medically underserved population by the U.S. Department of Health and Human Services.

Adoption of the Telemedicine Services Benefit in Texas Medicaid

H.B. 2386 and H.B. 2017, 75th Legislature, Regular Session, 1997, directed HHSC to reimburse providers for services performed using telemedicine. Pursuant to this legislative direction, HHSC adopted a rule that was published in the Texas Administrative Code, which set forth definitions for telemedicine and established Medicaid reimbursement for distant and patient site providers. The original adopted rule allowed providers to be reimbursed for consultations, interpretations, and interactive video visits when provided via telemedicine technology. Medicaid started reimbursing providers for these services in August 1998.

Legislative Changes Affecting Telemedicine Services

Since the adoption of the telemedicine benefit in 1998, changes in state and federal laws have affected telemedicine reimbursement and expanded the use of telemedicine services in Texas Medicaid.

Federal Legislation

The Health Insurance Portability and Accountability Act was enacted by the U.S. Congress in 1996. The Act required that by October 2003 health insurance payers, including state Medicaid, use universal transaction and code standards for claims payment. Up until this point, payers could use their own standards, which is how HHSC reimbursed providers. Because of this new requirement, HHSC had to change the telemedicine policy. Instead of using a local reimbursement code, HHSC was required to adopt national codes for reimbursement of its telemedicine services.

State Legislation

S.B. 789, 77th Legislature, Regular Session, 2001, authorized HHSC to establish procedures to determine which telemedicine medical services should be reimbursed, reimburse services at the same rate as face-to-face medical services, and submit a report to the Legislature by December 1 of each even-numbered year, on the effects of telemedicine medical services on the Medicaid program.

S.B. 691, 78th Legislature, Regular Session, 2003, required HHSC to periodically review policies regarding the reimbursement of telemedicine services under the Medicaid program. Specifically, HHSC was directed to identify variations between Medicaid and Medicare reimbursement and was also authorized to modify rules and procedures as appropriate.

S.B. 1340, 79th Legislature, Regular Session, 2005, authorized HHSC to develop, and the Texas Department of State Health Services (DSHS) to implement, a pilot program enabling Medicaid recipients in need of mental health care to receive these services via telemedicine.

S.B. 24 and S.B. 760, 80th Legislature, Regular Session, 2007, directed HHSC to make additional policy changes to the Medicaid telemedicine program. S.B. 24 instructed HHSC to add office

visits as an additional telemedicine service for which distant site providers may receive reimbursement and to establish a mechanism to reimburse services provided at the patient site by either: (1) allocating reimbursement between the distant and patient site; or (2) establishing a facility fee and extending the telemedicine mental health pilot through September 1, 2009. S.B. 760 changes the telemedicine terminology and directed HHSC to encourage the use of telemedicine.

S.B. 293, 82nd Legislature, Regular Session, 2011, directed HHSC to provide reimbursement for a new telehealth benefit and provide reimbursement for a new home telemonitoring benefit if cost effective and feasible. These benefits are scheduled to implement in 2013. The new home telemonitoring benefit is to be provided by home health agencies and hospitals in the Medicaid program, and to clients with certain eligibility conditions. S.B. 293 also directed HHSC to not provide reimbursement for home telemonitoring services on or after September 1, 2015.

Telemedicine Medicaid Policy

Telemedicine is a benefit of Texas Medicaid only when provided under certain guidelines. For example, the services must be provided using a system that meets minimum technical specification standards, as identified by HHSC. In addition, the medical service must be provided by a distant site provider who diagnoses and treats a client in a rural or medically underserved area, unless the client is age 0- 20 years and the distant site provider is Board certified or Board eligible in a nationally recognized specialty or sub specialty.

Medicaid rules currently limit telemedicine sites to rural or medically underserved areas, consistent with the formal designations established by the U.S. Census Bureau. The U.S. Census Bureau generally defines rural areas as counties with a population of 50,000 or less.

Table A in the Appendix shows the allowable services, locations, and provider types that may be reimbursable when provided via telemedicine technology.

Measuring Telemedicine Services

Telemedicine technology is used to increase access to care in medically underserved areas in Texas. For the most part, telemedicine services have been used to provide specialty care since there are shortages of specialists in many areas of the state, particularly in rural and medically underserved areas. From 1998 to early 2009 the Texas Medicaid program reimbursed distant site providers for consultation and patient site providers for office visits. In addition, telemedicine was also reimbursed when mental health services were provided within the scope of the telemedicine mental health pilot. This included reimbursement of medication management, diagnostic interviews, and psychotherapy.

