

111TH CONGRESS
1ST SESSION

H. R. 2068

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

APRIL 23, 2009

Mr. THOMPSON of California (for himself, Mr. STUPAK, Mr. TERRY, and Mr. SAM JOHNSON of Texas) 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 2009”.

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. Expansion of eligible telehealth providers and credentialing of telemedicine practitioners.

Sec. 104. Access to telehealth services in the home.

Sec. 105. Coverage of home health remote patient management services for chronic health conditions.

Sec. 106. Sense of Congress on the use of remote patient management services.

Sec. 107. Telehealth Advisory Committee.

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)(4)(C)(i) of the Social
 6 Security Act (42 U.S.C. 1395m(m)(4)(C)(i)) is amended
 7 in paragraph (4)(C)(i) by striking “and only if such site
 8 is located” and all that follows and inserting “without re-
 9 gard to the geographic area within the United States
 10 where the site is located.”.

11 (b) EXPANSION OF USE OF STORE-AND-FORWARD
 12 TECHNOLOGY.—The second sentence of section
 13 1834(m)(1) of such Act (42 U.S.C. 1395m(m)(1)) is
 14 amended by inserting “and any telehealth program that
 15 has been the recipient of any Federal support from the
 16 Centers for Medicare & Medicaid Services, the Indian

1 Health Service, or the Health Services and Resources Ad-
 2 ministration” after “Alaska or Hawaii”.

3 (c) EFFECTIVE DATE.—The amendments made by
 4 this section shall apply to services furnished on or after
 5 January 1, 2010.

6 **SEC. 102. INCREASE IN NUMBER OF TYPES OF ORIGI-**
 7 **NATING SITES; CLARIFICATION.**

8 (a) INCREASE.—Paragraph (4)(C)(ii) of section
 9 1834(m) of the Social Security Act (42 U.S.C. 1395m(m))
 10 is amended by adding at the end the following new sub-
 11 clause:

12 “(IX) A renal dialysis facility.”

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

16 “(5) CONSTRUCTION.—In applying the term
 17 ‘originating site’ under this subsection, the Secretary
 18 shall apply the term only for the purpose of deter-
 19 mining whether a site is eligible to receive a facility
 20 fee. Nothing in the application of such term under
 21 this subsection shall be construed as affecting the
 22 ability of an eligible practitioner to submit claims for
 23 telehealth services that are provided to other sites
 24 that have telehealth systems and capabilities.”.

1 (c) EFFECTIVE DATE.—The amendments made by
 2 this section shall apply to services furnished on or after
 3 January 1, 2010.

4 **SEC. 103. EXPANSION OF ELIGIBLE TELEHEALTH PRO-**
 5 **VIDERS AND CREDENTIALING OF TELEMEDI-**
 6 **CINE PRACTITIONERS.**

7 (a) EXPANSION OF ELIGIBLE TELEHEALTH PRO-
 8 VIDERS.—Section 1834(m)(1) of the Social Security Act
 9 (42 U.S.C. 1395m(m)(1)) is amended—

10 (1) in paragraph (1)—

11 (A) by striking “or a practitioner” and in-
 12 serting “, a practitioner”;

13 (B) by inserting “, or other telehealth pro-
 14 vider” after “1842(b)(18)(C))”; and

15 (C) by striking “or practitioner” and in-
 16 serting “, practitioner, or provider”;

17 (2) in paragraphs (2), (3)(A), and (4), by strik-
 18 ing “or practitioner” and inserting “, practitioner,
 19 or other telehealth provider” each place it appears;

20 (3) in paragraph (4), by adding at the end the
 21 following new subparagraph:

22 “(G) TELEHEALTH PROVIDER.—The term
 23 ‘telehealth provider’ means any supplier or pro-
 24 vider of services (other than a physician or

1 practitioner) that is eligible to provide other
 2 health services under this title.”.

