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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. 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].”

Representative Mike Thompson (D-CA), along with cosponsors Earl Blumenauer (D-OR), Sam Johnson (R-TX), Bart Stupak (D-MI), Lee Terry (R-NE), and Eleanor Holmes Norton (D-DC), has introduced the Medicare Telehealth Enhancement Act (H.R. 2068). The bill includes a number of objectives that are important to addressing the need for enhanced telehealth services including: eases restrictions on providing telehealth services, increases the authorization of facilities eligible for participation, 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, eliminates the geographical urban-rural designation for Medicare reimbursement, and creates a Telehealth Advisory Committee to advise CMS on all aspects of CMS telehealth policy.

Senators John Thune (R-SD), Amy Klobuchar (D-MN), and Kent Conrad (D-ND) introduced the “Fostering Independence Through Technology (FITT) Act (S. 457)” that would establish pilot projects under the Medicare program to provide monetary

incentives for HHAs to utilize home monitoring and communications technologies. Home health agencies would receive a portion of the savings realized by meeting certain performance targets. The Obama/Biden campaign officially endorsed the FITT legislation.

RECOMMENDATION: Congress should: 1) 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; 2) enact The Medicare Telehealth Enhancement Act of 2009 (H.R. 2068) and also approve demonstration projects that would allow for new ways to use technology to monitor patients and avoid more costly health care interventions, as set forth in the FITT Act (S. 457); 3) 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.