

110TH CONGRESS
2D SESSION

H. R. 6163

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

MAY 22, 2008

Mr. THOMPSON of California (for himself, Mr. STUPAK, Mr. HULSHOF, and Ms. ESHOO) 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 2008”.

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. Access to telehealth services in the home.
 Sec. 105. Coverage of home health remote patient management services for certain chronic health conditions.
 Sec. 106. Remote patient management services for chronic health conditions.
 Sec. 107. 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-

1 media formats) in the provision of telehealth services
 2 for which payment may be made under the Medicare
 3 program in Alaska and Hawaii and in other States.
 4 Such study shall include an assessment of the feasi-
 5 bility, advisability, and the costs of expanding the
 6 use of such technologies to other areas for use in the
 7 diagnosis and treatment of certain conditions.

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

15 **SEC. 102. INCREASE IN NUMBER OF TYPES OF ORIGI-**
 16 **NATING SITES; CLARIFICATION.**

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

21 “(VI) A skilled nursing facility
 22 (as defined in section 1819(a)).

23 “(VII) A renal dialysis facility.

1 “(VIII) A county mental health
2 clinic or other publicly funded mental
3 health facility.”.

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

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

16 **SEC. 103. FACILITATING THE PROVISION OF TELEHEALTH**
17 **SERVICES ACROSS STATE LINES.**

18 (a) IN GENERAL.—The Secretary of Health and
19 Human Services shall, in coordination with physicians,
20 health care practitioners, patient advocates, and rep-
21 resentatives of States, encourage and facilitate the adop-
22 tion of State reciprocity agreements for practitioner licen-
23 sure in order to expedite the provision across State lines
24 of telehealth services.

1 (b) REPORT.—Not later than 18 months after the
 2 date of the enactment of this Act, the Secretary of Health
 3 and Human Services shall submit to Congress a report
 4 on the actions taken to carry out subsection (a).

5 (c) DEFINITIONS.—In subsection (a):

6 (1) TELEHEALTH SERVICE.—The term “tele-
 7 health service” has the meaning given that term in
 8 subparagraph (F) of section 1834(m)(4) of the So-
 9 cial Security Act (42 U.S.C. 1395m(m)(4)).

10 (2) STATE.—The term “State” has the mean-
 11 ing given that term for purposes of title XVIII of
 12 such Act.

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

15 (a) IN GENERAL.—Section 1895(e) of the Social Se-
 16 curity Act (42 U.S.C. 1395fff(e)) is amended to read as
 17 follows:

18 “(f) COVERAGE OF TELEHEALTH SERVICES.—

19 “(1) IN GENERAL.—The Secretary shall include
 20 telehealth services that are furnished via a tele-
 21 communication system by a home health agency to
 22 an individual receiving home health services under
 23 section 1814(a)(2)(C) or 1835(a)(2)(A) as a home
 24 health visit for purposes of eligibility and payment
 25 under this title if the telehealth services—

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

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

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

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

17 “(3) CRITERIA FOR VISIT EQUIVALENCY.—

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

1 guish between varying modes and modalities of
2 telehealth services and shall consider—

3 “(i) the nature and amount of service
4 time involved; and

5 “(ii) the functions of the telecommuni-
6 cations.

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

12 “(4) TELEHEALTH SERVICE.—

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

21 “(B) UPDATE OF HCPCS CODES.—The
22 Secretary shall establish a process for the up-
23 dating, not less frequently than annually, of
24 HCPCS codes for telehealth services.

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

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

12 (b) EFFECTIVE DATE.—

13 (1) The amendment made by subsection (a)
14 shall apply to telehealth services furnished on or
15 after October 1, 2009. The Secretary of Health and
16 Human Services shall develop and implement cri-
17 teria and standards under section 1895(f)(3) of the
18 Social Security Act, as amended by subsection (a),
19 by no later than July 1, 2009.

20 (2) In the event that the Secretary has not
21 complied with these deadlines, beginning October 1,
22 2009, a home health visit for purpose of eligibility
23 and payment under title XVIII of the Social Secu-
24 rity Act shall include telehealth services under sec-
25 tion 1895(f) of such Act with the aggregate of tele-

1 communication encounters in a 24-hour period con-
 2 sidered the equivalent of one in-person visit.