3 (b) CREDENTIALING TELEMEDICINE PRACTI-
 4 TIONERS.—Section 1834(m) of such Act is amended by
 5 adding at the end the following new paragraph:

6 “(5) HOSPITAL CREDENTIALING OF TELEMEDI-
 7 CINE PRACTITIONERS.—A telemedicine practitioner
 8 that is credentialed by a hospital in compliance with
 9 the Joint Commission Standards for Telemedicine
 10 shall be considered in compliance with Medicare con-
 11 dition of participation and reimbursement
 12 credentialing requirements for telemedicine serv-
 13 ices.”.

14 **SEC. 104. ACCESS TO TELEHEALTH SERVICES IN THE**
 15 **HOME.**

16 (a) IN GENERAL.—Section 1895 of the Social Secu-
 17 rity Act (42 U.S.C. 1395fff(e)) is amended by adding at
 18 the end the following new subsection:

19 “(f) COVERAGE OF TELEHEALTH SERVICES.—

20 “(1) IN GENERAL.—The Secretary shall include
 21 telehealth services that are furnished via a tele-
 22 communication system by a home health agency to
 23 an individual receiving home health services under
 24 section 1814(a)(2)(C) or 1835(a)(2)(A) as a home

1 health visit for purposes of eligibility and payment
2 under this title if the telehealth services—

3 “(A) are ordered as part of a plan of care
4 certified by a physician pursuant to section
5 1814(a)(2)(C) or 1835(a)(2)(A);

6 “(B) do not substitute for in-person home
7 health services ordered as part of a plan of care
8 certified by a physician pursuant to such re-
9 spective section; and

10 “(C) are considered the equivalent of a
11 visit under criteria developed by the Secretary
12 under paragraph (3).

13 “(2) PHYSICIAN CERTIFICATION.—Nothing in
14 this section shall be construed as waiving the re-
15 quirement for a physician certification under section
16 1814(a)(2)(C) or 1835(a)(2)(A) for the payment for
17 home health services, whether or not furnished via
18 a telecommunication system.

19 “(3) CRITERIA FOR VISIT EQUIVALENCY.—

20 “(A) STANDARDS.—The Secretary shall es-
21 tablish standards and qualifications for catego-
22 rizing and coding under HCPCS codes tele-
23 health services under this subsection as equiva-
24 lent to an in-person visit for purposes of eligi-
25 bility and payment for home health services

1 under this title. In establishing the standards
2 and qualifications, the Secretary may distin-
3 guish between varying modes and modalities of
4 telehealth services and shall consider—

5 “(i) the nature and amount of service
6 time involved; and

7 “(ii) the functions of the telecommuni-
8 cations.

9 “(B) LIMITATION.—A telecommunication
10 that consists solely of a telephone audio con-
11 versation, facsimile, electronic text mail, or con-
12 sultation between two health care practitioners
13 is not considered a visit under this subsection.

14 “(4) TELEHEALTH SERVICE.—

15 “(A) DEFINITION.—For purposes of this
16 subsection, the term ‘telehealth service’ means
17 technology-based professional consultations, pa-
18 tient monitoring, patient training services, clin-
19 ical observation, assessment, or treatment, and
20 any additional services that utilize technologies
21 specified by the Secretary as HCPCS codes de-
22 veloped under paragraph (3).

23 “(B) UPDATE OF HCPCS CODES.—The
24 Secretary shall establish a process for the up-

1 dating, not less frequently than annually, of
2 HCPCS codes for telehealth services.

3 “(5) CONDITIONS FOR PAYMENT AND COV-
4 ERAGE.—Nothing in this subsection shall be con-
5 strued as waiving any condition of payment under
6 sections 1814(a)(2)(C) or 1835(a)(2)(A) or exclu-
7 sion of coverage under section 1862(a)(1).

8 “(6) COST REPORTING.—Notwithstanding any
9 provision to the contrary, the Secretary shall provide
10 that the costs of telehealth services under this sub-
11 section shall be reported as a reimbursable cost cen-
12 ter on any cost report submitted by a home health
13 agency to the Secretary.”.

14 (b) EFFECTIVE DATE.—

15 (1) The amendment made by subsection (a)
16 shall apply to telehealth services furnished on or
17 after October 1, 2010. The Secretary of Health and
18 Human Services shall develop and implement cri-
19 teria and standards under section 1895(f)(3) of the
20 Social Security Act, as amended by subsection (a),
21 by no later than July 1, 2010.

