

113TH CONGRESS  
2D SESSION

# H. R. 5380

To amend title XVIII of the Social Security Act to provide for a phased-in expansion of telehealth coverage under the Medicare program.

---

## IN THE HOUSE OF REPRESENTATIVES

JULY 31, 2014

Mr. THOMPSON of California (for himself, Mr. HARPER, and Mr. WELCH) 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 amend title XVIII of the Social Security Act to provide for a phased-in expansion of telehealth coverage under the Medicare program.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Medicare Telehealth  
5 Parity Act of 2014”.

6 **SEC. 2. PHASED-IN EXPANSION OF TELEHEALTH COV-**  
7 **ERAGE UNDER MEDICARE.**

8 (a) INITIAL PHASE.—

1           (1) EXPANSION OF ORIGINATING SITES.—Sec-  
2           tion 1834(m)(4)(C) of the Social Security Act (42  
3           U.S.C. 1395m(m)(4)(C)) is amended—

4                   (A) in clause (i), by striking “The term”  
5                   and inserting “Subject to clause (iii), the  
6                   term”; and

7                   (B) by adding at the end the following new  
8                   clause:

9                           “(iii) ADDITIONAL SITES.—The term  
10                           ‘originating site’ shall also include the fol-  
11                           lowing sites at which the eligible telehealth  
12                           individual is located at the time the service  
13                           is furnished via a telecommunications sys-  
14                           tem, whether or not they are located in an  
15                           area described in clause (i), insofar as such  
16                           sites are not otherwise included in the defi-  
17                           nition of originating site under such  
18                           clause:

19                                   “(I) In the case of such a service  
20                                   furnished on or after the date that is  
21                                   6 months after the date of the enact-  
22                                   ment of the Medicare Telehealth Par-  
23                                   ity Act of 2014, any Federally quali-  
24                                   fied health center and any rural

1 health clinic (as such terms are de-  
2 fined in section 1861(aa)).

3 “(II) In the case of such a serv-  
4 ice furnished on or after the date that  
5 is 6 months after the date of the en-  
6 actment of the Medicare Telehealth  
7 Parity Act of 2014, any site described  
8 in clause (ii) that is located in a coun-  
9 ty within a Metropolitan Statistical  
10 Area with a population of fewer than  
11 50,000 individuals, according to the  
12 most recent decennial census.”.

13 (2) ORIGINATING SITE FEE NOT TO APPLY TO  
14 ADDITIONAL SITES.—Section 1834(m)(2)(B) of such  
15 Act (42 U.S.C. 1395m(m)(4)(C)) is amended by in-  
16 serting after and below clause (ii) the following:

17 “The facility fee under this subparagraph shall  
18 not apply to any site included as an originating  
19 site pursuant to clause (iii) of paragraph (4)(C)  
20 that would not otherwise be included as an orig-  
21 inating site without application of such  
22 clause.”.

23 (3) ADDITIONAL TELEHEALTH PROVIDERS.—  
24 Section 1834(m) of such Act (42 U.S.C. 1395m(m))  
25 is amended—

1 (A) in paragraph (1), by striking “or a  
2 practitioner (described in section  
3 1842(b)(18)(C))” and inserting “or a practi-  
4 tioner (as defined in paragraph (4)(E))”; and

5 (B) in paragraph (4), by—

6 (i) striking subparagraph (E); and

7 (ii) inserting after subparagraph (D)

8 the following new subparagraph:

9 “(E) PRACTITIONER.—The term ‘practi-  
10 tioner’ means—

11 “(i) a practitioner described in section  
12 1842(b)(18)(C); and

13 “(ii) with respect to services furnished  
14 on or after the date that is 6 months after  
15 the date of the enactment of the Medicare  
16 Telehealth Parity Act of 2014, a certified  
17 diabetes educator or licensed—

18 “(I) respiratory therapist;

19 “(II) audiologist;

20 “(III) occupational therapist;

21 “(IV) physical therapist; or

22 “(V) speech language patholo-  
23 gist.”.

1           (4) COVERAGE OF REMOTE PATIENT MANAGE-  
2           MENT SERVICES FOR CERTAIN CHRONIC HEALTH  
3           CONDITIONS.—

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

7           (i) in subparagraph (EE), by striking  
8           “and” at the end;

9           (ii) in subparagraph (FF), by insert-  
10          ing “and” at the end; and

11          (iii) by inserting after subparagraph  
12          (FF) the following new subparagraph:

13          “(GG) remote patient management services (as  
14          defined in subsection (iii));”.

