

[DISCUSSION DRAFT]113TH CONGRESS
2^D SESSION**H. R.** _____

To **[amend title XVIII of the Social Security Act to provide for a phased-in expansion of telehealth coverage under the Medicare program]**.

IN THE HOUSE OF REPRESENTATIVES

Mr. THOMPSON of California introduced the following bill; which was referred to the Committee on _____

A BILL

To **[amend title XVIII of the Social Security Act to provide for a phased-in expansion of telehealth coverage under the Medicare program]**.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Medicare Telehealth
5 Parity Act of 2014”.

6 **SEC. 2. PHASED-IN EXPANSION OF TELEHEALTH COV-**
7 **ERAGE UNDER MEDICARE.**

8 (a) INITIAL PHASE.—

1 (1) EXPANSION OF ORIGINATING SITES.—Sec-
2 tion 1834(m)(4)(C) of the Social Security Act (42
3 U.S.C. 1395m(m)(4)(C)) is amended—

4 (A) in clause (i), by striking “The term”
5 and inserting “Subject to clause (iii), the
6 term”; and

7 (B) by adding at the end the following new
8 clause:

9 “(iii) ADDITIONAL SITES.—The term
10 ‘originating site’ shall also include the fol-
11 lowing sites at which the eligible telehealth
12 individual is located at the time the service
13 is furnished via a telecommunications sys-
14 tem, whether or not they are located in an
15 area described in clause (i), insofar as such
16 sites are not otherwise included in the defi-
17 nition of originating site under such
18 clause:

19 “(I) In the case of such a service
20 furnished on or after the date that is
21 6 months after the date of the enact-
22 ment of the Medicare Telehealth Par-
23 ity Act of 2014, any Federally quali-
24 fied health center (as defined in sec-
25 tion 1861(aa)(4)).

1 “(II) In the case of such a serv-
2 ice furnished on or after the date that
3 is 6 months after the date of the en-
4 actment of the Medicare Telehealth
5 Parity Act of 2014, any site described
6 in clause (ii) that is located in a coun-
7 ty within a Metropolitan Statistical
8 Area with a population of fewer than
9 50,000 individuals, according to the
10 most recent decennial census.

11 “(III) In the case of such a serv-
12 ice furnished on or after [the date
13 that is 6 months after the date of the
14 enactment of the Medicare Telehealth
15 Parity Act of 2014], a walk-in retail
16 health clinic that is located in a coun-
17 ty within a Metropolitan Statistical
18 Area with a population of fewer than
19 50,000 individuals, according to the
20 most recent decennial census. For
21 purposes of this clause, the term
22 ‘walk-in retail health clinic’ means a
23 walk-in health clinic (other than an
24 office, urgent care facility, pharmacy,
25 independent clinic, or other facility

1 that is described by any other place of
2 service code) that is located within a
3 retail operation and that provides, on
4 an ambulatory basis, preventive and
5 primary care services.”.

6 (2) ORIGINATING SITE FEE NOT TO APPLY TO
7 ADDITIONAL SITES.—Section 1834(m)(2)(B) of such
8 Act (42 U.S.C. 1395m(m)(4)(C)) is amended by in-
9 serting after and below clause (ii) the following:

10 “The facility fee under this subparagraph shall
11 not apply to any site included as an originating
12 site pursuant to clause (iii) of paragraph (4)(C)
13 that would not otherwise be included as an orig-
14 inating site without application of such
15 clause.”.

16 (3) CERTIFIED DIABETES EDUCATOR INCLUDED
17 AS TELEHEALTH PROVIDER.—Section 1834(m)(1) of
18 such Act (42 U.S.C. 1395m(m)(1)) is amended by
19 striking “or a practitioner (described in section
20 1842(b)(18)(C))” and inserting “, a practitioner
21 (described in section 1842(b)(18)(C)), or with re-
22 spect to services furnished on or after the date that
23 is 6 months after the date of the enactment of the
24 Medicare Telehealth Parity Act of 2014, a certified
25 diabetes educator”.

