Minnesota Department of Human Services Health Care

Our Mission

The Minnesota Department of Human Services, working with many others, helps people meet their basic needs so they can live in dignity and achieve their highest potential.

Our Values

- We focus on people, not programs.
- We provide ladders up and safety nets for the people we serve.
- We work in partnership with others; we cannot do it alone.
- We are accountable for results, first to the people we serve, and ultimately to all Minnesotans.

We practice these shared values in an ethical environment where integrity, trustworthiness, responsibility, respect, justice, fairness and caring are of paramount importance.

A report to the 2001 Minnesota Legislature as required
by Laws of Minnesota 1999,
Chapter 245, article 2, section 2

Telemedicine Report

Did the expansion of medical assistance and general assistance medical care to cover certain telemedicine services result in cost savings or other benefits to the health care system

December 2000

Cost of completing this report:

Minnesota Statutes, section 3.197, requires the disclosure of the cost of preparing this report.

Staff time:	$320
Administrative costs:	100
Total:	$420

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Executive Summary

The Department of Human Services (DHS) proposed legislation in 1999 that would add coverage for certain services to be provided via telemedicine. Legislation was passed and coverage was effective for services provided from 7/1/99 through 6/30/01.

Three areas of physician consultations are covered:

Interactive video consultations occur between the patient and physician, typically from a rural to an urban setting. This allows medical specialists to directly communicate with patients who are in another location using television monitors and specially adapted equipment.

Store-and-forward consultations occur when physicians send pictures, x-rays, and other patient information directly to the computer of a specialist. After reviewing the information, the specialist sends information back to the local doctor, who treats the patient and provides follow-up care.

Emergency room consultations occur when nurses or physicians in smaller hospital emergency rooms communicate with specialists or physicians in larger centers in order to diagnose a problem or receive information on how to stabilize a patient before transfer.

Fifteen state Medicaid agencies cover services performed via telemedicine: Arkansas, California, Georgia, Iowa, Kansas, Louisiana, Minnesota, Montana, Nebraska, North Carolina, North Dakota, Oklahoma, South Dakota, Utah, Virginia. Most states are following Medicare's pilot guidelines and are covering physician consultations performed via telemedicine.

A Provider Update (Appendix A) was sent by DHS to all physicians and hospitals with information about coverage and billing for consultations provided via telemedicine. Several remittance advice notices were sent to providers and information about coverage was placed in the Minnesota Hospital and Healthcare Partnership newsletter (Appendix B). DHS has not received a single claim for consultation services where the claim has indicated that the services were provided via telemedicine. Our belief is that services are being performed but the claim is not being submitted correctly indicating the use of telemedicine.

RECOMMENDATION

There is no documented use of consultations via telemedicine in the fee-for-service MHCP programs. DHS will not pursue additional funding of physician consultations performed via telemedicine at this time. DHS will support the elimination of the 7/1/01 sunset of telemedicine coverage which will result in no fiscal impact over and above the previous budgeted amount. DHS will work with the provider community in order to get better data on the use of telemedicine.

I. INTRODUCTION

The Department Of Human Services (DHS) proposed legislation in 1999 that would add coverage for telemedicine for certain services. The 1999 Minnesota Legislature added coverage to the Medical Assistance and General Assistance Medical Care programs that includes physician consultations performed via interactive video and store-and-forward methods of telemedicine. Legislation was passed and coverage was effective for services 7/1/99 through 6/30/01. The Department had heard from providers that they were providing services via telemedicine but because of Minnesota Rule language that requires services be provided on a face-to-face basis, services provided via telemedicine were not covered.

Legislation added language to Minnesota Statues 256B.0625 Subd.3b that reads:

Telemedicine consultations. (a) Medical assistance covers telemedicine consultation. Telemedicine consultations must be made via two-way, interactive video or store-and-forward technology. Store-and-forward technology includes telemedicine consultations that do not occur in real time via synchronous transmissions, and that do not require a face-to-face encounter with the patient for all or any part of any such telemedicine consultation. The patient record must include a written opinion from the consulting physician providing the telemedicine consultation. A communication between two physicians that consists solely of a telephone conversation is not a telemedicine consultation. Coverage is limited to three telemedicine consultation per recipient per calendar week. Telemedicine consultation shall be paid at the full allowable rate.