22 (2) In the event that the Secretary has not
23 complied with these deadlines, beginning October 1,
24 2010, a home health visit for purpose of eligibility
25 and payment under title XVIII of the Social Secu-

1 rity Act shall include telehealth services under sec-
 2 tion 1895(f) of such Act with the aggregate of tele-
 3 communication encounters in a 24-hour period con-
 4 sidered the equivalent of one in-person visit.

5 **SEC. 105. COVERAGE OF HOME HEALTH REMOTE PATIENT**
 6 **MANAGEMENT SERVICES FOR CHRONIC**
 7 **HEALTH CONDITIONS.**

8 (a) MEDICARE COVERAGE.—

9 (1) IN GENERAL.—Section 1861(s)(2) of the
 10 Social Security Act (42 U.S.C. 1395x(s)(2)) is
 11 amended—

12 (A) in subparagraph (DD), by striking
 13 “and” at the end;

14 (B) in subparagraph (EE), by adding
 15 “and” at the end; and

16 (C) by inserting after subparagraph (EE)
 17 the following new subparagraph:

18 “(FF) home health remote patient management
 19 services (as defined in subsection (hhh));”.

20 (2) SERVICES DESCRIBED.—Section 1861 of
 21 such Act (42 U.S.C. 1395x) is amended by adding
 22 at the end the following new subsection:

23 “(hhh) HOME HEALTH REMOTE PATIENT MANAGE-
 24 MENT SERVICES FOR CHRONIC HEALTH CONDITIONS.—

25 (1) The term ‘remote patient management services’ means

1 the remote monitoring, evaluation, and management of an
 2 individual with a covered chronic health condition (as de-
 3 fined in paragraph (2)) through the utilization of a system
 4 of technology that allows a remote interface to collect and
 5 transmit clinical data between the individual and a home
 6 health agency, in accordance with a plan of care estab-
 7 lished by a physician, for the purposes of clinical review
 8 or response by the home health agency. Such term, with
 9 respect to an individual, does not include any remote mon-
 10 itoring, evaluation, or management of the individual if
 11 such remote monitoring, evaluation, or management, re-
 12 spectively, is included as a home health visit under section
 13 1895(f) for purposes of payment under this title.

14 “(2) For purposes of paragraph (1), the term ‘cov-
 15 ered chronic health condition’ means any chronic health
 16 condition specified by the Secretary.”.

17 (b) PAYMENT.—

18 (1) IN GENERAL.—Section 1834 of such Act
 19 (42 U.S.C. 1395l) is amended by adding at the end
 20 the following new subsection:

21 “(n) HOME HEALTH REMOTE PATIENT MANAGE-
 22 MENT SERVICES.—

23 “(1) IN GENERAL.—The Secretary shall estab-
 24 lish a fee schedule for home health remote patient
 25 management services (as defined in section

1 1861(hhh)) for which payment is made under this
2 part. The fee schedule shall be designed in a manner
3 so that, on an annual basis, the aggregate payment
4 amounts under this title for such services approxi-
5 mates 50 percent of the savings amount described in
6 paragraph (2) for such year.

7 “(2) SAVINGS DESCRIBED.—

8 “(A) IN GENERAL.—For purposes of para-
9 graph (1), the savings amount described in this
10 paragraph for a year is the amount (if any), as
11 estimated by the Secretary before the beginning
12 of the year, by which—

13 “(i) the product described in subpara-
14 graph (B) for the year, exceeds

15 “(ii) the total payments under this
16 part and part A for items and services fur-
17 nished to individuals receiving home health
18 remote patient management services at any
19 time during the year.

20 “(B) PRODUCT DESCRIBED.—The product
21 described in this subparagraph for a year is the
22 product of—

23 “(i) the average per capita total pay-
24 ments under this part and part A for items
25 and services furnished during the year to

1 individuals not described in subparagraph
2 (A)(ii), adjusted to remove case mix dif-
3 ferences between such individuals not de-
4 scribed in such subparagraph and the indi-
5 viduals described in such subparagraph;
6 and

7 “(ii) the number of individuals under
8 subparagraph (A)(ii) for the year.