15          (B) SERVICES DESCRIBED.—Section 1861  
16          of the Social Security Act (42 U.S.C. 1395x) is  
17          amended by adding at the end the following  
18          new subsection:

19          “(iii) REMOTE PATIENT MANAGEMENT SERVICES  
20          FOR CHRONIC HEALTH CONDITIONS.—(1) The term ‘re-  
21          mote patient management services’ means the remote  
22          monitoring, evaluation, and management of an individual  
23          with a covered chronic health condition (as defined in  
24          paragraph (2)), insofar as such monitoring, evaluation,  
25          and management is with respect to such condition,

1 through the utilization of a system of technology that al-  
2 lows a remote interface to collect and transmit clinical  
3 data between the individual and the responsible physician  
4 (as defined in subsection (r)) or practitioner or other sup-  
5 plier (as defined in subsection (d)) for the purposes of clin-  
6 ical review. Such services shall include in-home technology  
7 based professional consultations, patient monitoring, pa-  
8 tient training services, clinical observation, assessment,  
9 treatment, and any other services that utilize technologies  
10 specified by the Secretary. Such term shall not include a  
11 telecommunication that consists solely of a telephone  
12 audio conversation, facsimile, or electronic text mail be-  
13 tween a health care professional and patient.

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

16 “(A) congestive heart failure;

17 “(B) chronic obstructive pulmonary disease;

18 and

19 “(C) in the case of services furnished at a fed-  
20 erally qualified health center, diabetes.

21 “(3)(A) The Secretary, in consultation with appro-  
22 priate physician, practitioner, and supplier groups, shall  
23 develop guidelines on the frequency of billing for remote  
24 patient management services. Such guidelines shall be de-  
25 termined based on medical necessity and shall be sufficient

1 to ensure appropriate and timely monitoring of individuals  
2 being furnished such services.

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

4 “(i) Not later than 2 years after the date of the  
5 enactment of this subsection, develop, in consulta-  
6 tion with appropriate physician, practitioner, and  
7 supplier groups, standards (governing such matters  
8 as qualifications of personnel and the maintenance  
9 of equipment) for remote patient management serv-  
10 ices for the covered chronic health conditions speci-  
11 fied in paragraph (2).

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

14 (C) PAYMENT UNDER THE PHYSICIAN FEE  
15 SCHEDULE.—Section 1848 of the Social Secu-  
16 rity Act (42 U.S.C. 1395w-4) is amended—

17 (i) in subsection (c)—

18 (I) in paragraph (2)((B)—

19 (aa) in clause (ii)(II), by  
20 striking “and (v)” and inserting  
21 “(v), and (vii)”;

22 (bb) by adding at the end  
23 the following new clause:

24 “(vii) BUDGETARY TREATMENT OF  
25 CERTAIN SERVICES.—The additional ex-

1           penditures attributable to services de-  
2           scribed in section 1861(s)(2)(GG) shall not  
3           be taken into account in applying clause  
4           (ii)(II).”; and

5                           (II) by adding at the end the fol-  
6                           lowing new paragraph:

7           “(7) TREATMENT OF REMOTE PATIENT MAN-  
8           AGEMENT SERVICES.—

9                           “(A) In determining relative value units  
10           for remote patient management services (as de-  
11           fined in section 1861(iii)), the Secretary, in  
12           consultation with appropriate physician groups,  
13           practitioner groups, and supplier groups, shall  
14           take into consideration—

15                           “(i) physician or practitioner re-  
16           sources, including physician or practitioner  
17           time and the level of intensity of services  
18           provided, based on—

19                           “(I) the frequency of evaluation  
20           necessary to manage the individual  
21           being furnished the services;

22                           “(II) the complexity of the eval-  
23           uation, including the information that  
24           must be obtained, reviewed, and ana-  
25           lyzed; and



1                   “(III) the number of possible di-  
2                   agnoses and the number of manage-  
3                   ment options that must be considered;

4                   “(ii) practice expense costs associated  
5                   with such services, including the direct  
6                   costs associated with installation and infor-  
7                   mation transmission, costs of remote pa-  
8                   tient management technology (including  
9                   equipment and software), device delivery  
10                  costs, and resource costs necessary for pa-  
11                  tient monitoring and follow-up (but not in-  
12                  cluding costs of any related item or non-  
13                  physician service otherwise reimbursed  
14                  under this title); and

15                  “(iii) malpractice expense resources.