1 (4) COVERAGE OF REMOTE PATIENT MANAGE-
2 MENT SERVICES FOR CERTAIN CHRONIC HEALTH
3 CONDITIONS.—

4 (A) IN GENERAL.—Section 1861(s)(2) of
5 the Social Security Act (42 U.S.C. 1395x(s)(2))
6 is amended—

7 (i) in subparagraph (EE), by striking
8 “and” at the end;

9 (ii) in subparagraph (FF), by insert-
10 ing “and” at the end; and

11 (iii) by inserting after subparagraph
12 (FF) the following new subparagraph:

13 “(GG) remote patient management services (as
14 defined in subsection (iii));”.

15 (B) SERVICES DESCRIBED.—Section 1861
16 of the Social Security Act (42 U.S.C. 1395x) is
17 amended by adding at the end the following
18 new subsection:

19 “(iii) REMOTE PATIENT MANAGEMENT SERVICES
20 FOR CHRONIC HEALTH CONDITIONS.—(1) The term ‘re-
21 mote patient management services’ means the remote
22 monitoring, evaluation, and management of an individual
23 with a covered chronic health condition (as defined in
24 paragraph (2)), insofar as such monitoring, evaluation,
25 and management is with respect to such condition,

1 through the utilization of a system of technology that al-
2 lows a remote interface to collect and transmit clinical
3 data between the individual and the responsible physician
4 (as defined in subsection (r)) or supplier (as defined in
5 subsection (d)) for the purposes of clinical review or re-
6 sponse by the physician or supplier. Such services shall
7 include in-home technology based professional consulta-
8 tions, patient monitoring, patient training services, clinical
9 observation, assessment, treatment, and any other services
10 that utilize technologies specified by the Secretary. Such
11 term shall not include a telecommunication that consists
12 solely of a telephone audio conversation, facsimile, or elec-
13 tronic text mail between a health care professional and
14 patient.

15 “(2) For purposes of paragraph (1), the term ‘cov-
16 ered chronic health condition’ means—

17 “(A) congestive heart failure;

18 “(B) chronic obstructive pulmonary disease;

19 and

20 “(C) in the case of services furnished at a fed-
21 erally qualified health center, diabetes.

22 “(3)(A) The Secretary, in consultation with appro-
23 priate physician and supplier groups, shall develop guide-
24 lines on the frequency of billing for remote patient man-
25 agement services. Such guidelines shall be determined

1 based on medical necessity and shall be sufficient to en-
2 sure appropriate and timely monitoring of individuals
3 being furnished such services.

4 “(B) The Secretary shall do the following:

5 “(i) Not later than 2 years after the date of the
6 enactment of this subsection, develop, in consulta-
7 tion with appropriate physician and supplier groups,
8 standards (governing such matters as qualifications
9 of personnel and the maintenance of equipment) for
10 remote patient management services for the covered
11 chronic health conditions specified in paragraph (2).

12 “(ii) Periodically review and update such stand-
13 ards under this subparagraph as necessary.”.

14 (C) PAYMENT UNDER THE PHYSICIAN FEE
15 SCHEDULE.—Section 1848 of the Social Secu-
16 rity Act (42 U.S.C. 1395w-4) is amended—

17 (i) in subsection (c)—

18 (I) in paragraph (2)((B)—

19 (aa) in clause (ii)(II), by
20 striking “and (v)” and inserting
21 “(v), and (vii)”; and

22 (bb) by adding at the end
23 the following new clause:

24 “(vii) BUDGETARY TREATMENT OF
25 CERTAIN SERVICES.—The additional ex-

1 penditures attributable to services de-
2 scribed in section 1861(s)(2)(GG) shall not
3 be taken into account in applying clause
4 (ii)(II).”; and

5 (II) by adding at the end the fol-
6 lowing new paragraph:

7 “(7) TREATMENT OF REMOTE PATIENT MAN-
8 AGEMENT SERVICES.—

9 “(A) In determining relative value units
10 for remote patient management services (as de-
11 fined in section 1861(iii)), the Secretary, in
12 consultation with appropriate physician groups,
13 shall take into consideration—

14 “(i) physician resources, including
15 physician time and the level of intensity of
16 services provided, based on—

17 “(I) the frequency of evaluation
18 necessary to manage the individual
19 being furnished the services;

20 “(II) the complexity of the eval-
21 uation, including the information that
22 must be obtained, reviewed, and ana-
23 lyzed; and

1 “(III) the number of possible di-
2 agnoses and the number of manage-
3 ment options that must be considered;

4 “(ii) practice expense costs associated
5 with such services, including installation
6 and information transmittal costs, costs of
7 remote patient management technology
8 (including equipment and software), and
9 resource costs necessary for patient moni-
10 toring and follow-up (but not including
11 costs of any related item or non-physician
12 service otherwise reimbursed under this
13 title); and

14 “(iii) malpractice expense resources.

