Audio Transcript

Headline:	CMS Rule Takes Aim at Telehealth Barriers; Stakeholders Say More Still Needs To Be Done
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Publication:	*iHealthBeat*
Date posted:	June 8, 2011

Text:

CMS has streamlined the process for providing telemedicine services to patients living in underserved regions. But some health IT experts say the Medicare rules are still too restrictive. This is a special report for iHealthBeat, a daily news service from the California HealthCare Foundation.
I'm Deirdre Kennedy.

Under federal law, health practitioners who provide telemedicine must have staff privileges at both the hospital receiving, and the facility providing, the service. CMS recently released a new rule that cuts out some of the red tape and lets small and critical access hospitals in rural areas take advantage of what's known as "privileging by proxy." That means the smaller hospital will be able to grant privileges based on information from the facility providing telehealth services.

Until now, small and critical access hospitals had to conduct their own review of each and every health care provider's qualifications.

Scott Cooper -- lead analyst at CMS' Office of Clinical Standards and Quality -- says the new rule will save small hospitals a lot of time and money.

(Cooper): "If they're using a major medical center like Stanford or Johns Hopkins in Baltimore, it may be anywhere from 40 to 200 physicians they're drawing from that larger hospital's telemedicine services, and for them to privilege each one of those physicians … for a small hospital … it's anywhere from $150 to $250 to do the whole process, and that's probably not even including the staff hours for the medical service professionals to do all that."

The American Hospital Association said in a written statement that the new telemedicine rules will reduce the burden on hospitals providing telemedicine services and allow for increased patient access.

CMS says it won't require hospitals to abandon their current method for granting privilege.

(Cooper*): "They've got two additional options now that they didn't have before. They can do a hybrid of the two where they get the credentialing material from the larger hospital or entity … and then they still do their own privileging decisions."*

The new rule also lets hospitals contract telehealth services from other entities such as physician groups and teleradiology centers.

The American Telemedicine Association says the changes likely will encourage more hospitals to use telemedicine. But, ATA's senior director of public policy, Gary Capistrant, says Medicare's payment rules remain a major barrier to wider adoption.

(Capistrant): "Basically the statute has Medicare telehealth on a choke collar. We're frustrated that we're getting lip service from CMS, but they're not following through on removing some of the key barriers for telehealth."

The main problem, he says, is that Medicare's fee-for-service model does not pay for telehealth services in metropolitan areas, where 79% of Medicare beneficiaries -- some 35-million people -- live. Scott Simmons -- director of telehealth at the University of Miami's Miller School of Medicine -- says the statute discriminates against the urban underserved.

(Simmons):* "*These citizens that live in these urban or suburban parts of America really have, if not the same, similar issues with access to quality health care as people in rural areas do. You know maldistribution of health care resources, limited access to transportation, poverty. Especially with the Medicare population being an elderly population there's also a mobility issue. We'd really like to make access to telehealth services for Medicare beneficiaries independent of geography."

ATA has asked HHS Secretary Kathleen Sebelius to waive the restrictions to allow accountable care organizations to provide telemedicine to any patients who need it. CMS officials say only congress has the authority to override the restrictions because they are written into the Medicare statute.

(Capistrant): We're in discussions with several congressional offices about legislation and different proposals to undo those. The big concern is that this is going to increase Medicare costs … so we've got to be careful to construct it in such a way that they will feel comfortable that it is not going to cost more money.

The new CMS rule goes into effect on July 2nd.

This has been a special report for *iHealthBeat*, a daily news service from the California HealthCare Foundation. If you have feedback or other issues you'd like to have addressed, please email us at i-h-b@c-h-c-f.dot.org. I'm Deirdre Kennedy. Thanks for listening.