

Medicare and Medicaid Telehealth Reimbursement for Federally Qualified Health Centers (FQHC) and Rural Health Clinics (RHC)

Medicare Telemedicine Reimbursement FQHCs and RHCs:

FQHCs and RHCs may serve as an originating site for telehealth services, which is the location of an eligible Medicare beneficiary at the time the service being furnished via a telecommunications system occurs. FQHCs and RHCs that serve as an originating site for telehealth services are paid an originating site facility fee.

Although FQHC services are not subject to the Medicare deductible, the deductible must be applied when a FQHC bills for the telehealth originating site facility fee, since this is not considered a FQHC service.

RHCs and FQHCs are not authorized to serve as a distant site for telehealth consultations, which is the location of the practitioner at the time the telehealth service is furnished, and may not bill or include the cost of a visit on the cost report. This includes telehealth services that are furnished by a RHC or FQHC practitioner who is employed by or under contract with the RHC or FQHC, or a non-RHC or FQHC practitioner furnishing services through a direct or indirect contract. For more information on Medicare telehealth services, see Pub. 100-02, Medicare Benefit Policy Manual, chapter 15, and Pub. 100-04, Medicare Claims Processing Manual, chapter 12.

Source: <https://www.cms.gov/Center/Provider-Type/Federally-Qualified-Health-Centers-FQHC-Center.html>

Source: <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/clm104c12.pdf>

Indiana Medicaid Reimbursement for FQHCs and RHCs

Subject to the following criteria, reimbursement is available to FQHCs and RHCs when they are serving as either the distant site or the originating site for telemedicine services:

- When serving as the distant site (the location of the physician or provider rendering services), the service provided at the FQHC or RHC must meet both the requirements of a valid encounter and an approved telemedicine service as defined in the IHCP's telemedicine policy.
- When serving as the originating site (the location where the patient is physically located), an FQHC or RHC may be reimbursed if it is medically necessary for a medical

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professional to be with the member, and the service provided includes all components of a valid encounter code.

Pursuant to the Code of Federal Regulations (42 CFR 405.2463), an encounter is defined by the Centers for Medicare & Medicaid Services (CMS) as a face-to-face meeting between an eligible provider and a Medicaid member during which a medically necessary service is performed.

Special Considerations

- When ongoing services are provided, the member should be seen by a physician for a traditional clinical evaluation at least once a year, unless otherwise stated in policy. In addition, the distant site physician should coordinate with the patient's primary care physician.
- The existing service limitations for office visits are applicable. All telemedicine consultations billed using the codes listed in the Distant site Services and Billing Requirements section are counted against the office visit limit. Third-party liability (TPL), spend-down, managed care, and all other considerations apply.
- Reimbursement for ESRD-related services is permitted in the telemedicine setting. The IHCP requires at least one monthly visit for ESRD-related services to be a traditional clinical encounter to examine the vascular access site.

Source: <http://provider.indianamedicaid.com/media/219191/medical%20policy%20manual.pdf>

Pages 291-297 of 356

Source: <http://provider.indianamedicaid.com/media/155583/telemedicine%20and%20telehealth%20services.pdf>

Billing Indiana Medicaid for Telemedicine Services for FQHCs and RHCs

- The Provider side should bill for their provider services. Indiana Medicaid requires use of both the GT modifier and the POS 02 on the bill.
- The Patient side should not bill the Q3014, but they should carve this out of their cost studies and track their number of patients and resources for telehealth services. They should bill their normal PPS rate for patient services delivered by telemedicine. The guidelines assume that all resources and equipment needed to host the patient for the telemedicine visit is recovered on the cost report through their normal PPS rate.
- If the frequency of telemedicine patients exceeds 5% of their normal patient volume, the FQHC should file for a Change of Scope to include telemedicine in their scope of practice. Only after the Change of Scope has been filed and approved should the FQHC bill and recover the revenue for the Q3014 originating telemedicine facility fee. The Change in Scope of services must be filed with OMPP and Myers and Stauffer. The form can be found [HERE](#). This must be completed for an updated PPS rate that reflects telehealth charges. These services will be reviewed for possible addition to the encounter list.

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- **NOTE: Medical necessity is required for considering telehealth resources for FQHCs and RHCs**



Frequently Asked Questions

- 1. Since, the Indiana Medicaid reimbursement and Medicare reimbursement for telemedicine services contradict each other; do federal or state laws take precedence if they conflict?**

Federal law provides states with flexibility to design their own coverage/reimbursement options for telehealth in their Medicaid programs, under the condition that these options “must satisfy federal requirements of efficiency, economy and quality of care.” The states submit their plans for telehealth coverage/reimbursement to the federal government for review and approval through the state plan amendment process. More information on this process is available through the [Medicaid.gov page on telehealth](#)

- 2. Does the guideline in [Chapter 13 manual](#) at CMS website only pertain to Medicaid and Medicare or it also included private payers?**

The information in the [Chapter 13 Benefit Manual](#) applies only to Medicare. Medicaid and private insurers may have telehealth coverage/reimbursement policies that differ from Medicare, with significant authority over Medicaid and private insurers residing at the state-level.

- 3. Can FQHCs bill Medicaid for the services provided at the distant site and receive the standard rate instead of their enhanced rate?**

According to Indiana Medicaid, the FQHC and RHC can be reimbursed as distant site as long as they meet the requirements of a valid encounter and approved telemedicine services provided in IHCP’s telemedicine policy.

Reimbursement is based on the prospective payment system (PPS) rate specific to the FQHC or RHC facility.