3 **SEC. 105. COVERAGE OF HOME HEALTH REMOTE PATIENT**
 4 **MANAGEMENT SERVICES FOR CERTAIN**
 5 **CHRONIC HEALTH CONDITIONS.**

6 (a) IN GENERAL.—Section 1861(s)(2) of the Social
 7 Security Act (42 U.S.C. 1395x(s)(2)), as amended by sec-
 8 tion 4(a)(1), is further amended—

9 (1) in subparagraph (AA), by striking “and” at
 10 the end;

11 (2) in subparagraph (BB), by inserting “and”
 12 at the end; and

13 (3) by inserting after subparagraph (BB) the
 14 following new subparagraph:

15 “(CC) home health remote patient man-
 16 agement services (as defined in subsection
 17 (eee));”.

18 (b) SERVICES DESCRIBED.—Section 1861 of the So-
 19 cial Security Act (42 U.S.C. 1395x), as amended by sec-
 20 tion 4(a)(2), is further amended by adding at the end the
 21 following new subsection:

22 “Home Health Remote Patient Management Services for
 23 Certain Chronic Conditions

24 “(eee)(1) The term ‘home health remote patient man-
 25 agement services’ means the remote monitoring, evalua-

tion, and management of an individual with a covered chronic health condition (as defined in paragraph (2)) through the utilization of a system of technology that allows a remote interface to collect and transmit clinical data between the individual and a home health agency, in accordance with a plan of care established by a physician, for purposes of clinical review or response by the home health agency. Such term, with respect to an individual, does not include any remote monitoring, evaluation, or management of the individual if such remote monitoring, evaluation, or management, respectively, is included as a home health visit under section 1895(e) for purposes of payment under this title.

“(2) For purposes of paragraph (1), the term ‘covered chronic health condition’ means—

“(A) a covered chronic health condition, as defined under section 1861(ddd)(2); and

“(B) any other chronic health condition specified by the Secretary.”.

(c) PAYMENT.—

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

“(n) HOME HEALTH REMOTE PATIENT MANAGEMENT SERVICES.—

1 “(1) IN GENERAL.—The Secretary shall estab-
2 lish a fee schedule for home health remote patient
3 management services (as defined in section
4 1861(eee)) for which payment is made under this
5 part. The fee schedule shall be designed in a manner
6 so that, on an annual basis, the aggregate payment
7 amounts under this title for such services approxi-
8 mates 50 percent of the savings amount described in
9 paragraph (2) for such year.

10 “(2) SAVINGS DESCRIBED.—

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

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

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

23 “(B) PRODUCT DESCRIBED.—The product
24 described in this subparagraph for a year is the
25 product of—

1 “(i) the average per capita total pay-
2 ments under this part and part A for items
3 and services furnished during the year to
4 individuals not described in subparagraph
5 (A)(ii), adjusted to remove case mix dif-
6 ferences between such individuals not de-
7 scribed in such subparagraph and the indi-
8 viduals described in such subparagraph;
9 and

10 “(ii) the number of individuals under
11 subparagraph (A)(ii) for the year.

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

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

1 “(5) PAYMENT TRANSFER.—There shall be
 2 transferred from the Federal Hospital Insurance
 3 Trust Fund under section 1817 to the Federal Sup-
 4 plementary Medical Insurance Trust Fund under
 5 section 1841 each year an amount equivalent to the
 6 product of—

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

9 “(B) the ratio of the portion of the savings
 10 described in paragraph (2) for the year that are
 11 attributable to part A, to the total savings de-
 12 scribed in such paragraph for the year.”.

13 (2) CONFORMING AMENDMENT.—Section
 14 1833(a)(1) of such Act (42 U.S.C. 1395l(1)) is
 15 amended—

16 (A) by striking “and (V)” and inserting
 17 “(V)”; and

18 (B) by inserting before the semicolon at
 19 the end the following: “, and (W) with respect
 20 to home health remote patient management
 21 services (as defined in section 1861(eee)), the
 22 amounts paid shall be the amount determined
 23 under the fee schedule established under section
 24 1834(n)”.

15 SEC. 106. REMOTE PATIENT MANAGEMENT SERVICES FOR
16 CHRONIC HEALTH CONDITIONS.

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

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1 (B) in subparagraph (AA), by inserting
2 “and” at the end; and

3 (C) by inserting after subparagraph (AA)
4 the following new subparagraph:

5 “(BB) remote patient management services (as
6 defined in subsection (ddd));”.

