

109TH CONGRESS
1ST SESSION

H. R. 2807

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

IN THE HOUSE OF REPRESENTATIVES

JUNE 8, 2005

Mr. HULSHOF (for himself and Mr. THOMPSON of California) 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 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; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “Medicare Telehealth Enhancement Act of 2005”.

6 (b) **TABLE OF CONTENTS.**—The table of contents of
7 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—MEDICARE PROGRAM

Sec. 101. Expansion and improvement of telehealth services.

Sec. 102. Increase in number of types of originating sites; clarification.

Sec. 103. Facilitating the provision of telehealth services across State lines.

Sec. 104. Definition of medicare program.

TITLE II—HRSA GRANT PROGRAM

Sec. 201. Grant program for the development of telehealth networks.

Sec. 202. Reauthorization of telehealth network and telehealth resource centers grant programs.

1 **TITLE I—MEDICARE PROGRAM**

2 **SEC. 101. EXPANSION AND IMPROVEMENT OF TELEHEALTH**

3 **SERVICES.**

4 (a) **EXPANDING ACCESS TO TELEHEALTH SERVICES**

5 **TO ALL AREAS.**—Section 1834(m) of the Social Security

6 Act (42 U.S.C. 1395m(m)) is amended in paragraph

7 (4)(C)(i) by striking “and only if such site is located” and

8 all that follows and inserting “without regard to the geo-

9 graphic area where the site is located.”.

10 (b) **REPORT TO CONGRESS ON STORE AND FORWARD**

11 **TECHNOLOGY.**—

12 (1) **STUDY.**—The Secretary of Health and

13 Human Services, acting through the Director of the

14 Office for the Advancement of Telehealth, shall con-

15 duct a study on the use of store and forward tech-

16 nologies (that provide for the asynchronous trans-

17 mission of health care information in single or multi-

18 media formats) in the provision of telehealth services

19 for which payment may be made under the medicare

1 program in Alaska and Hawaii and in other States.
2 Such study shall include an assessment of the feasi-
3 bility, advisability, and the costs of expanding the
4 use of such technologies to other areas for use in the
5 diagnosis and treatment of certain conditions.

6 (2) REPORT.—Not later than 18 months after
7 the date of the enactment of this Act, the Secretary
8 shall submit to Congress a report on the study con-
9 ducted under subparagraph (A) and shall include in
10 such report such recommendations for legislation or
11 administration action as the Secretary determines
12 appropriate.

13 **SEC. 102. INCREASE IN NUMBER OF TYPES OF ORIGI-**
14 **NATING SITES; CLARIFICATION.**

15 (a) INCREASE.—Paragraph (4)(C)(ii) of section
16 1834(m) of the Social Security Act (42 U.S.C. 1395m(m))
17 is amended by adding at the end the following new sub-
18 clauses:

19 “(VI) A skilled nursing facility
20 (as defined in section 1819(a)).

21 “(VII) A renal dialysis facility.

22 “(VIII) A county mental health
23 clinic or other publicly funded mental
24 health facility.”

1 (b) CLARIFICATION OF INTENT OF THE TERM ORIGI-
2 NATING SITE.—Such section is further amended by add-
3 ing at the end the following new paragraph:

4 “(5) CONSTRUCTION.—In applying the term
5 ‘originating site’ under this subsection, the Secretary
6 shall apply the term only for the purpose of deter-
7 mining whether a site is eligible to receive a facility
8 fee. Nothing in the application of that term under
9 this subsection shall be construed as affecting the
10 ability of an eligible practitioner to submit claims for
11 telehealth services that are provided to other sites
12 that have telehealth systems and capabilities.”.

13 **SEC. 103. FACILITATING THE PROVISION OF TELEHEALTH**
14 **SERVICES ACROSS STATE LINES.**

15 (a) IN GENERAL.—For purposes of expediting the
16 provision of telehealth services, for which payment is made
17 under the medicare program, across State lines, the Sec-
18 retary of Health and Human Services shall, in consulta-
19 tion with representatives of States, physicians, health care
20 practitioners, and patient advocates, encourage and facili-
21 tate the adoption of provisions allowing for multistate
22 practitioner licensure across State lines.

