

CMS Telehealth Letter Responses

Medicare telehealth policy is generally detailed in the Medicare Learning Network (MLN)'s [Booklet on Telehealth Services](#) issued at the beginning of each year. However, occasionally questions are raised regarding telehealth reimbursement that are not addressed in the Booklet. As a result, requests for additional clarification are submitted to the Centers for Medicare and Medicaid Services (CMS) through email, and are responded to through a formal letter issued by CMS.

CCHP has gathered the letters that address telehealth-specific questions submitted to CMS by staff from the fourteen Telehealth Resource Centers. A simplified FAQ summarizing the content of the letters has been provided below organized by topic area, followed by the actual letters.

If you are a recipient of one of these telehealth-related letters, please feel free to forward it to christine@cchpca.org who will include it in future versions of this resource.

Advanced Beneficiary Notice (ABN)

- [Does CMS allow Medicare providers to use an electronic signature when issuing an advanced beneficiary notice \(ABN\)?](#)
 - **Short Answer:** Yes, but the beneficiary must be given a paper copy of the signed ABN to keep for his/her records.
- [Could a Medicare provider classify certain non-covered Medicare services as services which are never covered by Medicare \(i.e. telehealth services to patients in urban areas\) and avoid having to issue the ABN?](#)
 - **Short Answer:** No, an ABN must be issued in order to transfer potential financial liability to the Medicare beneficiary for non-covered services.

CMS-1500 Billing Form

- [When the patient and provider are not in the same location \(as is the case for telehealth\), what address should be used in Item 32 in the CMS-1500 billing form?](#)
 - **Short Answer, Letter 1:** The practitioner should enter on the claim the address where they typically practice. If a practitioner works from home 100% of the time, the home address is the address used on the claim.
 - **Short Answer, Letter 2:** If the practitioner is furnishing professional services from their home office, the practitioner should indicate their home address on line 32, but they should ensure their home office address is recorded in their Medicare Providers Enrollment, Chain and Ownership System (PECOS) enrollment record.

Billable Services

- [Can a provider bill codes 99453, 99454 and 99457 for a Medicare beneficiary who is full risk and capitated and would these payments be in addition to what the provider receives for the patient's capitated rate?](#)
 - **Short Answer:** These codes are not listed as telehealth eligible services. For specific coverage and payment concerns related to a Medicare Advantage plan, the MA plan should be contacted directly.
- [Can a hospital utilize a video telecommunications system to help complete the intake process in an urgent care setting? In this specific scenario, a nurse practitioner would see the patient virtually by using a video to verify their chief complaint, medical family history and medications, and a physician would subsequently see the patient in-person.](#)
 - **Short Answer:** This arrangement would not comply with CMS' billing guidelines. The physician would need to complete the entire visit in order to bill Medicare for services.

Other Useful CMS Issued Documents

MLN Matters Documents

[MLN Matters: Communication Technology Based Services and Payment for Rural Health Clinic \(RHCs\) and Federally Qualified Health Centers \(FQHCs\)](#)

Instructions for billing Medicare Administrative Contractor (MAC) for communication technology based services for RHCs and RQHCs.

[MLN Matters: Rural Health Clinic](#)

Describes telehealth reimbursement policy for RHCs.

[MLN Matters: Chronic Care Management Services](#)

A factsheet on requirements for billing Chronic Care Management codes.

Manuals

[Medicare Claims Processing Manual Chapter 9 - Rural Health Clinics/Federally Qualified Health Centers](#)

Contains Section 80 (page 34) on requirements for billing telehealth services for FQHCs and RHCs.

[Medicare Benefit Policy Manual Chapter 13 - Rural Health Clinic \(RHC\) and Federally Qualified Health Center \(FQHC\) Services](#)

Contains Section 200 (page 40-41) on requirements for billing telehealth services, and Section 240 (page 54) on Virtual Communication Services for FQHCs and RHCs.

[Medicare Benefit Policy Manual Chapter 16 – General Exclusions from Coverage](#)

Describes exclusion of international providers in Section 60 (page 23-25).

Frequently Asked Questions

[Virtual Communication Services in Rural Health Clinics \(RHCs\) and Federally Qualified Health Centers \(FQHCs\) – Frequently Asked Questions](#)

Provides common questions and answers for FQHCs and RHCs billing virtual communication services.

[Care Management Services in Rural Health Clinics \(RHCs\) and Federally Qualified Health Centers \(FQHCs\) - Frequently Asked Questions](#)

Provides common questions and answers for FQHCs and RHCs billing care management services.

[Chronic Care Management Frequently Asked Questions](#)

Provides common questions and answers for physicians billing chronic care management services.