7 (2) SERVICES DESCRIBED.—Section 1861 of
8 the Social Security Act (42 U.S.C. 1395x), as
9 amended by section 114(a) of the Medicare, Med-
10 icaid, and SCHIP Extension Act of 2007 (Public
11 Law 110–173), is amended by adding at the end the
12 following new subsection:

13 “(ddd) REMOTE PATIENT MANAGEMENT SERVICES
14 FOR CHRONIC HEALTH CONDITIONS.—(1) The term ‘re-
15 mote patient management services’ means the remote
16 monitoring, evaluation, and management of an individual
17 with a covered chronic health condition (as defined in
18 paragraph (2)), insofar as such monitoring, evaluation,
19 and management is with respect to such condition,
20 through the utilization of a system of technology that al-
21 lows a remote interface to collect and transmit clinical
22 data between the individual and the responsible physician
23 (as defined in subsection (r)) or supplier (as defined in
24 subsection (d)) for the purposes of clinical review or re-
25 sponse by the physician or supplier.

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

3 “(A) heart failure; and

4 “(B) cardiac arrhythmia.

5 “(3)(A) Not later than January 1, 2010, the Sec-
6 retary, in consultation with appropriate physician and sup-
7 plier groups, shall develop guidelines on the frequency of
8 billing for remote patient management services. Such
9 guidelines shall be determined based on medical necessity
10 and shall be sufficient to ensure appropriate and timely
11 monitoring of individuals being furnished such services.

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

13 “(i) Not later than 2 years after the date of the
14 enactment of this subsection, develop, in consulta-
15 tion with appropriate physician and supplier groups,
16 standards (governing such matters as qualifications
17 of personnel and the maintenance of equipment) for
18 remote patient management services for the covered
19 chronic health conditions specified in subparagraphs
20 (A) and (B) of paragraph (2).

21 “(ii) Periodically review and update such stand-
22 ards under this subparagraph as necessary.”.

23 (3) PAYMENT UNDER THE PHYSICIAN FEE
24 SCHEDULE.—Section 1848 of the Social Security
25 Act (42 U.S.C. 1395w-4) is amended—

1 (A) in subsection (c)—

2 (i) in paragraph (2)((B)—

3 (I) in clause (ii)(II), by striking

4 “and (v)” and inserting “(v), (and

5 (vi)”;

6 (II) by adding at the end the fol-

7 lowing new clause:

8 “(vi) BUDGETARY TREATMENT OF

9 CERTAIN SERVICES.—The additional ex-

10 penditures attributable to services de-

11 scribed in section 1861(s)(2)(BB) shall not

12 be taken into account in applying clause

13 (ii)(II) for 2010.”;

14 (ii) by adding at the end the following

15 new paragraph:

16 “(7) TREATMENT OF REMOTE PATIENT MAN-

17 AGEMENT SERVICES.—

18 “(A) In determining relative value units

19 for remote patient management services (as de-

20 fined in section 1861(ddd)), the Secretary, in

21 consultation with appropriate physician groups,

22 shall take into consideration—

23 “(i) physician resources, including

24 physician time and the level of intensity of

25 services provided, based on—

1 “(I) the frequency of evaluation
2 necessary to manage the individual
3 being furnished the services;

4 “(II) the complexity of the eval-
5 uation, including the information that
6 must be obtained, reviewed, and ana-
7 lyzed; and

8 “(III) the number of possible di-
9 agnoses and the number of manage-
10 ment options that must be considered;
11 and

12 “(ii) practice expense costs associated
13 with such services, including installation
14 and information transmittal costs, costs of
15 remote patient management technology
16 (including equipment and software), and
17 resource costs necessary for patient moni-
18 toring and follow-up (but not including
19 costs of any related item or non-physician
20 service otherwise reimbursed under this
21 title).

22 “(iii) malpractice expense resources.

23 “(B) Using the relative value units deter-
24 mined in subparagraph (A), the Secretary shall
25 provide for separate payment for such services

1 and shall not adjust the relative value units as-
2 signed to other services that might otherwise
3 have been determined to include such separately
4 paid remote patient management services.”; and

5 (B) in subsection (j)(3), by inserting
6 “(2)(BB)” after “(2)(AA),”.

7 (4) EFFECTIVE DATE.—

8 (A) IN GENERAL.—The amendments made
9 by this section shall apply to services furnished
10 on or after January 1, 2010 without regard to
11 whether the guidelines under paragraph (3)(A)
12 or the standards under paragraph (3)(B) of
13 section 1861(ddd) of the Social Security Act (as
14 added by paragraph (2)) have been developed.

15 (B) AVAILABILITY OF CODES AS OF JANU-
16 ARY 1, 2010.—The Secretary of Health and
17 Human Services shall—

18 (i) promptly evaluate existing codes
19 that would be used to bill for remote pa-
20 tient management services (as defined in
21 paragraph (1) of such section 1861(ddd),
22 as so added) under title XVIII of the So-
23 cial Security Act; and

24 (ii) if the Secretary determines that
25 new codes are necessary to ensure accurate

1 reporting and billing of such services under
2 such title, issue such codes so that they are
3 available for use as of January 1, 2010.