9 “(3) LIMITATION.—In no case may payments
10 under this subsection result in the aggregate expend-
11 itures under this title (including payments under
12 this subsection) exceeding the amount that the Sec-
13 retary estimates would have been expended if cov-
14 erage under this title for home health patient man-
15 agement services was not provided.

16 “(4) CLARIFICATION.—Payments under the fee
17 schedule under this subsection, with respect to an
18 individual, shall be in addition to any other pay-
19 ments that a home health agency would otherwise
20 receive under this title for items and services fur-
21 nished to such individual and shall have no effect on
22 the amount of such other payments.

23 “(5) PAYMENT TRANSFER.—There shall be
24 transferred from the Federal Hospital Insurance
25 Trust Fund under section 1817 to the Federal Sup-

plementary Medical Insurance Trust Fund under section 1841 each year an amount equivalent to the product of—

“(A) expenditures under this subsection for the year, and

“(B) the ratio of the portion of the savings described in paragraph (2) for the year that are attributable to part A, to the total savings described in such paragraph for the year.”.

(2) CONFORMING AMENDMENT.—Section 1833(a)(1) of such Act (42 U.S.C. 1395l(1)) is amended—

(A) by striking “and (W)” and inserting “(W)”; and

(B) by inserting before the semicolon at the end the following: “, (X) with respect to home health remote patient management services (as defined in section 1861(hhh)), the amounts paid shall be the amount determined under the fee schedule established under section 1834(n)”.

(c) EXPANSION OF HOME HEALTH REMOTE PATIENT MANAGEMENT SERVICES COVERAGE TO ADDITIONAL CHRONIC HEALTH CONDITIONS.—The Secretary of Health and Human Services is authorized to carry out

1 pilot projects for purposes of determining the extent to
2 which the coverage under title XVIII of the Social Security
3 Act of home health remote patient management services
4 (as defined in paragraph (1) of section 1861(hhh) of such
5 Act, as added by subsection (a)) should be extended to
6 individuals with chronic health conditions other than those
7 initially specified by the Secretary under paragraph (2)
8 of such section.

9 (d) EFFECTIVE DATE.—The amendments made by
10 subsections (a), (b), and (c) shall apply to services fur-
11 nished on or after January 1, 2010.

12 **SEC. 106. SENSE OF CONGRESS ON THE USE OF REMOTE**
13 **PATIENT MANAGEMENT SERVICES.**

14 (a) FINDINGS.—Congress finds as follows:

15 (1) Remote patient management services can
16 make chronic disease management more effective
17 and efficient for patients and for the health care sys-
18 tem.

19 (2) By collecting, analyzing, and transmitting
20 clinical health information to a health care provider,
21 remote patient management services allow patients
22 and providers to manage the medical condition of
23 patients in a consistent and real time fashion.

24 (3) Utilization of remote patient management
25 services not only improves the quality of care given

1 to patients, it also reduces the need for frequent of-
2 fice appointments, costly emergency room visits, and
3 unnecessary hospitalizations.

4 (4) Management the medical condition or dis-
5 ease of a patient from the patient's home reduces
6 the need for face to face provider interactions. Use
7 of remote patient management services minimizes
8 unnecessary travel and missed work and provides
9 particular value to patients residing in rural or un-
10 derserved communities who would otherwise face po-
11 tentially significant access barriers to receiving need-
12 ed care.

13 (5) Among the areas in which remote patient
14 management services are emerging in health care
15 are the treatment of congestive heart failure, diabe-
16 tes, cardiac arrhythmia, epilepsy, and sleep apnea.
17 Prompt transmission of clinical data on each of
18 these conditions, to the health care provider or the
19 patient as appropriate, is essential to providing time-
20 ly and appropriate therapeutic interventions which
21 can then reduce expensive hospitalizations.

