

107TH CONGRESS  
1ST SESSION

# H. R. 2706

To improve the provision of telehealth services under the Medicare Program, to provide grants for the development of telehealth networks, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

AUGUST 1, 2001

Mr. OSE 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

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## A BILL

To improve the provision of telehealth services under the Medicare Program, to provide grants for the development of telehealth networks, and for other purposes.

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       Validation Act of 2001”.

1 **SEC. 2. EXPANSION AND IMPROVEMENT OF TELEHEALTH**2 **SERVICES.**

## 3 (a) EXPANDING ACCESS TO TELEHEALTH SERVICES

## 4 TO ALL AREAS.—

5 (1) IN GENERAL.—Section 1834(m), as added  
6 by section 223(b) of the Medicare, Medicaid, and  
7 SCHIP Benefits Improvement and Protection Act of  
8 2000 (114 Stat. 2763A–487), as enacted into law by  
9 section 1(a)(6) of Public Law 106–554, is amended  
10 in paragraph (4)(C)(i) by striking “and only if such  
11 site is located” and all that follows and inserting  
12 “without regard to the geographic area where the  
13 site is located, and includes an entity that partici-  
14 pates in a Federal telemedicine demonstration  
15 project that has been approved by (or receives fund-  
16 ing from) the Secretary of Health and Human Serv-  
17 ices as of December 31, 2000.”.

18 (2) STORE AND FORWARD TECHNOLOGY.—Such  
19 section is further amended in paragraph (1) by  
20 striking “in the case of any Federal telemedicine  
21 demonstration program conducted in Alaska or Ha-  
22 waii.”.

## 23 (b) INCREASING TYPES OF ORIGINATING SITES.—

24 Paragraph (4)(C)(ii) of such section 1834(m) is amended  
25 by adding at the end the following new subclauses:

4 “(VIII) A board and care facility.

## 5 “(IX) A school.

10 (c) FACILITATING THE PROVISION OF TELEHEALTH  
11 SERVICES ACROSS STATE LINES.—

12 (1) IN GENERAL.—For purposes of expediting  
13 the provision of telehealth services, for which pay-  
14 ment is made under the Medicare Program, across  
15 State lines, the Secretary of Health and Human  
16 Services shall, in consultation with representatives of  
17 States, physicians, health care practitioners, and pa-  
18 tient advocates, encourage and facilitate the adop-  
19 tion of provisions allowing for multistate practitioner  
20 licensure across State lines.

21 (2) DEFINITIONS.—In paragraph (1):

22 (A) TELEHEALTH SERVICE.—The term  
23 “telehealth service” has the meaning given that  
24 term in subparagraph (F) of section

1                   1834(m)(4) of the Social Security Act (42  
2                   U.S.C. 1395m(m)(4)).

3                   (B) PHYSICIAN, PRACTITIONER.—The  
4                   terms “physician” and “practitioner” has the  
5                   meaning given those terms in subparagraphs  
6                   (D) and (E), respectively, of such section.

7                   (C) MEDICARE PROGRAM.—The term  
8                   “medicare program” means the program of  
9                   health insurance administered by the Secretary  
10                   of Health and Human Services under title  
11                   XVIII of the Social Security Act (42 U.S.C.  
12                   1395 et seq.).

13 **SEC. 3. GRANT PROGRAM FOR THE DEVELOPMENT OF**  
14 **TELEHEALTH NETWORKS.**

15                   (a) IN GENERAL.—The Secretary of Health and  
16                   Human Services (in this section referred to as the “Sec-  
17                   retary”), acting through the Director of the Office for the  
18                   Advancement of Telehealth (of the Health Resources and  
19                   Services Administration), shall make grants to eligible re-  
20                   cipients (as described in subsection (b)(1)) for the purpose  
21                   of expanding access to health care services for individuals  
22                   in rural areas, frontier areas, and medically underserved  
23                   areas through the use of telehealth.

24                   (b) ELIGIBLE RECIPIENTS.—

9 (A) A description of the anticipated need  
10 for the grant.

11 (B) A description of the activities which  
12 the entity intends to carry out using amounts  
13 provided under the grant.

14 (C) A plan for continuing the project after  
15 Federal support under this section is ended.

16 (D) A description of the manner in which  
17 the activities funded under the grant will meet  
18 health care needs of underserved rural popu-  
19 lations within the State.

20 (E) A description of how the local commu-  
21 nity or region to be served by the network or  
22 proposed network will be involved in the devel-  
23 opment and ongoing operations of the network.

24 (F) The source and amount of non-Federal  
25 funds the entity would pledge for the project.

(G) A showing of the long-term viability of the project and evidence of health care provider commitment to the network.

4 The application should demonstrate the manner in  
5 which the project will promote the integration of  
6 telehealth in the community so as to avoid redund-  
7 dancy of technology and achieve economies of scale.