4 (b) DEMONSTRATION PROJECT FOR THE COVERAGE
5 OF REMOTE PATIENT MANAGEMENT SERVICES FOR AD-
6 DITIONAL CHRONIC HEALTH CONDITIONS UNDER THE
7 MEDICARE PROGRAM.—

8 (1) ESTABLISHMENT.—

9 (A) IN GENERAL.—The Secretary shall es-
10 tablish a demonstration project for the purpose
11 of evaluating the impact and benefits of cov-
12 ering under the Medicare program remote pa-
13 tient management services for certain chronic
14 health conditions.

15 (B) CONSULTATION.—In establishing the
16 demonstration project, the Secretary shall con-
17 sult with appropriate physician and supplier
18 groups, eligible beneficiaries, and organizations
19 representing eligible beneficiaries.

20 (C) PARTICIPATION.—Any eligible bene-
21 ficiary may participate in the demonstration
22 project on a voluntary basis.

23 (2) CONDUCT OF THE DEMONSTRATION
24 PROJECT.—

25 (A) SITES.—

1 (i) SELECTION OF DEMONSTRATION
2 SITES.—The Secretary shall conduct the
3 demonstration project at 3 sites.

4 (ii) GEOGRAPHIC DIVERSITY.—In se-
5 lecting the sites under clause (i), the Sec-
6 retary shall ensure that at least 1 of the
7 sites is in a rural area.

8 (B) IMPLEMENTATION; DURATION.—

9 (i) IMPLEMENTATION.—The Secretary
10 shall implement the demonstration project
11 not later than January 1, 2010.

12 (ii) DURATION.—The Secretary shall
13 complete the demonstration project by the
14 date that is 2 years after the date on
15 which the demonstration project is imple-
16 mented.

17 (3) EVALUATION AND REPORT.—

18 (A) EVALUATION.—The Secretary shall
19 conduct an evaluation of the demonstration
20 project—

21 (i) to determine improvements in the
22 quality of care and utilization of services
23 received by eligible beneficiaries partici-
24 pating in the demonstration project;

1 (ii) to determine the cost of providing
2 payment for remote monitoring services
3 under the Medicare program;

4 (iii) to determine the satisfaction of
5 eligible beneficiaries participating in the
6 demonstration projects; and

7 (iv) to evaluate such other matters as
8 the Secretary determines is appropriate.

9 (4) WAIVER AUTHORITY.—The Secretary may
10 waive such provisions of titles XI and XVIII of the
11 Social Security Act as the Secretary determines to
12 be appropriate for the conduct of the demonstration
13 project.

14 (5) FUNDING.—

15 (A) DEMONSTRATION.—

16 (i) IN GENERAL.—Subject to clause
17 (ii), the Secretary shall provide for the
18 transfer from the Federal Supplementary
19 Medical Trust Fund under section 1841 of
20 the Social Security Act (42 U.S.C. 1395t)
21 of such funds as are necessary for the
22 costs of carrying out the demonstration
23 project.

24 (ii) CAP ON EXPENDITURES.—The
25 amount transferred under clause (i) for the

1 period during which the demonstration
2 project is conducted may not exceed an
3 amount equal to the lesser of—

4 (I) \$9,000,000; or

5 (II) an amount equal to the costs
6 of providing remote monitoring serv-
7 ices to 7,500 individuals during such
8 period.

9 (B) EVALUATION AND REPORT.—There
10 are authorized to be appropriated such sums as
11 are necessary for the purpose of conducting the
12 evaluation and developing and submitting the
13 report to Congress under paragraph (3).

14 (6) DEFINITIONS.—In this section:

15 (A) REMOTE PATIENT MANAGEMENT SERV-
16 ICES.—The term “remote patient management
17 services” means the remote monitoring, evalua-
18 tion, and management of an individual with a
19 covered chronic health condition (as defined in
20 paragraph (B)), insofar as such monitoring,
21 evaluation, and management is with respect to
22 such condition, through the utilization of a sys-
23 tem of technology that allows a remote interface
24 to collect and transmit clinical data between the
25 individual and the responsible physician (as de-

1 fined in subsection (r) of section 1861 of the
2 Social Security Act (42 U.S.C. 1395x))) or sup-
3 plier (as defined in subsection (d) of such sec-
4 tion) for the purposes of clinical review or re-
5 sponse by the physician or supplier.