22 (6) Despite these benefits, remote patient man-
23 agement services have failed to diffuse rapidly. A
24 significant barrier to wider adoption is the relative
25 lack of payment mechanisms in fee for service Medi-

1 care to reimburse for remote, non face to face pa-
2 tient management.

3 (7) Elimination of this barrier to new remote
4 patient management services should be encouraged
5 by requiring reimbursement under the Medicare pro-
6 gram for providers' time spent analyzing and re-
7 sponding to patient data transmitted by remote
8 technologies.

9 (8) Reimbursement under the Medicare pro-
10 gram for health care providers' time spent analyzing
11 and responding to data transmitted to providers by
12 remote technologies should be made on a separate
13 basis and should not be combined with payments for
14 others services (also referred to as "bundled pay-
15 ments").

16 (9) Payment codes used for reporting and bill-
17 ing for payment for providers' remote patient man-
18 agement services should be revised or adjusted, as
19 appropriate, to encourage the application of such
20 services for other medical conditions.

21 (b) SENSE OF CONGRESS.—It is the sense of the
22 Congress that—

23 (1) remote patient management services are in-
24 tegral to improvement in the delivery, care, and effi-

1 ciency of health care services furnished in the
2 United States; and

3 (2) the Administrator of the Centers for Medi-
4 care & Medicaid Services should be encouraged to—

5 (A) expand the types of medical conditions
6 for which the use of remote patient manage-
7 ment services are reimbursed under the Medi-
8 care program;

9 (B) provide for separate, non-bundled pay-
10 ment under the Medicare program for remote
11 patient management services; and

12 (C) create, revise and adjust, as appro-
13 priate, codes for the accurate reporting and bill-
14 ing for payment for remote patient manage-
15 ment services.

16 **SEC. 107. TELEHEALTH ADVISORY COMMITTEE.**

17 (a) IN GENERAL.—Section 1834(m)(4)(F)(ii) of the
18 Social Security Act (42 U.S.C. 1395m(m)(4)(F)(ii)) is
19 amended by adding at the end the following sentences:
20 “Such process shall require the Secretary to take into ac-
21 count the recommendations of the Telehealth Advisory
22 Committee (as established under section 107(b) of the
23 Medicare Telehealth Enhancement Act of 2009) when
24 adding or deleting services (and HCPCS codes) and in es-
25 tablishing policies of the Centers for Medicare & Medicaid

1 Services regarding the delivery of telehealth services. If
2 the Secretary does not implement a recommendation of
3 the Telehealth Advisory Committee, the Secretary shall
4 publish in the Federal Register a statement regarding the
5 reason such recommendation was not implemented.”.

6 (b) TELEHEALTH ADVISORY COMMITTEE.—

7 (1) ESTABLISHMENT.—On and after the date
8 that is 6 months after the date of enactment of this
9 Act, the Secretary of Health and Human Services
10 (in this subsection referred to as the “Secretary”)
11 shall have in place a Telehealth Advisory Committee
12 (in this subsection referred to as the “Advisory
13 Committee”) to make recommendations to the Sec-
14 retary on—

15 (A) policies of the Centers for Medicare &
16 Medicaid Services regarding the delivery of tele-
17 health services; and

18 (B) the appropriate addition or deletion of
19 services (and HCPCS codes) to those specified
20 in paragraph (4)(F)(i) of section 1834(m) of
21 the Social Security Act (42 U.S.C. 1395m(m))
22 for authorized payment under paragraph (1) of
23 such section.

24 (2) MEMBERSHIP; TERMS.—

25 (A) MEMBERSHIP.—

1 (i) IN GENERAL.—The Advisory Com-
2 mittee shall be composed of 9 members, to
3 be appointed by the Secretary, of whom—

4 (I) five shall be practicing physi-
5 cians;

6 (II) two shall be practicing non-
7 physician health care providers; and

8 (III) two shall be administrators
9 of telehealth programs.