Medicare Telehealth Geographic Analyzer

[Medicare Telehealth Payment Eligibility Analyzer](#)

A tool that allows users to input an address to determine if the site qualifies under Medicare's rural requirement for telehealth reimbursement.

DEPARTMENT OF HEALTH & HUMAN SERVICES
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DIVISION OF FINANCIAL MANAGEMENT & FEE FOR SERVICE OPERATIONS

March 7, 2019

Edwin Dizon
Keck Medicine of USC
1500 San Pablo Street
Los Angeles, California 90033

Dear Mr. Dizon:

We are writing in response to your February 28, 2019 telephone inquiry regarding the Medicare program. You asked if the Centers for Medicare & Medicaid Services (CMS) allows Medicare providers to use an electronic signature when issuing an advanced beneficiary notice (ABN).

An ABN should be signed and dated by the beneficiary or their representative after they select one of the options. If the provider issues the notice on an electronic screen, the provider would need to offer a paper copy to the beneficiary and the provider would need to keep a copy for the provider's records (whether the notice is signed on paper or electronically). If the provider maintains electronic medical records, the provider may scan the signed hard copy for retention.

Secondly, the Medicare Claims Processing Manual, Publication 100-04, Chapter 30, Section 50.7.1.D states that electronic issuance of ABNs is not prohibited. If a provider elects to issue an ABN that is viewed on an electronic screen before signing, the beneficiary must be given the option of requesting paper issuance over electronic if that is what she/he prefers. Also, regardless of whether a paper or electronic version is issued and regardless of whether the signature is digitally captured or manually penned, the beneficiary must be given a paper copy of the signed ABN to keep for his/her own records. As stated in §50.6.4, electronic retention of the signed ABN is permitted.

Electronic signatures are allowed for an ABN to be valid. You may wish to review the MLN booklet on Medicare ABNs of noncoverage which is available from the following link for additional information on ABNs. https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/ABN_Booklet_ICN006266.pdf.

We hope this is of assistance to you. If you need additional information, you may contact me at (415) 744-3551.

Sincerely,

A handwritten signature in black ink that reads "Neal E. Logue". The signature is written in a cursive style with a prominent initial "N" and a long, sweeping underline.

Neal E. Logue
Health Insurance Specialist
Division of Financial Management and
Fee for Service Operations

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DIVISION OF FINANCIAL MANAGEMENT & FEE FOR SERVICE OPERATIONS

October 23, 2018

Rebecca Picasso
Program Director
California Telehealth Resource Center
2001 P Street, Suite 100
Sacramento, California 95811

Dear Ms. Picasso:

This letter is in response to your October 18, 2018 inquiry regarding the Medicare program. You asked the Centers for Medicare & Medicaid Services (CMS) if a Medicare provider would be permitted to classify certain non-covered Medicare services as services which are never covered by Medicare and avoid having to issue the advanced beneficiary notice (ABN). You stated that you represent the University of Southern California which is interested in furnishing telehealth services to patients in an urban area, and therefore, the services in question would be non-covered by Medicare for telehealth purposes.

We contacted Noridian Healthcare Solutions which currently serves as the Medicare Administrative Contractor (MAC) in Jurisdiction E. The provider would need to issue the ABN in this type of situation because the ABN is issued in order to transfer potential financial liability to the Medicare beneficiary for non-covered services as referenced in your inquiry. If the provider issues an ABN, the provider would need to bill Medicare with a GY modifier on the claim.

Secondly, if the provider fails to issue the ABN in this type of situation, the provider could be held liable. Therefore, we are not permitted to waive the ABN requirements involving telehealth services which fail to meet Medicare's coverage requirements. The ABN is a way for a Medicare fee-for-service beneficiary to make an informed decision about items and services that are usually covered by Medicare but may not be expected to be paid in a specific instance for certain reasons, such as lack of medical necessity. The ABN allows the beneficiary to make an informed decision about whether to obtain the item or service that may not be covered and accept financial responsibility if Medicare does not pay. If the beneficiary does not receive the written notice when it is required, he or she may not be held financially liable if Medicare denies payment, and the provider or supplier may be financially liable if Medicare does not pay.

We hope this is of assistance to you. If you need any additional information, you may contact me at (415) 744-3551.

Sincerely,

A handwritten signature in black ink that reads "Neal E. Logue". The signature is written in a cursive style with a large, prominent initial "N".

Neal E. Logue
Health Insurance Specialist
Division of Financial Management and
Fee for Service Operations

Department of Health & Human Services
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop C5-15-12
Baltimore, Maryland 21244-1850



Center for Medicare

Curtis Lowery, MD
President
Center for Telehealth and e-Health Law
1500 K. Street, NW
Washington, DC 20005

Dear Dr. Lowery:

Thank you for your letter to Administrator Verma requesting clarification concerning the billing of a telehealth transaction on the professional fee bill known as the CMS-1500. The Centers for Medicare & Medicaid Services greatly appreciates your bringing these concerns to our attention. She has asked me to respond directly to you.