On April 1, 2009 Texas Medicaid began reimbursing distant site providers for office visits, and psychiatric services, to include those services previously limited to the telemedicine mental health pilot. In addition, Texas Medicaid also reimburses the patient sites a facility fee for presenting a client for telemedicine services and expanded the allowable patient site presenters to include any licensed or certified provider or qualified mental health professional as defined in state rule (25 TAC §412.303 (31)). In January 2010, as part of routine annual procedure code

updates, Texas Medicaid added inpatient telemedicine consultation codes developed by CMS. Prior to the adoption of these codes specific telehealth consultation codes did not exist. Finally in July 2011, Texas Medicaid removed the limitation on clients to be in a rural and underserved location when seeing a distant provider who is a specialist or sub specialist.

HHSC intends to publish proposed TAC changes to 1 TAC 354.1430 related to definitions which will remove the telemedicine and telehealth limitation on clients to be in a rural and underserved area regardless of the provider or provider specialty. This rule change, if adopted, would be implemented by June of 2013.

Pediatric Specialty Telemedicine Network

HHSC funded expansion of telemedicine networks at two state funded health care institutions to expand access for children enrolled in Medicaid who live in rural areas or areas without access to pediatric subspecialists. University of Texas Medical Branch (UTMB) offered telepsychiatry services throughout the state. Texas Tech University Health Science Center (TTUHSC) offered access to pediatric providers, specialists, and subspecialists across the western and northwestern parts of Texas. Together these projects resulted in a reported 8363 client services. Although funding for expansion of telemedicine networks ended with this initiative, telemedicine services continue to be payable benefits of the Texas Medicaid program.

Measuring Effects of Telemedicine in Texas Medicaid

Data continues to show an increase in the number of providers using telemedicine and number of services being provided via telemedicine technology. It is assumed that this increase is the direct result of expanded telemedicine services, improved tracking of telemedicine, acceptance by providers, and other telemedicine network expansion initiatives aimed at improving access to specialty and sub-specialty care in Medicaid.

Telemedicine services are reported by using a GT (telemedicine) modifier on a claim. A physician will submit a claim for services with a procedure code describing the services provided and appending a “GT” to the procedure code. The “GT” modifier identifies the services as telemedicine. The “GT” modifier enables HHSC to track the use of telemedicine services. A “GT” modifier is not required and reimbursement for services is not affected by the presence of the “GT” modifier. Because the modifier is not required and reimbursement is not affected, the data presented in this report may not provide a true representation of Medicaid telemedicine services.

- The number of physicians and health professionals using telemedicine medical services.
 - From 2009 to 2011 the number of unique telemedicine providers in the state increased from 46 to 98 providers, an increase of 113 percent.
- The number of clients receiving telemedicine medical services.
 - There were 4,269 clients receiving telemedicine services in 2009 and by 2011 that number increased to 9,748, representing a 128 percent increase in utilization.
- The types of services being provided.
 - From 2009 to 2011, the most common telemedicine procedures billed continued to be medication management and the telemedicine facility fee. These two codes make up 85

percent of the codes billed. The next most frequent code is for psychiatric diagnostic interview at approximately 10 percent.

- The reimbursement expenditure for telemedicine medical services.
 - In 2009, Medicaid expenditures were \$506,136, in 2010 Medicaid expenditures were \$919,233, and in 2011 Medicaid expenditures were \$1,233,903. Over the three year period from state fiscal year 2009 to 2011, Medicaid expenditures for telemedicine services increased by 143 percent.

Conclusion

HHSC conducted an analysis of telemedicine services to evaluate the effects of telemedicine in Texas Medicaid. HHSC found an increase in the number of providers using telemedicine from fiscal year 2009 to 2011. From fiscal year 2009 to 2011 the number of providers using telemedicine increased by 113 percent. The number of clients receiving telemedicine services increased by 128 percent from 2009 to 2011, while the expenditure of telemedicine services increased by 143 percent. It is assumed that this increase is the direct result of expanded telemedicine services, improved tracking of telemedicine, acceptance by providers, and other telemedicine network expansion initiatives aimed at improving access to specialty and sub-specialty care in Medicaid.