10 (ii) REQUIREMENTS FOR APPOINTING
11 MEMBERS.—In appointing members of the
12 Advisory Committee, the Secretary shall—

13 (I) ensure that each member has
14 prior experience with the practice of
15 telemedicine or telehealth;

16 (II) give preference to individuals
17 who are currently providing telemedi-
18 cine or telehealth services or who are
19 involved in telemedicine or telehealth
20 programs;

21 (III) ensure that the membership
22 of the Advisory Committee represents
23 a balance of specialties and geo-
24 graphic regions; and

1 (IV) take into account the rec-
2 ommendations of stakeholders.

3 (B) TERMS.—The members of the Advi-
4 sory Committee shall serve for such term as the
5 Secretary may specify.

6 (C) CONFLICTS OF INTEREST.—An advi-
7 sory committee member may not participate
8 with respect to a particular matter considered
9 in an advisory committee meeting if such mem-
10 ber (or an immediate family member of such
11 member) has a financial interest that could be
12 affected by the advice given to the Secretary
13 with respect to such matter.

14 (3) MEETINGS.—The Advisory Committee shall
15 meet twice per year and at such other times as the
16 Advisory Committee may provide.

17 (4) PERMANENT COMMITTEE.—Section 14 of
18 the Federal Advisory Committee Act (5 U.S.C.
19 App.) shall not apply to the Advisory Committee.

20 (5) WAIVER OF ADMINISTRATIVE LIMITA-
21 TION.—The Secretary shall establish the Advisory
22 Committee notwithstanding any limitation that may
23 apply to the number of advisory committees that
24 may be established (within the Department of
25 Health and Human Services or otherwise).

TITLE II—HRSA GRANT PROGRAM

SEC. 201. GRANT PROGRAM FOR THE DEVELOPMENT OF TELEHEALTH NETWORKS.

(a) IN GENERAL.—The Secretary of Health and Human Services (in this section referred to as the “Secretary”), acting through the Director of the Office for the Advancement of Telehealth (of the Health Resources and Services Administration), shall make grants to eligible entities (as described in subsection (b)(2)) for the purpose of expanding access to health care services for individuals in rural areas, frontier areas, and urban medically underserved areas through the use of telehealth.

(b) ELIGIBLE ENTITIES.—

(1) APPLICATION.—To be eligible to receive a grant under this section, an eligible entity described in paragraph (2) shall, in consultation with the State office of rural health or other appropriate State entity, prepare and submit to the Secretary an application, at such time, in such manner, and containing such information as the Secretary may require, including the following:

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

1 (B) A description of the activities which
2 the entity intends to carry out using amounts
3 provided under the grant.

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

6 (D) A description of the manner in which
7 the activities funded under the grant will meet
8 health care needs of underserved rural popu-
9 lations within the State.

10 (E) A description of how the local commu-
11 nity or region to be served by the network or
12 proposed network will be involved in the devel-
13 opment and ongoing operations of the network.

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

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

19 The application should demonstrate the manner in
20 which the project will promote the integration of
21 telehealth in the community so as to avoid redun-
22 dancy of technology and achieve economies of scale.

23 (2) ELIGIBLE ENTITIES.—

24 (A) IN GENERAL.—An eligible entity de-
25 scribed in this paragraph is a hospital or other

1 health care provider in a health care network of
2 community-based health care providers that in-
3 cludes at least—

4 (i) two of the organizations described
5 in subparagraph (B); and

6 (ii) one of the institutions and entities
7 described in subparagraph (C),

8 if the institution or entity is able to dem-
9 onstrate use of the network for purposes of
10 education or economic development (as required
11 by the Secretary).

12 (B) ORGANIZATIONS DESCRIBED.—The or-
13 ganizations described in this subparagraph are
14 the following:

15 (i) Community or migrant health cen-
16 ters.

17 (ii) Local health departments.

18 (iii) Nonprofit hospitals.

19 (iv) Private practice health profes-
20 sionals, including community and rural
21 health clinics.

22 (v) Other publicly funded health or so-
23 cial services agencies.

24 (vi) Skilled nursing facilities.

1 (vii) County mental health and other
2 publicly funded mental health facilities.

3 (viii) Providers of home health serv-
4 ices.

5 (ix) Renal dialysis facilities.

6 (C) INSTITUTIONS AND ENTITIES DE-
7 SCRIBED.—The institutions and entities de-
8 scribed in this subparagraph are the following:

9 (i) A public school.