Generally, for services paid on the Medicare physician fee schedule, in order for the correct locality payment amount to be determined, physicians and other practitioners are required to enter on the claim in item 32 the address of the location where the service was furnished. There is nothing on the claim to indicate whether this address is the practitioner's office or a home.

In the case of telehealth services as well as other services where the patient and practitioner are in different geographic locations, the practitioner should enter on the claim the address where they typically practice. If they furnish some or all of these services from their home or another location that is not their typical practice location, they should use the address of the office location where they usually practice. For a practitioner who works from home 100 percent of the time with no other office site, the home address is the address they should enter on the claim. We recognize that these practitioners may not wish to enter their home address, but there is no other appropriate alternate address to use.

We appreciate your interest in this important issue as we work toward our mutual goal of strengthening the Medicare program for all beneficiaries. Please share this response with the organizations that have co-signed your letter.

Sincerely,

A handwritten signature in blue ink that reads "Carol L. Blackford". The signature is written in a cursive, flowing style.

Carol L. Blackford
Director, Hospital & Ambulatory Policy Group
Centers for Medicare

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Centers for Medicare & Medicaid Services
San Francisco Regional Office
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DIVISION OF FINANCIAL MANAGEMENT & FEE FOR SERVICE OPERATIONS

October 18, 2019

Mei Kwong
Executive Director
Center for Connected Health Policy
2520 Venture Oaks Way, Suite 180
Sacramento, California 95833

Dear Mei Kwong:

We are writing in response to your October 16, 2019 inquiry regarding the Medicare program. You asked the Centers for Medicare & Medicaid Services (CMS) to clarify specific questions regarding Medicare telehealth services.

Question 1: If a telehealth worker (distant site practitioner) works entirely from their home, should the practitioner use their home address on line 32 of the 1500 claim form when billing Medicare for the distant site practitioner's professional services?

Response: A distant site practitioner is permitted to use their home as an office location, but the provider would be required to ensure that their home office address is recorded in their Medicare Provider Enrollment, Chain and Ownership System (PECOS) enrollment record. If the practitioner is furnishing their professional services from their home office, then the practitioner would need to indicate their home office address on line 32 the claim form.

Question 2: If you asked about a Medicare beneficiary who is full risk and capitated and if the provider can bill codes 99453, 99454, and 99457, and if Medicare's payment for these codes would be in addition to what the provider receives for the patient's capitated rate.

Response: The codes referenced in your inquiry are not listed as telehealth eligible services. You can review a listing of telehealth eligible services which is found on Noridian's following webpage. <https://med.noridianmedicare.com/web/jeb/topics/telehealth>.

Secondly, for specific coverage and payment concerns pertaining to a Medicare beneficiary who is enrolled in a Medicare Advantage (MA) plan, you would need to contact the MA plan directly to verify if the MA plan allows coverage for a particular service.

We hope this is of assistance to you. If you need any additional information, you may contact me at (415) 744-3551.

Sincerely,

A handwritten signature in black ink that reads "Neal E. Logue". The signature is written in a cursive style with a prominent initial "N" and a long, sweeping underline.

Neal E. Logue
Health Insurance Specialist
Division of Financial Management and Fee for Service Operations

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DIVISION OF FINANCIAL MANAGEMENT & FEE FOR SERVICE OPERATIONS

October 22, 2018

Rebecca Picasso
Program Director
California Telehealth Resource Center
2001 P Street, Suite 100
Sacramento, California 95811

Dear Ms. Picasso:

This letter is in response to your October 18, 2018 inquiry regarding the Medicare program. You asked the Centers for Medicare & Medicaid Services (CMS) if Hoag Hospital would be permitted to utilize a video telecommunications system to help complete the intake process in the provider's urgent care center. You indicated that the provider is planning to have a nurse practitioner see patients virtually by using a video to communicate with patients to verify their chief complaint, medical family history, and current medications. The physician would subsequently see the patient during an in-person encounter.

We contacted Noridian Healthcare Solutions which currently serves as the Medicare Administrative Contractor (MAC) in Jurisdiction E. Since the physician would not be performing all of the components of the evaluation and management (E/M) service as described in your inquiry, the "incident to" billing requirements would not apply. The proposed arrangement would not comply with CMS' billing guidelines. Therefore, the physician would need to complete the entire visit in order to bill Medicare for the service.

We hope this is of assistance to you. If you need any additional information, you may contact me at (415) 744-3551.

Sincerely,

A handwritten signature in black ink that reads "Neal E. Logue". The signature is written in a cursive style.

Neal E. Logue
Health Insurance Specialist
Division of Financial Management and
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