16                  “(B) Using the relative value units deter-  
17                  mined in subparagraph (A), the Secretary shall  
18                  provide for separate payment for such services  
19                  and shall not adjust the relative value units as-  
20                  signed to other services that might otherwise  
21                  have been determined to include such separately  
22                  paid remote patient management services.”; and

23                  (ii) in subsection (j)(3), by inserting  
24                  “(2)(GG),” after “health risk assess-  
25                  ment),”.

1 (D) EFFECTIVE DATE.—

2 (i) IN GENERAL.—The amendments  
3 made by this subsection shall apply to  
4 services furnished on or after the date that  
5 is 6 months after the date of the enact-  
6 ment of this Act, without regard to wheth-  
7 er the guidelines under paragraph (3)(A)  
8 or the standards under paragraph (3)(B)  
9 of section 1861(iii) of the Social Security  
10 Act, as added by subparagraph (B), have  
11 been developed.

12 (ii) AVAILABILITY OF CODES AS OF  
13 DATE OF ENACTMENT.—The Secretary of  
14 Health and Human Services shall—

15 (I) promptly evaluate existing  
16 codes that would be used to bill for  
17 remote patient management services  
18 (as defined in paragraph (1) of such  
19 section 1861(iii), as so added) under  
20 title XVIII of the Social Security Act;  
21 and

22 (II) if the Secretary determines  
23 that new codes are necessary to en-  
24 sure accurate reporting and billing of  
25 such services under such title, issue

1 such codes so that they are available  
2 for use as of the date of the enact-  
3 ment of this Act.

4 (E) GAO STUDY AND REPORT.—

5 (i) STUDY.—The Comptroller General  
6 of the United States shall conduct a study  
7 that includes, at a minimum, the following:

8 (I) The effectiveness of remote  
9 patient monitoring on decreasing hos-  
10 pital readmissions for the chronic con-  
11 ditions described in subsection (iii)(2)  
12 of section 1861 of the Social Security  
13 Act (42 U.S.C. 1395x), as added by  
14 subparagraph (A).

15 (II) The savings to the Medicare  
16 program under title XVIII of such Act  
17 associated with remote patient moni-  
18 toring use with respect to such chron-  
19 ic conditions.

20 (III) The potential for greater  
21 use of remote patient monitoring for  
22 other chronic conditions.

23 (IV) Potential implications of  
24 greater use of remote patient moni-  
25 toring with respect to payment and

1 delivery system transformations under  
2 the Medicare program under such  
3 title.

4 (ii) REPORT.—Not later than 2 years  
5 after the date of the enactment of this Act,  
6 the Comptroller General shall submit to  
7 Congress a report containing the results of  
8 the study conducted under clause (i).

9 (5) EXPANSION OF TELECOMMUNICATIONS SYS-  
10 TEM.—The second sentence of section 1834(m)(1) of  
11 the Social Security Act (42 U.S.C. 1835m(m)(1)) is  
12 amended by striking “in the case of any Federal  
13 telemedicine demonstration program conducted in  
14 Alaska or Hawaii,”.

15 (b) SECOND PHASE.—

16 (1) FURTHER EXPANSION OF ORIGINATING  
17 SITES.—Section 1834(m)(4) of the Social Security  
18 Act (42 U.S.C. 1395m(m)(4)) is amended—

19 (A) in clause (iii) of subparagraph (C), as  
20 added by subsection (a)(1), by adding at the  
21 end the following new subclauses:

22 “(IV) In the case of such a serv-  
23 ice furnished on or after the date that  
24 is 2 years after the date of the enact-  
25 ment of the Medicare Telehealth Par-

1           ity Act of 2014, any site described in  
2           clause (ii) that is located in a county  
3           within a Metropolitan Statistical Area  
4           with a population of at least 50,000  
5           individuals but fewer than 100,000 in-  
6           dividuals, according to the most re-  
7           cent decennial census.