(b) This subdivision expires July 1, 2001.

This cite allows MHCP to pay for physician consultations and emergency room visits performed from remote sites. Because telemedicine is a way of providing a service and not seen as a new service, Health Plans are not required to provide services via telemedicine to MHCP enrollees.

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Store-and-forward consultations occur when physicians send pictures, x-rays, and other patient information directly to the computer of a specialist. After reviewing the information, the specialist sends information back to the local doctor, who treats the patient and provides follow-up care.

Emergency room consultations occur when nurses or physicians in smaller hospital emergency rooms communicate with specialists or physicians in larger centers in order to diagnose a problem or receive information on how to stabilize a patient before transfer.

This report fulfills the requirement of the report regarding the resulting cost savings or other benefits to the health care system and a recommendation for the continuation of coverage of telemedicine services.

The use of telemedicine is rapidly expanding. Available technology along with the need to assure access to existing and new medical care have pushed the expansion of telemedicine across the country. Telemedicine is being used in Minnesota by several health care systems and in several areas in the state.

This report will touch on how telemedicine is being used in Minnesota, its benefits, concerns about its use, coverage by other government programs, and how the coverage of physician consultations has affected the Medical Assistance and General assistance Medical Care programs.

The report concludes with recommendations for future coverage of telemedicine services.

II. HOW IS TELEMEDICINE BEING USED IN MINNESOTA

Telemedicine is a rapidly growing technology that holds both benefits and concerns. A number of health care organizations in Minnesota have been using this technology as a means of providing health care.

Telemedicine has been performed, for years, by Mayo Clinic. They have used both interactive video and store-and-forward technology and were active in getting store-and-forward telemedicine added to the coverage. Mayo's telemedicine program is a globally-linked network that connects Rochester to clinics in Minnesota, northern Iowa, and western Wisconsin. The system supports nurse practitioners in Kenyon, Minnesota and remote consultations for patients undergoing dialysis in Austin.

Telemedicine has been used in emergency rooms (ER) . Several ER's that are staffed with nurses can be linked to an ER that is staffed by a physician. Physicians consult with the nurses regarding diagnosis and treatment of patients.

Management of burn care is being done by Regions Hospital. A physician at Regions Hospital, via interactive video, is able to see burn sites and manage the care of the patient living in rural areas.
Regions Hospital is not able to bill fro these services because they are management of care and not consultations.

Allina Health System has developed an telemedicine program that links 27 facilities in Minnesota. Consultations area occurring regularly, linking rural patients to urban consultants.

The University of Minnesota has been involved in telemedicine for a number of years. They have used it in the areas of dermatology, orthopedics, radiology, child psychology, cardiology, neurology, physical therapy, and pathology.

Grants for telemedicine network development are available through the Minnesota Department of Health (MDH), through The Office of Rural Health Policy. The Wilderness Coalition which includes the areas of Ely, International Falls, Grand Marais, and Cook have received a grant from MDH in order to create a link to Duluth for consultations and education .

III. PAYMENT BY MEDICARE AND OTHER STATE MEDICAID AGENCIES

Fifteen state Medicaid agencies cover services performed via telemedicine: Arkansas, California, Georgia, Iowa, Kansas, Louisiana, Minnesota, Montanan, Nebraska, North Carolina, North Dakota, Oklahoma, South Dakota, Utah, and Virginia. Most states are following Medicare's pilot and are covering physician consultations performed via telemedicine.

Iowa just completed a 3 year pilot involving 3 providers. Iowa Medicaid paid for the physician consult, the referring provider office visit, a site coordination fee, and a transmission fee. The State also required an evaluation process that included questionnaires completed by the providers and the patients. A modifier was required on the claim to indicate that the service was performed via telemedicine. They have received very few billings that indicate the service was performed via telemedicine. The staff feel that services are being performed but they are not being billed as telemedicine because of the parer work required in order to bill for services provided via telemedicine. Continued coverage may be decided at the coming session of the Legislature. The University of Iowa is looking into using telemedicine for a disease management program and is also looking at using the Internet to connect with patients.

