Home Care Association of Colorado

Weaving a strong home care industry

7400 E. Arapahoe Road, Suite 211 • Centennial, CO 80112-1281
Fax (303) 694-4869 • Phone (303) 694-4728
hcac@assnoffice.com • www.hcaconline.org

RECOGNIZE HOME TELEHEALTH INTERACTIONS AS BONA FIDE MEDICARE SERVICES

ISSUE: Over the past decade, great strides have been made in telehealth technology and its use in the home. In 1995, there were only three telehomecare nursing projects. By 2007, as cited by the Philips National Study on the Future of Technology and Telehealth in Home Care, currently 20.7 percent of HHAs use telehealth with the number of new users expected to double in the next 24 months. That number is expected to be even higher given the fact that an additional 20 percent of agencies are now determining whether or not they will begin telehealth services. The integration of home telehealth technology into practice is accelerating a vision of technology-integrated, "connected health" initiatives. Within an industry challenged by constricted resources and expanded expectations for quality care delivery, home telehealth is increasingly being recognized as an invaluable tool. However, barriers of the perception of cost and adoption have slowed the integration of home telehealth into agency practice.

Telehealth technology provides a two-way interactive audio-video connection over telephone lines. During an on-line visit, the nurse at her base station and patients in their own homes see and talk with each other. The following activities can be carried out: health status assessment, monitoring vital signs, medication supervision, monitoring heart and lung sounds, and patient education. Additional devices can be added as needed to perform more in-depth patient tests, such as blood coagulation checks, electrocardiograms, scales, and pulse oximetry. These interactive connections can also be used for remote supervision of home care personnel.

Unfortunately, the Centers for Medicare & Medicaid Services (CMS) does not recognize telehomecare technology and visit costs as reimbursable by the Medicare program. CMS maintains that telehealth visits do not meet the Social Security Act definition of home health services "provided on a visiting basis in a place of residence." CMS regulations at 42 CFR 484.48(c) define a home health "visit" as "an episode of personal contact with the beneficiary by staff of the HHA [home health agency]."

During 1999, as part of its legislation to address some of the unintended consequences of the Balanced Budget Act of 1997, the Congress included specific language, in a conference report, directing the Secretary of Health and Human Services to consider new technologies within home health services to improve health outcomes (House Report 106-479). Specifically, the report urges HHS to "consider what changes would be necessary to provide HHAs with the flexibility to adopt new market innovations and new technologies that can improve health outcomes while maintaining the goals of quality of care and cost containment." Telehomecare services is one innovative technology that can assist HHAs in improving health outcomes while at the same time maintaining quality patient care and containing costs.

During 2000, the Congress provided further clarification on the use of telehealth services within the context of Medicare home health. Public Law 106-554 states that nothing prevents a home care agency from delivering services via telehealth, but specifies

the services "do not substitute for in-person home health services ordered as part of a plan of care certified by a physician and are not considered a home health visit for purposes of eligibility or payment." This means that a telehealth visit cannot be used to count toward the number of visits that would qualify as a full episode of care. Nor can a telehealth encounter be considered a "visit" for purposes of a low utilization payment adjustment visit (LUPA), which is imposed for episodes comprised of four visits or less.

During 2003, P.L. 108-173, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA), contained one provision which may open the door for expanded coverage of telemedicine across all provider settings. A provision within MMA Section 721—Voluntary Chronic Care Improvement Under Traditional Fee for Service stipulates that certain elements of the "Care Management Plans" within the Chronic Care Improvement Programs chosen "shall to the extent appropriate include the use of monitoring technologies that enable patient guidance through the exchange of pertinent clinical information, such as vital signs, symptomatic information, and health assessment."

During the first session of the 109th Congress, Rep. Jim Ramstad (R-MN) introduced H.R. 3588, the "Medicare Home Health Telehealth Access Act of 2005", which amends Title XVIII of the Social Security Act to allow certain home telehealth interactions to count as visits under Medicare and establishes a pilot program with coverage for cost-effective home telehealth interventions that result in savings to the Medicare program.

During the first session of the 110th Congress, the recognition of telehealth interactions as bona fide Medicare home health services was addressed by Senator John Thune (R-SD) who introduced S. 321, the "Fostering Independence Through Technology (FITT) Act of 2007." The bill charges the Secretary of Health and Human Services (HHS) with a mandate to establish pilot projects under the Medicare program to provide monetary incentives for HHAs to utilize home monitoring and communications technologies. The FITT Act provides for incentive payments to participating home care agencies that are equal to a portion of the Medicare savings realized by meeting certain performance targets and are in addition to the payments from Medicare that a HHA would otherwise receive under title XVIII of the Social Security Act for the provision of home health services. The FITT Act was included in many of the telehealth-related bills introduced in the House and Senate during this Congress; including the Craig Thomas Rural Hospital and Provider Equity Act of 2008 (S. 1605), The Rural Hospital and Provider Equity (HOPE) Act of 2006 (S. 3500), and the Health Care Access and Rural Equity Act of 2007 (H.R. 2860). The Obama/Biden campaign also officially endorsed the FITT legislation.

Also during the 110th Congress Representative Mike Thompson along with cosponsors Reps. Bishop, Eshoo, Matsui, Price, Schakowsky, Stupak, Welch, English, Hulsolf, McGovern, Salazar, Shea-Porter, Terry and Wittman introduced The Medicare Telehealth Enhancement Act of 2008 (H.R. 6163). The bill includes a number of objectives that are important to addressing the need for enhanced telehealth services including: changes to the restrictions to provide telehealth services, increases in the

authorization of facilities eligible for participation, encourages state reciprocity agreements for practitioner licenses, includes for Medicare's purposes reimbursement for home health telehomecare visits by home health agencies, covers remote patient management services including home health remote monitoring, authorizes grants to expand telehealth access in medically underserved rural and urban areas, authorizes telehealth network and telehealth resource centers grant programs and establishes a demonstration project to evaluate the impact and benefits of including remote patient management services for certain chronic health conditions.

RECOMMENDATION: Congress should clarify legislatively that telehomecare "constitutes a service(s) … provided on a visiting basis in a place of residence used as an individual's home" as defined in §1861m of the Social Security Act, and Medicare should provide appropriate reimbursement for technology costs to HHAs. Congress should pass upon reintroduction The Medicare Telehealth Enhancement Act of 2008 (H.R. 6163) and also approve demonstration projects that would allow for new ways to use technology to monitor patients and avoid more costly health care interventions, such as laid out in the FITT Act. Finally, Congress should ensure that all health care providers, including HHAs, have access to appropriate bandwidth so that they can take full advantage of advances in technology appropriate for care of homebound patients.

RATIONALE: Use of technology that results in more efficient and effective delivery of health care services should be encouraged and recognized as covered Medicare expenditures. Studies indicate that over half of all activities performed by a home health nurse could be done remotely through telehomecare. Evidence from these studies has shown that the total cost of providing service electronically is less than half the cost of on-site nursing visits. Furthermore, quality of care and patient satisfaction has been maintained. Given the financial constraints on agencies under the prospective payment system (PPS), providers of care should be granted maximum flexibility to utilize cost-effective means for providing care, including non-traditional services such as telehomecare that have been proven to result in high-quality outcomes and patient satisfaction. These innovative approaches to care are of benefit to the entire Medicare program, frequently helping to reduce acute care episodes and the need for hospitalizations.

Currently, some health maintenance organizations and some state Medicaid programs reimburse for telehomecare services. The Medicare program must keep pace with these programs.