8                       “(V) In the case of such a service  
9                       furnished on or after the date that is  
10                      2 years after the date of the enact-  
11                      ment of the Medicare Telehealth Par-  
12                      ity Act of 2014, a home telehealth  
13                      site, as defined in subparagraph  
14                      (G).”; and

15                      (B) by adding at the end the following new  
16           subparagraph:

17                      “(G) HOME TELEHEALTH SITE.—

18                      “(i) IN GENERAL.—The term ‘home  
19                      telehealth site’ means, with respect to a  
20                      telehealth service described in clause (ii)  
21                      furnished to an individual, in a place of  
22                      residence used as the home of such indi-  
23                      vidual.

1                   “(ii) TELEHEALTH SERVICES DE-  
2                   SCRIBED.—A telehealth service described  
3                   in this clause—

4                   “(I) is a telehealth service that is  
5                   related to the provision of hospice  
6                   care, home dialysis, home health serv-  
7                   ices, or durable medical equipment;  
8                   and

9                   “(II) shall include the use of  
10                  video conferencing.”.

11                  (2) ADDITIONAL COVERED TELEHEALTH SERV-  
12                  ICES.—Section 1834(m)(4)(F)(i) of the Social Secu-  
13                  rity Act (42 U.S.C. 139m(m)(4)(F)(i)) is amended  
14                  by adding at the end the following new sentence:  
15                  “Beginning on the date that is 2 years after the  
16                  date of the enactment of the Medicare Telehealth  
17                  Parity Act of 2014, such term shall include res-  
18                  piratory services, audiology services (as defined in  
19                  section 1861(ll)), and outpatient therapy services,  
20                  including physical therapy, occupational therapy,  
21                  and speech-language pathology services.”

22                  (3) GAO STUDY AND REPORT.—

23                  (A) STUDY.—The Comptroller General of  
24                  the United States shall conduct a study that in-  
25                  cludes, at a minimum, the following:

1 (i) The effectiveness of using tele-  
2 health services described in the second sen-  
3 tence of section 1834(m)(4)(F)(i) of the  
4 Social Security Act (42 U.S.C.  
5 1395m(m)(4)(F)(i)), as added by para-  
6 graph (2), between therapy providers and  
7 patients.

8 (ii) The savings to the Medicare pro-  
9 gram under title XVIII of such Act associ-  
10 ated with telehealth services utilization for  
11 therapy for such services described in such  
12 sentence.

13 (iii) The potential for greater use of  
14 telehealth services for forms of therapy not  
15 described in such sentence.

16 (c) FINAL PHASE.—

17 (1) FURTHER EXPANSION OF ORIGINATING  
18 SITES.—Clause (iii) of section 1834(m)(4)(C) of the  
19 Social Security Act (42 U.S.C. 1395m(m)(4)), as  
20 added by subsection (a)(1) and amended by sub-  
21 section (b)(1), is further amended by adding at the  
22 end the following new subclause:

23 “(VI) In the case of such a serv-  
24 ice furnished on or after the date that  
25 is 4 years after the date of the enact-

1                   ment of the Medicare Telehealth Par-  
2                   ity Act of 2014, any site described in  
3                   clause (ii) that is located in a county  
4                   within a Metropolitan Statistical Area  
5                   with a population of at least 100,000  
6                   individuals, according to the most re-  
7                   cent decennial census.”.

8                   (2) PAYMENT METHODS FOR OTHER PATIENT  
9                   SITES.—Section 1834(m)(2) of the Social Security  
10                  Act (42 U.S.C. 1395m(m)(2)) is amended by adding  
11                  at the end the following new subparagraph:

12                   “(D) PAYMENT METHODS FOR OTHER PA-  
13                   TIENT SITES.—With respect to services fur-  
14                   nished on or after the date that is 4 years after  
15                   the date of the enactment of the Medicare Tele-  
16                   health Parity Act of 2014, the Secretary may  
17                   develop and implement payment methods that  
18                   would apply under this subsection in the case of  
19                   an individual who would be an eligible tele-  
20                   health individual except that the telehealth serv-  
21                   ices are furnished at a site other than an origi-  
22                   nating site. Such methods shall be designed to  
23                   take into account the costs related to the site



1 involved and reduced costs for the distant  
2 site.”.

○