Appendix A: Texas Medicaid Telemedicine Benefits

Medicaid Reimbursable Distant Site Services	Allowable Distant Site Locations	Allowable Distant Site Providers	Allowable Patient Site Locations*	Allowable Patient Site Providers and Tele-presenters
<ul style="list-style-type: none"> • Consultation • Medication Management • Psychiatric Evaluation • Psychotherapy with evaluation and management • Office Visits • Inpatient Telehealth consultation 	<ul style="list-style-type: none"> • Medical School • Osteopathic School • One of the following entities affiliated through a written contract or agreement with a government agency, medical or osteopathic school: <ol style="list-style-type: none"> 1. Hospital 2. Tertiary Center 3. Health clinic 4. Community Mental Health Center (CMHC) 5. Rural health facility • No Limitation 	<ul style="list-style-type: none"> • MDs 	<ul style="list-style-type: none"> • State hospital • State school • One of the following settings located in a rural or medically underserved area: <ol style="list-style-type: none"> 1. Physician office 2. Hospital 3. RHC 4. FQHC 5. ICFs/MR CMHCs and associated outreach sites 6. Local Health Departments • One of the following settings when the client is 0-20 years and seeing a specialist: <ol style="list-style-type: none"> 1. Physician office 2. Hospital 3. RHC 4. FQHC 5. ICFs/MR CMHCs and associated outreach sites 6. Local Health Departments 	<ul style="list-style-type: none"> • MDs • APNs • PAs • One of the following professionals contracted with or employed by a CMHC: <ol style="list-style-type: none"> 1. Licensed Psychologist 2. Licensed Professional Counselor (LPC) 3. Licensed Clinical Social Worker (LCSW) 4. Licensed Marriage and Family Therapist (LMFT) 5. Qualified Mental Health Professional – community services (QMHP-CS) • Texas Licensed or Certified Healthcare Professionals

* Note: HHSC expects to adopt changes to 1 TAC 354.1430 in 2013 related to definitions which will remove the telemedicine and telehealth limitation on clients to be in a rural or underserved area regardless of the provider or provider specialty

Appendix B: Telemedicine Client Utilization, Provider Participation, and Expenditure

Fiscal 2005 - Fiscal Year 2009

Fiscal Year	No. Unique Clients	No. Unique Providers	No. Visits	Amount Paid
2005	332	14	1,022	\$29,117
2006	443	16	1,444	\$41,315
2007	1,281	25	4,408	\$146,250
2008	2,341	43	6,598	\$184,510
2009	4,269	46	14,767	\$506,136
2010	6,939	67	29,953	\$919,233
2011	9,748	98	39,719	\$1,233,903

Note: Data source for Appendix B is HHSC claims data

**Appendix C: Telemedicine Services Provided
Fiscal Year 2005 - Fiscal Year 2009**

Fiscal Year 2005	Procedure Codes	No.	Percent
90862	Medication Management	749	73.3%
99211-99215	Office/Outpatient Visit-Established Client	170	16.6%
99241-99244	Office Consultation	75	7.3%
90801-99802	Psychiatric Diagnostic Interview	15	1.5%
99201-99205	Office/Outpatient Visit-New Client	11	1.1%
90805	Psychiatric Treatment, Office, 20-30 minute	2	0.2%
Total Fiscal Year 2005		1,022	100%

Fiscal Year 2006	Procedure Codes	No.	Percent
90862	Medication Management	843	58.4%
99211-99215	Office/Outpatient Visit-Established Client	375	26.0%
90805	Psychiatric Treatment, Office, 20-30 minute	87	6.0%
99241-99244	Office Consultation	67	4.6%
90801-99802	Psychiatric Diagnostic Interview	56	3.9%
99201-99205	Office/Outpatient Visit-New Client	16	1.1%
Total Fiscal Year 2006		1,444	100%

Fiscal Year 2007	Procedure Codes	No.	Percent
90862	Medication Management	2,186	49.6%
99211-99215	Office/Outpatient Visit-Established Client	1,572	35.7%
90805	Psychiatric Treatment, Office, 20-30 minute	376	8.5%
90801-99802	Psychiatric Diagnostic Interview	213	4.8%
99241-99244	Office Consultation	37	0.8%
99201-99205	Office/Outpatient Visit-New Client	24	0.5%
Total Fiscal Year 2007		4,408	100%