23 (b) DEFINITIONS.—In paragraph (1):

24 (1) TELEHEALTH SERVICE.—The term “tele-
25 health service” has the meaning given that term in

1 subparagraph (F) of section 1834(m)(4) of the So-
2 cial Security Act (42 U.S.C. 1395m(m)(4)).

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

7 **SEC. 104. DEFINITION OF MEDICARE PROGRAM.**

8 In this title, the term “medicare program” means the
9 program of health insurance administered by the Sec-
10 retary of Health and Human Services under title XVIII
11 of the Social Security Act (42 U.S.C. 1395 et seq.).

12 **TITLE II—HRSA GRANT**
13 **PROGRAM**

14 **SEC. 201. GRANT PROGRAM FOR THE DEVELOPMENT OF**
15 **TELEHEALTH NETWORKS.**

16 (a) IN GENERAL.—The Secretary of Health and
17 Human Services (in this section referred to as the “Sec-
18 retary”), acting through the Director of the Office for the
19 Advancement of Telehealth (of the Health Resources and
20 Services Administration), shall make grants to eligible en-
21 tities (as described in subsection (b)(2)) for the purpose
22 of expanding access to health care services for individuals
23 in rural areas, frontier areas, and urban medically under-
24 served areas through the use of telehealth.

25 (b) ELIGIBLE ENTITIES.—

1 (1) APPLICATION.—To be eligible to receive a
2 grant under this section, an eligible entity described
3 in paragraph (2) shall, in consultation with the
4 State office of rural health or other appropriate
5 State entity, prepare and submit to the Secretary an
6 application, at such time, in such manner, and con-
7 taining such information as the Secretary may re-
8 quire, including the following:

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.

1 (G) A showing of the long-term viability of
2 the project and evidence of health care provider
3 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 redun-
7 dancy of technology and achieve economies of scale.

8 (2) ELIGIBLE ENTITIES.—An eligible entity de-
9 scribed in this paragraph is a hospital or other
10 health care provider in a health care network of
11 community-based health care providers that includes
12 at least two of the organizations described in sub-
13 paragraph (A) and one of the institutions and enti-
14 ties described in subparagraph (B) if the institution
15 or entity is able to demonstrate use of the network
16 for purposes of education or economic development
17 (as required by the Secretary).

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 (ix) Renal dialysis facilities.

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

14 (i) A public school.

15 (ii) A public library.

16 (iii) A university or college.

17 (iv) A local government entity.

18 (v) A local health entity.

19 (vi) A health-related nonprofit founda-
20 tion.

21 (vii) An academic health center.

22 An eligible entity may include for-profit entities so
23 long as the recipient of the grant is a not-for-profit
24 entity.

1 (c) PREFERENCE.—The Secretary shall establish pro-
2 cedures to prioritize financial assistance under this section
3 based upon the following considerations:

4 (1) The applicant is a health care provider in
5 a health care network or a health care provider that
6 proposes to form such a network that furnishes or
7 proposes to furnish services in a medically under-
8 served area, health professional shortage area, or
9 mental health professional shortage area.

10 (2) The applicant is able to demonstrate broad
11 geographic coverage in the rural or medically under-
12 served areas of the State, or States in which the ap-
13 plicant is located.

14 (3) The applicant proposes to use Federal
15 funds to develop plans for, or to establish, telehealth
16 systems that will link rural hospitals and rural
17 health care providers to other hospitals, health care
18 providers, and patients.

19 (4) The applicant will use the amounts provided
20 for a range of health care applications and to pro-
21 mote greater efficiency in the use of health care re-
22 sources.

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

1 (6) The applicant is able to demonstrate finan-
2 cial, institutional, and community support for the
3 long-term viability of the network.

4 (7) The applicant is able to provide a detailed
5 plan for coordinating system use by eligible entities
6 so that health care services are given a priority over
7 non-clinical uses.