15 “(B) Using the relative value units deter-
16 mined in subparagraph (A), the Secretary shall
17 provide for separate payment for such services
18 and shall not adjust the relative value units as-
19 signed to other services that might otherwise
20 have been determined to include such separately
21 paid remote patient management services.”; and

22 (ii) in subsection (j)(3), by inserting
23 “(2)(GG),” after “health risk assess-
24 ment),”.

25 (D) EFFECTIVE DATE.—

1 (i) IN GENERAL.—The amendments
2 made by this subsection shall apply to
3 services furnished on or after the date that
4 is 6 months after the date of the enact-
5 ment of this Act, without regard to wheth-
6 er the guidelines under paragraph (3)(A)
7 or the standards under paragraph (3)(B)
8 of section 1861(iii) of the Social Security
9 Act, as added by subparagraph (B), have
10 been developed.

11 (ii) AVAILABILITY OF CODES AS OF
12 DATE OF ENACTMENT.—The Secretary of
13 Health and Human Services shall—

14 (I) promptly evaluate existing
15 codes that would be used to bill for
16 remote patient management services
17 (as defined in paragraph (1) of such
18 section 1861(iii), as so added) under
19 title XVIII of the Social Security Act;
20 and

21 (II) if the Secretary determines
22 that new codes are necessary to en-
23 sure accurate reporting and billing of
24 such services under such title, issue
25 such codes so that they are available

1 for use as of the date of the enact-
2 ment of this Act.

3 (E) GAO STUDY AND REPORT.—

4 (i) STUDY.—The Comptroller General
5 of the United States shall conduct a study
6 that includes, at a minimum, the following:

7 (I) The effectiveness of remote
8 patient monitoring on decreasing hos-
9 pital readmissions for the chronic con-
10 ditions described in subsection (iii)(2)
11 of section 1861 of the Social Security
12 Act (42 U.S.C. 1395x), as added by
13 subparagraph (A).

14 (II) The savings to the Medicare
15 program under title XVIII of such Act
16 associated with remote patient moni-
17 toring use with respect to such chron-
18 ic conditions.

19 (III) The potential for greater
20 use of remote patient monitoring for
21 other chronic conditions.

22 (IV) Potential implications of
23 greater use of remote patient moni-
24 toring with respect to payment and
25 delivery system transformations under

1 the Medicare program under such
2 title.

3 (ii) REPORT.—Not later than 2 years
4 after the date of the enactment of this Act,
5 the Comptroller General shall submit to
6 Congress a report containing the results of
7 the study conducted under clause (i).

8 (5) EXPANSION OF TELECOMMUNICATIONS SYS-
9 TEM.—The second sentence of section 1834(m)(1) of
10 the Social Security Act (42 U.S.C. 1835m(m)(1)) is
11 amended by striking “in the case of any Federal
12 telemedicine demonstration program conducted in
13 Alaska or Hawaii,”.

14 (b) SECOND PHASE.—

15 (1) FURTHER EXPANSION OF ORIGINATING
16 SITES.—Section 1834(m)(4) of the Social Security
17 Act (42 U.S.C. 1395m(m)(4)) is amended—

18 (A) in clause (iii) of subparagraph (C), as
19 added by subsection (a)(1), by adding at the
20 end the following new subclauses:

21 “(IV) In the case of such a serv-
22 ice furnished on or after the date that
23 is 2 years after the date of the enact-
24 ment of the Medicare Telehealth Par-
25 ity Act of 2014, any site described in

1 clause (ii) that is located in a county
2 within a Metropolitan Statistical Area
3 with a population of at least 50,000
4 individuals but fewer than 100,000 in-
5 dividuals, according to the most re-
6 cent decennial census.