Procedure Codes No. Percent

**Fiscal Year
2008**

90862	Medication Management	3,233	49.00%
Q3014	Telehealth Facility Fee	1,800	27.28%
99211-99215	Office/Outpatient Visit-Established Client	658	9.97%
90805	Psychiatric Treatment, Office, 20-30 minute	437	6.62%
90801-99802	Psychiatric Diagnostic Interview	378	5.73%
99201-99205	Office/Outpatient Visit-New Client	50	0.76%
99241-99244	Office Consultation	42	0.64%
	Total Fiscal Year 2008	6,598	100%

Fiscal Year 2009	Procedure Codes	No.	Percent
90862	Medication Management	7,873	53.35%
Q3014	Telehealth Facility Fee	4,937	33.48%
90801-99802	Psychiatric Diagnostic Interview	1,162	7.89%
99211-99215	Office/Outpatient Visit-Established Client	437	2.96%
90805	Psychiatric Treatment, Office, 20-30 minute	316	2.14%
99241-99244	Office Consultation	21	0.14%
99201-99205	Office/Outpatient Visit-New Client	6	0.04%
Total Fiscal Year 2009		14,761	100%

Fiscal Year 2010	Procedure Codes	No.	Percent
90862	Medication Management	12,466	41.62%
Q3014	Telehealth Facility Fee	13,010	43.43%
90801	Psychiatric Diagnostic Interview	2,814	9.39%
99211-99215	Office/Outpatient Visit-Established Client	1,614	5.39%
99201-99205	Office/Outpatient Visit-New Client	28	0.09%
99242-99244	Office Consultation	18	0.06%
G0426-G0427	Inpt/Ed Teleconsultation	3	0.01%
Total Fiscal Year 2010		29,953	100%

Fiscal Year 2011	Procedure Codes	No.	Percent
90862	Medication Management	17,699	44.56%
Q3014	Telehealth Facility Fee	16,603	41.80%
90801-99802	Psychiatric Diagnostic Interview	4,016	10.11%
99211-99215	Office/Outpatient Visit-Established Client	1,303	3.28%
99241-99244	Office Consultation	55	0.14%

99201-99205	Office/Outpatient Visit-New Client	25	0.06%
99253-99254	Inpatient Consultation	16	0.04%
G0425-G0427	Inpt/Ed Teleconsultation	3	0.01%
Total Fiscal Year 2011		39,719	100%

Note: Data source for Appendix C is HHSC claims data

**Appendix D: Client Utilization and Expenditures for Telemedicine Services by
Metropolitan Statistical Area (MSA) ***

Fiscal Year 2007 - Fiscal Year 2011

Fiscal Year	MSA	No. Unique Clients	No. Visits	Amount Paid
2007	Metro	312	1,682	\$42,615
	Micro	277	832	33,066
	Rural	689	1,888	70,311
	Missing	3	6	258
	Total	1,281	4,408	\$146,250
	2008	Metro	815	2,047
Micro		539	1,824	\$47,179
Rural		945	2,522	\$77,376
Missing		117	205	\$226
Total		2,416	6,598	\$184,510
2009		Metro	1,600	3,334
	Micro	1,008	4,693	\$152,782
	Rural	1,620	6,392	\$205,930
	Missing	199	348	\$1,106
	Total	4,427	14,767	\$506,136
	2010	Metro	3,346	9,104
Micro		1,509	8,411	266,579
Rural		2,018	10,812	316,123
Missing		745	1,626	4,398
Total		7,618	29,953	\$919,233
2011		Metro	4,780	14,441
	Micro	2,055	10,155	317,006
	Rural	2,705	13,678	381,683
	Missing	546	1,445	9,961
	Total	10,086	39,719	\$1,233,903

* MSAs are geographic entities defined by the U.S. Office of Management and Budget (OMB) for use of federal statistics. In general terms, a metropolitan area contains a core urban area population of 50,000 or more, a micropolitan area contains an urban core population of 10,000 - 50,000 and a rural area is outside any urban area with a decennial census population of 2,500 or more. For more information, see:
<http://www.census.gov/geo/lv4help/cengeoglos.html>

Note: Data source for Appendix D is HHSC claims data