Nebraska is paying for any telemedicine service provided outside of 30 mile radius if otherwise covered. The provider is reimbursed for the service plus a transmission fee.

North Dakota has been covering telemedicine for 4-5 years and encourages its use among providers. They do not know the volume of services provided via telemedicine. They cover interactive video only, mandate the use of a modifiers, but doubt that the modifiers is being used all the time as very few services are billed with the required modifiers.

South Dakota covers interactive and non interactive telemedicine.for physician consultations.

The Medicare program covers interactive video consultations that are performed in Health Provider Shortage Areas (HPSA's) The consulting physician is paid for the consultation and is then expected to pay the referring physician 25% of that fee. No reports have been issued regarding the use of the services.

IV. CONCERNS AND BENEFITS ASSOCIATED WITH TELEMEDICINE

The Minnesota Health Technology Advisory Committee (HTAC) reviewed the use of telemedicine in Minnesota and, in their report, listed concerns and advantages associated with telemedicine. Facilities and agencies involved in the use of telemedicine also see both concerns and benefits to its use.

CONCERNS:

1) State medical licensure does not address telemedicine

2) Lack of telemedicine standards and quality measurements within and between states

3) Malpractice and credentialling issues arise in in-state and out-of-state networks

4) Lack of reimbursement

5) Complexity of telecommunications and telemedicine technologies

6) Limited network

7) Cost of setup

8) Provider acceptance

9) Patient confidentiality and security of health information - HIPAA regulations will have an impact.

10) Lack of evaluation guidelines to measure the effects of telemedicine

BENEFITS:

1) Improved health care access

2) Improved continuity of care

3) Access to medical records

4) Decreased health care costs

5) Improved and timely diagnoses and treatment

6) Retention and recruitment of physicians in rural areas

7) Allows people to stay in their community

8) Decrease cost of emergency transfers

9) Improved level of care in rural area

V. WHAT HAS HAPPENED SINCE MINNESOTA MEDICAID COVERAGE BEGAN

A Provider Update was sent by DHS to all physicians and hospitals with information about coverage and billing for services provided via telemedicine. Several remittance advice notices were sent to providers and information about coverage was placed in the Minnesota Hospital and Healthcare Partnership newsletter. DHS has not received a single claim for consultation services where the claim has indicated that the services were provided via telemedicine. Our belief is that services are being performed but the claim is not being submitted correctly indicating the use of telemedicine.

No data is available regarding the level of use, cost savings, or benefits to the health care system. This problem seems to be universal for Medicaid agencies that have begun covering this service.

Some agencies are not involved in evaluating its use, while others are going back to the state legislatures for further funding.

VI. RECOMMENDATION

Telemedicine will only grow in its usage in Minnesota. The problem of providers not indicating that services have been performed via telemedicine seems to be common. As networks are developed, providers become familiar and comfortable with the technology, and patients are involved, telemedicine will grow.

The advantages of using telemedicine apply to our population. Transportation costs are paid by medical assistance and cost savings will be realized if the person does not have to travel from their home community to receive a medical consult..

There is no documented use of consultations via telemedicine in the fee-for-service MHCP programs. DHS will not pursue additional funding of physician consultations performed via telemedicine at this time. DHS supports the elimination of the 7/7/01 sunset fro coverage of telemedicine which will result in no fiscal impact over and above the previous budgeted amount. DHS will work with the provider community in order to get better data on the use of telemedicine.

DHS seeks telemedicine bills from providers

In 1999, the Minnesota Legislature passed legislation enabling Medicaid, General Assistance Medical Care and MinnesotaCare to pay for physician consultations that are performed via telemedicine. This coverage is effective through June 30, 2001. The 2001 Legislature intends to address further Medicaid telemedicine funding in the upcoming session.

To ensure reimbursement and proper tracking of payments, providers must submit bills for telemedicine services using a modifier. Specifically, 1) Interactive video consultations in a physician's office, hospital outpatient or inpatient setting, or emergency room must be billed using the "GT" modifier; and, 2) Consultations performed via store and forward technology must be billed with the "WT" modifier.

Minnesota Department of Human Services officials have indicated to MHHP that they are not receiving claims using these modifiers. Future funding for telemedicine services may depaend on providers indicating the use of telemedicine by using these modifiers.