18 (A) The organizations described in this  
19 subparagraph are the following:

20 (i) Community or migrant health cen-  
21 ters.

22 (ii) Local health departments.  
23 (iii) Nonprofit hospitals.

1 (iv) Private practice health profes-  
2 sionals, including community and rural  
3 health clinics.

4 (v) Other publicly funded health or so-  
5 cial services agencies.

6 (vi) Skilled nursing facilities.

7 (vii) County mental health and other  
8 publicly funded mental health facilities.

9 (viii) Providers of home health serv-  
10 ices.

11 (B) The institutions and entities described  
12 in this subparagraph are the following:

13 (i) A public school.

14 (ii) A public library.

15 (iii) A university or college.

16 (iv) A local government entity.

17 (v) A local health or nonhealth-related  
18 business entity.

19 An eligible entity may include for-profit entities so  
20 long as the recipient of the grant is a not-for-profit  
21 entity.

22 (d) PREFERENCE.—The Secretary shall establish  
23 procedures to prioritize financial assistance under this sec-  
24 tion based upon the following considerations:

20 (5) The applicant is able to demonstrate the  
21 long-term viability of projects through cost participa-  
22 tion (cash or in-kind).

5 (e) MAXIMUM AMOUNT OF ASSISTANCE TO INDIVIDUAL RECIPIENTS.—The Secretary shall establish, by regulation, the terms and conditions of the grant and the maximum amount of a grant award to be made available to an individual recipient for each fiscal year under this section. The Secretary shall cause to have published in the Federal Register or the “HRSA Preview” notice of the terms and conditions of a grant under this section and the maximum amount of such a grant for a fiscal year.

14 (f) USE OF AMOUNTS.—The recipient of a grant  
15 under this section may use sums received under such  
16 grant for the acquisition of telehealth equipment and  
17 modifications or improvements of telecommunications fa-  
18 cilities including the following:

4 (3) The development and acquisition of instruc-  
5 tional programming.

11 (5) The provision of telenursing services de-  
12 signed to enhance care coordination and promote pa-  
13 tient self-management skills.

21 (8) Development of projects to use telehealth to  
22 facilitate collaboration between health care providers.

23 (9) Electronic archival of patient records.

1 (10) Collection and analysis of usage statistics  
2 and data that can be used to document the cost-ef-  
3 fectiveness of the telehealth services.

7       (g) PROHIBITED USES.—Sums received under a  
8 grant under this section may not be used for any of the  
9 following:

10 (1) To acquire real property.

24 (h) ADMINISTRATION.—

17        (i) PROMPT IMPLEMENTATION.—The Secretary shall  
18 take such actions as are necessary to carry out the grant  
19 program as expeditiously as possible.

20 (j) AUTHORIZATION OF APPROPRIATIONS.—There  
21 are authorized to be appropriated to carry out this section  
22 \$40,000,000 for fiscal year 2002, and such sums as may  
23 be necessary for each of the fiscal years 2003 through  
24 2008.

1 **SEC. 4. JOINT WORKING GROUP ON TELEMEDICINE.**

## 2 (a) IN GENERAL.—

3 (1) REPRESENTATION OF RURAL AREAS.—The  
4 Joint Working Group on Telemedicine shall ensure  
5 that individuals that represent the interests of rural  
6 areas and medically underserved areas are members  
7 of the Group.

8 (2) MISSION.—The mission of the Joint Work-  
9 ing Group on Telemedicine is—

10 (A) to identify, monitor, and coordinate  
11 Federal telehealth projects, data sets, and pro-  
12 grams;

13 (B) to analyze—

14 (i) how telehealth systems are expand-  
15 ing access to health care services, edu-  
16 cation, and information;

17 (ii) the clinical, educational, or admin-  
18 istrative efficacy and cost-effectiveness of  
19 telehealth applications; and

20 (iii) the quality of the telehealth serv-  
21 ices delivered; and

22 (C) to make further recommendations for  
23 coordinating Federal and State efforts to in-  
24 crease access to health services, education, and  
25 information in rural and medically underserved  
26 areas.

7 (b) REPORT SPECIFICS.—The annual report required  
8 under subsection (a)(3) shall provide—

## 9 (1) an analysis of—

10 (A) the matters described in subsection  
11 (a)(3)(B);

12 (B) the Federal activities with respect to  
13 telehealth; and

14 (C) the progress of the Joint Working  
15 Group on Telemedicine's efforts to coordinate  
16 Federal telehealth programs; and

17 (2) recommendations for a coordinated Federal  
18 strategy to increase health care access through tele-  
19 health.

20 (c) AUTHORIZATION OF APPROPRIATIONS.—There  
21 are authorized to be appropriated such sums as are nec-  
22 essary for the Joint Working Group on Telemedicine to  
23 carry out this section.

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