



News Flash - A new MLN Matters provider education article is now available at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0837.pdf> on the CMS website. This Special Edition article assists all providers who will be affected by Medicare Administrative Contractor (MAC) implementations. It provides information to make you aware of what to expect as your FI or carrier transitions its work to a MAC. This article alerts providers as to what to expect and how to prepare for the MAC implementations and will help to minimize any disruption in your Medicare business.

MLN Matters Number: MM6215

Related Change Request (CR) #: 6215

Related CR Release Date: November 14, 2008

Effective Date: January 1, 2009

Related CR Transmittal #: R97BP & R1635CP

Implementation Date: January 5, 2009

Adding Certain Entities as Originating Sites for Payment of Telehealth Services--Section 149 of the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA)

Provider Types Affected

Hospital-based or critical access hospital-based renal dialysis centers (including satellites); skilled nursing facilities (SNFs); and/or community mental health centers (CMHCs) submitting claims to Medicare contractors (Fiscal Intermediaries (FIs), and/or Part A/B Medicare Administrative Contractors (A/B MACs)) for telehealth services provided to Medicare beneficiaries. Eligible distant site physicians and practitioners may now be paid for qualifying telehealth services provided to beneficiaries who are located at these new sites.

Provider Action Needed

This article is based on Change Request (CR) 6215 which announces that the Centers for Medicare & Medicaid Services (CMS) is adding entities as originating sites for payment of telehealth services for dates of service on or after January 1, 2009. Those **added entities** are:

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- Hospital-based or critical access hospital-based renal dialysis centers (including satellites);
- Skilled nursing facilities; and
- Community mental health centers (CMHCs).

Please Note: MIPPA did not add independent renal dialysis facilities as originating sites for payment of telehealth services.

Consistent with existing requirements, in order to be eligible to serve as an originating site, entities must be located in either a non-Metropolitan Statistical Area (non-MSA) county or rural health professional shortage area (rural HPSA).

Be sure your billing staff is aware of these changes.

Background

Section 149 of the MIPPA amended §1834(m) of the Social Security Act (“the Act”) to add certain entities as originating sites for payment of telehealth services. Effective for services furnished on or after January 1, 2009, eligible originating sites include a hospital-based or critical access hospital-based renal dialysis center (including satellites); a skilled nursing facility (as defined in §1819(a) of the Act); and a community mental health center (as defined in §1861(ff)(3)(B) of the Act). MIPPA also amended §1888(e)(2)(A)(ii) of the Act to exclude telehealth services furnished under §1834(m)(4)(C)(ii)(VII) from the consolidated billing provisions of the skilled nursing facility prospective payment system (SNF PPS).

This article provides you with updated instructions for billing the originating site facility fee. Providers are also subject to existing payment policy and claims processing instructions applicable to Medicare telehealth services that are not included in this change request, as set forth in the CMS Medicare Benefit Policy Manual, chapter 15, section 270 and the CMS Medicare Claims Processing Manual, chapter 12, section 190. These manuals are available at <http://www.cms.hhs.gov/Manuals/IOM/list.asp> on the CMS website.

Key Points of CR6215

- The originating site facility fee is a separately billable Part B payment. Your Medicare contractor pays it outside of other payment methodologies. This fee is subject to post payment verification.
- The originating site facility fee is updated annually by the Medicare Economic Index. The updated fee is included in the Medicare Physician Fee Schedule (MPFS) Final Rule, which is issued by November 1 prior to the start of the calendar year for which it is effective.

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- An interactive audio and video telecommunications system must be used permitting real-time communication between the distant site physician or practitioner and the Medicare beneficiary. As a condition of payment, the patient must be present and participating in the telehealth visit. The only exception to the interactive telecommunications requirement is in the case of Federal telemedicine demonstration programs conducted in Alaska or Hawaii. In this circumstance, Medicare payment is permitted for telehealth services when asynchronous store and forward technology is used.

Hospital-based or CAH-based Renal Dialysis Centers

For dates of service on or after January 1, 2009, hospital-based and CAH-based renal dialysis centers (including satellites) are eligible for Medicare payment when they serve as originating sites for telehealth services.

- When a hospital-based or critical access hospital-based renal dialysis center (or their satellites) serves as the originating site, the originating site facility fee is covered in addition to any composite rate or monthly capitation payment (MCP) amount.
- With respect to the originating site facility fee, hospital-based and CAH-based renal dialysis centers should bill their regular FI or MAC for the originating site facility fee on **type of bill (TOB) 72x using revenue code 078X and Healthcare Common Procedure Coding System (HCPCS) code Q3014** on a separate revenue line from any other services provided to the beneficiary. Note that the originating site facility fees (Q3014) are not ESRD services and do not count towards the number of services used to determine payment for ESRD services.

SNFs

For dates of service on or after January 1, 2009, SNFs as defined in 1819(a) of the Act are eligible for Medicare payment when they serve as originating sites for telehealth services.

- The originating site facility fee is outside the SNF prospective payment system bundle and, as such, is not subject to SNF consolidated billing. The originating site facility fee is a separately billable Part B payment.
- With respect to the originating site facility fee, SNFs will bill their regular FI or MAC for the originating site facility fee on **TOBs 22x or 23x**. For SNF inpatients in a covered Part A stay, SNFs will bill their regular FI or MAC for the originating site facility fee on **TOB 22X**. All SNFs will bill **using revenue code 078X and HCPCS code Q3014** on a separate revenue line from any other services provided to the beneficiary.

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CMHCs

For dates of service on or after January 1, 2009, CMHCs as defined in 1861(ff)(3)(B) of the Act are eligible for Medicare payment when they provide telehealth originating site services.

- When a CMHC serves as an originating site, the originating site facility fee is not a partial hospitalization service. The originating site facility fee does not count towards the number of services used to determine payment for partial hospitalization services. The originating site facility fee is not bundled in the per diem payment for partial hospitalization. The originating site facility fee is a separately billable Part B payment.
- With respect to the originating site facility fee, CMHCs will bill their regular FI or MAC for the originating site facility fee on **TOB 76x using revenue code 078X and HCPCS code Q3014** on a separate revenue line from any other services provided to the beneficiary. Note that **Q3014 does not count towards the number of services used to determine per diem payments for partial hospitalization services.**

Additional Information

If you have questions, please contact your Medicare MAC, or FI at their toll-free number which may be found at

<http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

The official instruction (CR6215) issued to your Medicare FI or MAC consists of two transmittals. One transmittal revises the Medicare Claims Processing Manual, which is at <http://www.cms.hhs.gov/Transmittals/downloads/R1635CP.pdf>, and the other revises the Medicare Benefit Policy Manual, which is available at <http://www.cms.hhs.gov/transmittals/downloads/R97BP.pdf> on the CMS website.

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