For more information on telemedicine modifiers, contact Chris Reisdorf, DHS, at (651) 296-8822, oro Melanie Soucheray, assistant vice president, MHHP.

Minnesota Department of Human Services

Update #43 **July 7, 1999**

Telemedicine Provider Update

OVERVIEW

The 1999 Minnesota Legislature added coverage for consultations that are performed via telemedicine for services provided to recipients in Minnesota Health Care Programs (MHCP). Telemedicine consultations performed 7/1/99 through 6/30/01 may be billed to the Department of Human Services (DHS).

Coverage for telemedicine services beyond 6/30/01 will be addressed during the 2001 legislative session and coverage may be extended. DHS will supply information to the legislature regarding the benefits to the health care system, cost savings, and recommendations regarding continuing coverage.

DEFINITIONS

Telemedicine: The use of telecommunications to furnish medical information and services.

Two-Way Interactive Video: A type of technology which permits a "real time" consultation to take place. This is used when a consultation involving the patient, the primary care giver, and a specialist is medically necessary. Video-conferencing equipment at two different locations permits a live non-face-to-face consultation to take place.

Store and Forward: This technology is used to transfer video images from one location to another. One example would be radiology services, referred to as teleradiology.

Hub Site: The medical facility telemedicine site where the medical specialist is located.

Spoke Site: The remote site where the referring health professional and patient are located.

Consultation: A type of service provided by a physician whose opinion or advice is requested by another provider.

ELIGIBLE PROVIDERS

The "spoke," or referring provider, must be an enrolled MHCP provider. The referring provider may be a physician, nurse practitioner, clinical nurse specialist, physician assistant, podiatrist, mental health practitioner, mental health professional, or certified nurse-midwife.

The "hub," or consulting provider, must be a specialty physician or oral surgeon.

CUSTOMER SERVICES PROVIDER HELP DESK:
(651) 282-5545 or 1-800-366-5411; TTY: (651) 215-0086 or 1-800-366-8930
FAX: (651) 296-5690
If you ask, we will give you this information in another form, such as Braille, large print, or audio tape.

ELIGIBLE RECIPIENTS

Telemedicine coverage applies to MHCP recipients in the fee-for-service programs. Health Plans may or may not choose to pay for services delivered in this manner.

COVERED SERVICES

Coverage includes payment for physician consultations that are performed via two-way interactive video or via store and forward technology.

General Guidelines

- Telemedicine consultation coverage is limited to physician services;
- A consultation (as defined by CPT) must take place;
- A request for a consultation and the need for a consultation must be documented in the patient's medical record. The consultant's opinion must be documented in the patient's medical record and communicated to the requesting provider;
- Out-of-state coverage policy applies to services provided via telemedicine. Consultations performed by providers who are out of Minnesota and contiguous counties require authorization **prior** to the service; and
- Consultations must be billed with the appropriate modifier.

Guidelines for Two-Way Interactive Video Consultations in an Office, Outpatient, or Inpatient Setting:

- Payment is made to both the referring provider and consulting physician;
- The referring provider bills an Office or Outpatient CPT code; and
- The consulting physician bills an Office, Outpatient or Inpatient CPT Consultation code with the "GT" modifier, indicating the service was performed via two-way interactive video.

Guidelines for Two-Way Interactive Video Consultations in an Emergency Room (ER):

- Two-way Interactive Video Consultations may be billed when there is no physician in the ER, and the nursing staff is caring for the patient at the "spoke" site. The ER physician bills the Emergency Room CPT codes with the "GT" modifier; and
- If the ER physician requests the opinion or advice of a specialty physician, the ER physician bills the emergency room CPT code **without** a modifier and the consulting physician bills the CPT consultation code with the "GT" modifier.

Guidelines for Store and Forward Telemedicine:

- CPT definition of a consultation must be met; and
- Consultation codes are billed by the consulting physician with the "WT" modifier, used to indicate that the consultation was done via store and forward technology.

PAYMENT LIMITATIONS

- Payment for telemedicine consultation services is limited to 3 per week per recipient; and
- Payment will be made for only one reading or interpretation of diagnostic tests such as x-rays, lab tests, and diagnostic assessments.