7 “(V) In the case of such a service
8 furnished on or after the date that is
9 2 years after the date of the enact-
10 ment of the Medicare Telehealth Par-
11 ity Act of 2014, a home telehealth
12 site, as defined in subparagraph
13 (G).”; and

14 (B) by adding at the end the following new
15 subparagraph:

16 “(G) HOME TELEHEALTH SITE.—

17 “(i) IN GENERAL.—The term ‘home
18 telehealth site’ means, with respect to a
19 telehealth service described in clause (ii)
20 furnished to an individual, in a place of
21 residence used as the home of such indi-
22 vidual.

23 “(ii) TELEHEALTH SERVICES DE-
24 SCRIBED.—A telehealth service described
25 in this clause—

1 “(I) is a telehealth service that is
2 related to the provision of hospice
3 care, home dialysis, home health serv-
4 ices, or durable medical equipment;
5 and

6 “(II) shall include the use of
7 video conferencing.”.

8 (2) ADDITION OF OUTPATIENT THERAPY SERV-
9 ICES AS TELEHEALTH SERVICES.—Section
10 1834(m)(4)(F)(i) of the Social Security Act (42
11 U.S.C. 1395m(m)(4)(F)(i)) is amended by adding at
12 the end the following new sentence: “Beginning on
13 the date that is 2 years after the date of the enact-
14 ment of the Medicare Telehealth Parity Act of 2014,
15 such term shall include outpatient therapy services,
16 including speech-language pathology services and
17 audiology services (as defined in section 1861(ll))
18 and respiratory services, and may include such addi-
19 tional outpatient therapy services as specified by the
20 Secretary.”.

21 (3) GAO STUDY AND REPORT.—

22 (A) STUDY.—The Comptroller General of
23 the United States shall conduct a study that in-
24 cludes, at a minimum, the following:

1 (i) The effectiveness of using tele-
2 health services described in the second sen-
3 tence of section 1834(m)(4)(F)(i) of the
4 Social Security Act (42 U.S.C.
5 1395m(m)(4)(F)(i)), as added by para-
6 graph (2), between therapy providers and
7 patients.

8 (ii) The savings to the Medicare pro-
9 gram under title XVIII of such Act associ-
10 ated with telehealth services utilization for
11 therapy for such services described in such
12 sentence.

13 (iii) The potential for greater use of
14 telehealth services for forms of therapy not
15 described in such sentence.

16 (c) FINAL PHASE.—

17 (1) FURTHER EXPANSION OF ORIGINATING
18 SITES.—Clause (iii) of section 1834(m)(4)(C) of the
19 Social Security Act (42 U.S.C. 1395m(m)(4)), as
20 added by subsection (a)(1) and amended by sub-
21 section (b)(1), is further amended by adding at the
22 end the following new subclauses:

23 “(VI) In the case of such a serv-
24 ice furnished on or after the date that
25 is 4 years after the date of the enact-

1 ment of the Medicare Telehealth Par-
2 ity Act of 2014, any site described in
3 clause (ii) that is located in a county
4 within a Metropolitan Statistical Area
5 with a population of at least 100,000
6 individuals, according to the most re-
7 cent decennial census.

8 “(VII) In the case of such a serv-
9 ice furnished on or after the date that
10 is 4 years after the date of the enact-
11 ment of the Medicare Telehealth Par-
12 ity Act of 2014, a walk-in retail
13 health clinic that is located in a coun-
14 ty within a Metropolitan Statistical
15 Area with a population of at least
16 50,000 individuals according to the
17 most recent decennial census.”.

18 (2) PAYMENT METHODS FOR OTHER PATIENT
19 SITES.—Section 1834(m)(2) of the Social Security
20 Act (42 U.S.C. 1395m(m)(2)) is amended by adding
21 at the end the following new subparagraph:

22 “(D) PAYMENT METHODS FOR OTHER PA-
23 TIENT SITES.—With respect to services fur-
24 nished on or after the date that is 4 years after
25 the date of the enactment of the Medicare Tele-

1 health Parity Act of 2014, the Secretary may
2 develop and implement payment methods that
3 would apply under this subsection in the case of
4 an individual who would be an eligible tele-
5 health individual except that the telehealth serv-
6 ices are furnished at a site other than an origi-
7 nating site. Such methods shall be designed to
8 take into account the costs related to the site
9 involved and reduced costs for the distant
10 site.”.