

113TH CONGRESS
2D SESSION

H. R. 5380

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

JULY 31, 2014

Mr. THOMPSON of California (for himself, Mr. HARPER, and Mr. WELCH) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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 and any rural

1 health clinic (as such terms are de-
2 fined in section 1861(aa)).

3 “(II) In the case of such a serv-
4 ice furnished on or after the date that
5 is 6 months after the date of the en-
6 actment of the Medicare Telehealth
7 Parity Act of 2014, any site described
8 in clause (ii) that is located in a coun-
9 ty within a Metropolitan Statistical
10 Area with a population of fewer than
11 50,000 individuals, according to the
12 most recent decennial census.”.

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

17 “The facility fee under this subparagraph shall
18 not apply to any site included as an originating
19 site pursuant to clause (iii) of paragraph (4)(C)
20 that would not otherwise be included as an orig-
21 inating site without application of such
22 clause.”.

23 (3) ADDITIONAL TELEHEALTH PROVIDERS.—
24 Section 1834(m) of such Act (42 U.S.C. 1395m(m))
25 is amended—

1 (A) in paragraph (1), by striking “or a
2 practitioner (described in section
3 1842(b)(18)(C))” and inserting “or a practi-
4 tioner (as defined in paragraph (4)(E))”; and

5 (B) in paragraph (4), by—

6 (i) striking subparagraph (E); and

7 (ii) inserting after subparagraph (D)

8 the following new subparagraph:

9 “(E) PRACTITIONER.—The term ‘practi-
10 tioner’ means—

11 “(i) a practitioner described in section
12 1842(b)(18)(C); and

13 “(ii) with respect to services furnished
14 on or after the date that is 6 months after
15 the date of the enactment of the Medicare
16 Telehealth Parity Act of 2014, a certified
17 diabetes educator or licensed—

18 “(I) respiratory therapist;

19 “(II) audiologist;

20 “(III) occupational therapist;

21 “(IV) physical therapist; or

22 “(V) speech language patholo-
23 gist.”.

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 practitioner or other sup-
5 plier (as defined in subsection (d)) for the purposes of clin-
6 ical review. Such services shall include in-home technology
7 based professional consultations, patient monitoring, pa-
8 tient training services, clinical observation, assessment,
9 treatment, and any other services that utilize technologies
10 specified by the Secretary. Such term shall not include a
11 telecommunication that consists solely of a telephone
12 audio conversation, facsimile, or electronic text mail be-
13 tween a health care professional and patient.

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

16 “(A) congestive heart failure;

17 “(B) chronic obstructive pulmonary disease;

18 and

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

21 “(3)(A) The Secretary, in consultation with appro-
22 priate physician, practitioner, and supplier groups, shall
23 develop guidelines on the frequency of billing for remote
24 patient management services. Such guidelines shall be de-
25 termined based on medical necessity and shall be sufficient

1 to ensure appropriate and timely monitoring of individuals
2 being furnished such services.

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

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

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 practitioner groups, and supplier groups, shall
14 take into consideration—

15 “(i) physician or practitioner re-
16 sources, including physician or practitioner
17 time and the level of intensity of services
18 provided, based on—

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

22 “(II) the complexity of the eval-
23 uation, including the information that
24 must be obtained, reviewed, and ana-
25 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 the direct
6 costs associated with installation and infor-
7 mation transmission, costs of remote pa-
8 tient management technology (including
9 equipment and software), device delivery
10 costs, and resource costs necessary for pa-
11 tient monitoring and follow-up (but not in-
12 cluding costs of any related item or non-
13 physician service otherwise reimbursed
14 under this title); and

15 “(iii) malpractice expense resources.

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

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

1 (D) EFFECTIVE DATE.—

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

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

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

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

1 such codes so that they are available
2 for use as of the date of the enact-
3 ment of this Act.

4 (E) GAO STUDY AND REPORT.—

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

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

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

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

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

1 delivery system transformations under
2 the Medicare program under such
3 title.

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

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

15 (b) SECOND PHASE.—

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

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

22 “(IV) In the case of such a serv-
23 ice furnished on or after the date that
24 is 2 years after the date of the enact-
25 ment of the Medicare Telehealth Par-

1 ity Act of 2014, any site described in
2 clause (ii) that is located in a county
3 within a Metropolitan Statistical Area
4 with a population of at least 50,000
5 individuals but fewer than 100,000 in-
6 dividuals, according to the most re-
7 cent decennial census.

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

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

17 “(G) HOME TELEHEALTH SITE.—

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

1 “(ii) TELEHEALTH SERVICES DE-
2 SCRIBED.—A telehealth service described
3 in this clause—

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

9 “(II) shall include the use of
10 video conferencing.”.

11 (2) ADDITIONAL COVERED TELEHEALTH SERV-
12 ICES.—Section 1834(m)(4)(F)(i) of the Social Secu-
13 rity Act (42 U.S.C. 139m(m)(4)(F)(i)) is amended
14 by adding at the end the following new sentence:
15 “Beginning on the date that is 2 years after the
16 date of the enactment of the Medicare Telehealth
17 Parity Act of 2014, such term shall include res-
18 piratory services, audiology services (as defined in
19 section 1861(ll)), and outpatient therapy services,
20 including physical therapy, occupational therapy,
21 and speech-language pathology services.”

22 (3) GAO STUDY AND REPORT.—

23 (A) STUDY.—The Comptroller General of
24 the United States shall conduct a study that in-
25 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 subclause:

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

12 “(D) PAYMENT METHODS FOR OTHER PA-
13 TIENT SITES.—With respect to services fur-
14 nished on or after the date that is 4 years after
15 the date of the enactment of the Medicare Tele-
16 health Parity Act of 2014, the Secretary may
17 develop and implement payment methods that
18 would apply under this subsection in the case of
19 an individual who would be an eligible tele-
20 health individual except that the telehealth serv-
21 ices are furnished at a site other than an origi-
22 nating site. Such methods shall be designed to
23 take into account the costs related to the site

1 involved and reduced costs for the distant
2 site.”.

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