10 (ii) A public library.

11 (iii) A university or college.

12 (iv) A local government entity.

13 (v) A local health entity.

14 (vi) A health-related nonprofit founda-
15 tion.

16 (vii) An academic health center.

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

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

23 (1) The applicant is a health care provider in
24 a health care network or a health care provider that
25 proposes to form such a network that furnishes or

1 proposes to furnish services in a medically under-
2 served area, health professional shortage area, or
3 mental health professional shortage area.

4 (2) The applicant is able to demonstrate broad
5 geographic coverage in the rural or medically under-
6 served areas of the State, or States in which the ap-
7 plicant is located.

8 (3) The applicant proposes to use Federal
9 funds to develop plans for, or to establish, telehealth
10 systems that will link rural hospitals and rural
11 health care providers to other hospitals, health care
12 providers, and patients.

13 (4) The applicant will use the amounts provided
14 for a range of health care applications and to pro-
15 mote greater efficiency in the use of health care re-
16 sources.

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

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

23 (7) The applicant is able to provide a detailed
24 plan for coordinating system use by eligible entities

1 so that health care services are given a priority over
2 non-clinical uses.

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

12 (e) USE OF AMOUNTS.—The recipient of a grant
13 under this section may use sums received under such
14 grant for the acquisition of telehealth equipment and
15 modifications or improvements of telecommunications facilities
16 including the following:

17 (1) The development and acquisition through
18 lease or purchase of computer hardware and software,
19 audio and video equipment, computer network
20 equipment, interactive equipment, data terminal
21 equipment, and other facilities and equipment that
22 would further the purposes of this section.

23 (2) The provision of technical assistance and instruction
24 for the development and use of such programming
25 equipment or facilities.

1 (3) The development and acquisition of instruc-
2 tional programming.

3 (4) Demonstration projects for teaching or
4 training medical students, residents, and other
5 health profession students in rural or medically un-
6 derserved training sites about the application of tele-
7 health.

8 (5) The provision of telenursing services de-
9 signed to enhance care coordination and promote pa-
10 tient self-management skills.

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

15 (7) Transmission costs, maintenance of equip-
16 ment, and compensation of specialists and referring
17 health care providers, when no other form of reim-
18 bursement is available.

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

21 (9) Electronic archival of patient records.

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

1 (11) Such other uses that are consistent with
2 achieving the purposes of this section as approved by
3 the Secretary.

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

7 (1) To acquire real property.

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

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

14 (4) For construction, except that such funds
15 may be expended for minor renovations relating to
16 the installation of equipment.

17 (5) Expenditures for indirect costs (as deter-
18 mined by the Secretary) to the extent the expendi-
19 tures would exceed more than 15 percent of the total
20 grant.

21 (g) ADMINISTRATION.—

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

1 (2) COORDINATION WITH OTHER AGENCIES.—

2 The Secretary shall coordinate, to the extent prac-
3 ticable, with other Federal and State agencies and
4 not-for-profit organizations, operating similar grant
5 programs to pool resources for funding meritorious
6 proposals.

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

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

16 (i) AUTHORIZATION OF APPROPRIATIONS.—There
17 are authorized to be appropriated to carry out this section
18 \$10,000,000 for fiscal year 2010, and such sums as may
19 be necessary for each of the fiscal years 2011 through
20 2014.

21 **SEC. 202. REAUTHORIZATION OF TELEHEALTH NETWORK**
22 **AND TELEHEALTH RESOURCE CENTERS**
23 **GRANT PROGRAMS.**

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

1 (1) in paragraph (1)—

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

3 and

4 (B) by inserting “\$10,000,000 for fiscal

5 year 2010, and such sums as may be necessary

6 for each of fiscal years 2011 through 2014” be-

7 fore the semicolon; and

8 (2) in paragraph (2)—

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

10 and

11 (B) by inserting “\$10,000,000 for fiscal

12 year 2010, and such sums as may be necessary

13 for each of fiscal years 2011 through 2014” be-

14 fore the semicolon.

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