8 (d) MAXIMUM AMOUNT OF ASSISTANCE TO INDI-
9 VIDUAL RECIPIENTS.—The Secretary shall establish, by
10 regulation, the terms and conditions of the grant and the
11 maximum amount of a grant award to be made available
12 to an individual recipient for each fiscal year under this
13 section. The Secretary shall cause to have published in the
14 Federal Register or the “HRSA Preview” notice of the
15 terms and conditions of a grant under this section and
16 the maximum amount of such a grant for a fiscal year.

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

22 (1) The development and acquisition through
23 lease or purchase of computer hardware and soft-
24 ware, audio and video equipment, computer network
25 equipment, interactive equipment, data terminal

1 equipment, and other facilities and equipment that
2 would further the purposes of this section.

3 (2) The provision of technical assistance and in-
4 struction for the development and use of such pro-
5 gramming equipment or facilities.

6 (3) The development and acquisition of instruc-
7 tional programming.

8 (4) Demonstration projects for teaching or
9 training medical students, residents, and other
10 health profession students in rural or medically un-
11 derserved training sites about the application of tele-
12 health.

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

16 (6) The provision of services designed to pro-
17 mote patient understanding and adherence to na-
18 tional guidelines for common chronic diseases, such
19 as congestive heart failure or diabetes.

20 (7) Transmission costs, maintenance of equip-
21 ment, and compensation of specialists and referring
22 health care providers, when no other form of reim-
23 bursement is available.

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

1 (9) Electronic archival of patient records.

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

5 (11) Such other uses that are consistent with
6 achieving the purposes of this section as approved by
7 the Secretary.

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

11 (1) To acquire real property.

12 (2) Expenditures to purchase or lease equip-
13 ment to the extent the expenditures would exceed
14 more than 40 percent of the total grant funds.

15 (3) To purchase or install transmission equip-
16 ment off the premises of the telehealth site and any
17 transmission costs not directly related to the grant.

18 (4) For construction, except that such funds
19 may be expended for minor renovations relating to
20 the installation of equipment.

21 (5) Expenditures for indirect costs (as deter-
22 mined by the Secretary) to the extent the expendi-
23 tures would exceed more than 15 percent of the total
24 grant.

25 (g) ADMINISTRATION.—

1 (1) NONDUPLICATION.—The Secretary shall en-
2 sure that facilities constructed using grants provided
3 under this section do not duplicate adequately estab-
4 lished telehealth networks.

5 (2) COORDINATION WITH OTHER AGENCIES.—
6 The Secretary shall coordinate, to the extent prac-
7 ticable, with other Federal and State agencies and
8 not-for-profit organizations, operating similar grant
9 programs to pool resources for funding meritorious
10 proposals.

11 (3) INFORMATIONAL EFFORTS.—The Secretary
12 shall establish and implement procedures to carry
13 out outreach activities to advise potential end users
14 located in rural and medically underserved areas of
15 each State about the program authorized by this
16 section.

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

20 (i) AUTHORIZATION OF APPROPRIATIONS.—There
21 are authorized to be appropriated to carry out this section
22 \$10,000,000 for fiscal year 2006, and such sums as may
23 be necessary for each of the fiscal years 2007 through
24 2012.

1 **SEC. 202. REAUTHORIZATION OF TELEHEALTH NETWORK**
2 **AND TELEHEALTH RESOURCE CENTERS**
3 **GRANT PROGRAMS.**

4 Subsection (s) of section 330I of the Public Health
5 Service Act (42 U.S.C. 254c-14) is amended—

6 (1) in paragraph (1)—

7 (A) by striking “and” before “such sums”;

8 and

9 (B) by inserting “\$10,000,000 for fiscal
10 year 2007, and such sums as may be necessary
11 for each of fiscal years 2008 through 2012” be-
12 fore the semicolon; and

13 (2) in paragraph (2)—

14 (A) by striking “and” before “such sums”;

15 and

16 (B) by inserting “\$10,000,000 for fiscal
17 year 2007, and such sums as may be necessary
18 for each of fiscal years 2008 through 2012” be-
19 fore the semicolon.

○