

## Reimbursement for Home Health Telehealth Services

### BACKGROUND

Currently, the Medicare home health benefit does not permit for the inclusion of telehealth services as a reimbursable service as part of the plan of care. Despite this, many home health agencies (HHAs) have found great value for their patients in including telehealth as part of care delivery and do so at their own financial exposure. In fact, the use of telehealth as a physician-ordered alternative to in-person visits can reduce the level of reimbursement significantly to HHAs. This occurs because HHAs receive a payment for a bundle of services for a 30-day period except when the number of in-person visits falls below a care-specific “low utilization” level. Accordingly, an HHA that combines telehealth with in-person visits can dramatically cut its reimbursement while not correspondingly reducing its costs. While a physician, nurse practitioner, physician assistant, therapist, or other caregivers would receive payment for each and every telehealth encounter in the home, an HHA cannot.

In 2019, as part of their annual rulemaking, CMS permitted home health agencies to include telehealth related expenses on their cost reports, an important step towards CMS and the Congress understanding the value and cost of telehealth in home health, though falling short of meaningful action towards providing reimbursement for those services.

### ISSUE

In March of 2020 as part of CMS’s response to the COVID-19 pandemic following the issuance of the 1135 waivers, CMS through an interim final rule announced that telehealth visits could be included on the home health plan of care, though would not be allowed to substitute for an in-person visit and would not be billable.

The recent relief efforts by Congress and CMS to accommodate the demands of the Covid-19 pandemic include significant expansions of Medicare coverage of telehealth services. A primary source for essential telehealth services in the home are home health agencies. Telehealth has been part of the tools employed by HHAs for two decades. HHAs can use telehealth for evaluation and assessment of a patient’s condition, teaching and training of self-care and rehabilitative activities, wound care, direct therapy services, medication management, and more. In the recent CARES Act, Congress instructed CMS to encourage HHAs to utilize telehealth.

### What Congress Can Do:

Approve the Home Health Emergency Access to Telehealth (HEAT) Act S. 1309/H.R. 3371.

This bill would:

- In the event of a public health emergency, allow CMS to issue a waiver providing for reimbursement of telehealth services in Medicare home health.
- Provide CMS the discretion to determine equivalency between an in-person visit and telehealth visit for purposes of reimbursement.
- Provide patient protections, including consent to telehealth services, limitation that no more than 50% of visits can be done virtually, and requirement of a pre-existing relationship with the attending physician ordering services.



**For More Information:** Contact NAHC Government Affairs at 202-547-7424