6 (B) COVERED CHRONIC HEALTH CONDI-
7 TION.—The term “covered chronic health condi-
8 tion” means diabetes, sleep apnea, or epilepsy.

9 (C) DEMONSTRATION PROJECT.—The term
10 “demonstration project” means a demonstra-
11 tion project conducted under this subsection.

12 (D) ELIGIBLE BENEFICIARY.—The term
13 “eligible beneficiary” means an individual who
14 is enrolled under part B of the Medicare pro-
15 gram and has a covered chronic health condi-
16 tion.

17 (E) MEDICARE PROGRAM.—The term
18 “Medicare program” means the health benefits
19 program under title XVIII of the Social Secu-
20 rity Act (42 U.S.C. 1395 et seq.).

21 (F) SECRETARY.—The term “Secretary”
22 means the Secretary of Health and Human
23 Services.

1 **SEC. 107. DEFINITION OF MEDICARE PROGRAM.**

2 In this title, the term “Medicare program” means the
3 program of health insurance administered by the Sec-
4 retary of Health and Human Services under title XVIII
5 of the Social Security Act (42 U.S.C. 1395 et seq.).

6 **TITLE II—HRSA GRANT**
7 **PROGRAM**

8 **SEC. 201. GRANT PROGRAM FOR THE DEVELOPMENT OF**
9 **TELEHEALTH NETWORKS.**

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

19 (b) ELIGIBLE ENTITIES.—

20 (1) APPLICATION.—To be eligible to receive a
21 grant under this section, an eligible entity described
22 in paragraph (2) shall, in consultation with the
23 State office of rural health or other appropriate
24 State entity, prepare and submit to the Secretary an
25 application, at such time, in such manner, and con-

1 taining such information as the Secretary may re-
2 quire, including the following:

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

5 (B) A description of the activities which
6 the entity intends to carry out using amounts
7 provided under the grant.

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

10 (D) A description of the manner in which
11 the activities funded under the grant will meet
12 health care needs of underserved rural popu-
13 lations within the State.

14 (E) A description of how the local commu-
15 nity or region to be served by the network or
16 proposed network will be involved in the devel-
17 opment and ongoing operations of the network.

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

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

23 The application should demonstrate the manner in
24 which the project will promote the integration of

1 telehealth in the community so as to avoid redun-
2 dancy of technology and achieve economies of scale.

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

13 (A) The organizations described in this
14 subparagraph are 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 (B) The institutions and entities described
7 in this subparagraph are the following:

8 (i) A public school.

9 (ii) A public library.

10 (iii) A university or college.

11 (iv) A local government entity.

12 (v) A local health entity.

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

15 (vii) An academic health center.

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

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

22 (1) The applicant is a health care provider in
23 a health care network or a health care provider that
24 proposes to form such a network that furnishes or
25 proposes to furnish services in a medically under-

1 served area, health professional shortage area, or
2 mental health professional shortage area.

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

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

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

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

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

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

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

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

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

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

20 (3) The development and acquisition of instructional programming.

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

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

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

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

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

19 (9) Electronic archival of patient records.

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

23 (11) Such other uses that are consistent with
24 achieving the purposes of this section as approved by
25 the Secretary.

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

4 (1) To acquire real property.

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

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

11 (4) For construction, except that such funds
12 may be expended for minor renovations relating to
13 the installation of equipment.

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

18 (g) ADMINISTRATION.—

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

23 (2) COORDINATION WITH OTHER AGENCIES.—
24 The Secretary shall coordinate, to the extent prac-
25 ticable, with other Federal and State agencies and

1 not-for-profit organizations, operating similar grant
 2 programs to pool resources for funding meritorious
 3 proposals.

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

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

13 (i) AUTHORIZATION OF APPROPRIATIONS.—There
 14 are authorized to be appropriated to carry out this section
 15 \$10,000,000 for fiscal year 2009, and such sums as may
 16 be necessary for each of the fiscal years 2010 through
 17 2014.

18 **SEC. 202. REAUTHORIZATION OF TELEHEALTH NETWORK**
 19 **AND TELEHEALTH RESOURCE CENTERS**
 20 **GRANT PROGRAMS.**

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

23 (1) in paragraph (1)—

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

25 and

1 (B) by inserting “\$10,000,000 for fiscal
2 year 2009, and such sums as may be necessary
3 for each of fiscal years 2010 through 2014” be-
4 fore the semicolon; and
5 (2) in paragraph (2)—

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

8 (B) by inserting “\$10,000,000 for fiscal
9 year 2009, and such sums as may be necessary
10 for each of fiscal years 2010 through 2014” be-
11 fore the semicolon.

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