

TELEMEDICINE/TELEHEALTH

ISSUE DATE: [April 17, 2003](#)

AUTHORITY: [32 CFR 199.4](#) and [32 CFR 199.14](#)

I. DESCRIPTION

Telemedicine or telehealth is the use of communication technology to furnish medical information and services. Generally, two different kinds of technology are in use in telemedicine. One technology is a two-way interactive video. This technology is used, for example, when a consultation involving the patient and a specialist is necessary. The videoconferencing equipment or an interactive telecommunication system at two locations permits a “real-time” or “live” service or consultation to take place.

The other technology, called “store and forward,” is used to transfer video images from one location to another. A camera or similar device records (stores) an image(s) that is then sent (forwarded) via telecommunications media to another location for later viewing. The sending of x-rays, computed tomography scans, or magnetic resonance images are common store-and forward applications. The original image may be recorded and/or forwarded in digital or analog format and may include video “clips” such as ultrasound examinations, where the series of images that are sent may show full motion when reviewed at the receiving location.

NOTE: “Interactive telecommunication systems” is defined as multimedia communications equipment that includes, at a minimum, audio-video equipment permitting two-way, real time service or consultation involving the patient and practitioner as appropriate to the medical needs of the patient. Telephones, facsimile machines, and electronic mail systems do not meet the definition of interactive telecommunications systems. Services or advice rendered by telephone are specifically excluded from TRICARE coverage as provided in [32 CFR 199.4\(g\)\(52\)](#).

II. POLICY

A. Coverage for Telehealth.

1. Requirements, criteria, and limitations applicable to medical and psychological services shall also apply to services involving telehealth.

2. Authorized providers rendering telehealth services are required to be practicing within the scope and jurisdiction of their license or certification.

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3. Scope of Coverage. The use of interactive audio/video technology may substitute for a face-to-face, "hands on" encounter for consultation, office visits, individual psychotherapy, psychiatric diagnostic interview examination, and pharmacologic management when appropriate and medically necessary. These services and corresponding Current Procedure Terminology (CPT) or Healthcare Common Procedure Coding System (HCPCS) codes are listed below:

- Consultations (CPT¹ procedure codes 99241 - 99275) (Effective August 1, 2003 - December 31, 2005)
- Consultations (CPT¹ procedure codes 99241 - 99255) (Effective January 1, 2006)
- Office or other outpatient visits (CPT¹ procedure codes 99201 - 99215)
- Individual psychotherapy (CPT¹ procedure codes 90804 - 90809)
- Psychiatric diagnostic interview examination (CPT¹ procedure code 90801)
- Pharmacologic management (CPT¹ procedure code 90862)
- End Stage Renal Diseases related services (HCPCS codes G0308, G0309, G0311, G0312, G0314, G0315, G0317, and G0318) (Effective January 1, 2005)
- Individual Medical Nutrition Therapy (HCPCS codes G0270, CPT¹ procedure codes 97802 and 97803) (Effective January 1, 2006)

4. Conditions of Payment.

a. Technology. For TRICARE payment to occur, interactive audio and video telecommunications must be used, permitting real-time communication between the distant site physician or practitioner and the TRICARE beneficiary. As a condition of payment, the patient must be present and participating in the telehealth visit.

NOTE: A telehealth service originating from a patient's home is not covered.

b. Telepresenters. A medical professional is not required to present the beneficiary to physician or practitioner at the distant site unless medically necessary. The decision of medical necessity will be made by the physician or practitioner located at the distant site.

5. "Store and Forward" Technology. TRICARE allows payment for those telemedicine applications (such as teleradiology or telepathology) in which, under conventional health care delivery, the medical service does not require face-to-face "hands-on" contact between patient and physician. For example, TRICARE permits coverage of teleradiology, which is the most widely used and reimbursed form of telemedicine, as well as physician interpretation of electrocardiogram and electroencephalogram readings that are transmitted electronically.

B. Reimbursement For Telehealth

1. Payment for Physician/Practitioner at the Distant Site. The term "distant site" means the site where the physician or practitioner, providing the professional service, is located at the time the service is provided via a telecommunication system. The payment

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amount for the professional service provided via a telecommunication system by the physician or practitioner at the distant site is equal to the CHAMPUS Maximum Allowable Charge (CMAC) for the service provided. Payment for an office visit, consultation, individual psychotherapy or pharmacologic management via a telecommunications system should be made at the same amount as when these services are furnished without the use of a telecommunications system. For TRICARE payment to occur, the service must be within a practitioner's scope of practice under State law. The beneficiary is responsible for any applicable copay or cost sharing.

2. Payment for Originating Site Facility. The term originating site means the location of an eligible TRICARE beneficiary at the time the service being furnished via a telecommunications system occurs. For covered telehealth services delivered via a telecommunications system, the payment for the originating site facility fee will be the lesser of the originating site fee or the actual charge. The facility fee for the originating site is provided in [Figure 7-22.1-1](#). It will be updated annually by the Medicare Economic Index. Beginning with the 2006 update, the originating site facility fee (Q3014) annual updates will be included in the annual updates of the CMAC file and TRICARE contractors will implement these updates in accordance with the annual CMAC updates. Outpatient cost-share rules will apply to this fee.

3. For reporting telehealth services, contractors will use CPT or HCPCS codes with a GT modifier for distant site and Q3014 for originating site to distinguish telehealth services.

III. EFFECTIVE DATE August 1, 2003.

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FIGURE 7-22.1-1 TELEHEALTH ORIGINATING SITE FACILITY FEE

PERIOD	MEI INCREASE	FACILITY FEE
10/01/2001 - 12/31/2002	N/A	\$20.00
01/01/2003 - 12/31/2003	3.0%	\$20.60
01/01/2004 - 12/31/2004	2.9%	\$21.20
01/01/2005 - 02/28/2006	3.1%	\$21.86
2006	2.8%	\$22.47
2007	2.1%	\$22.94

NOTE: Beginning with the 2006 update, the telehealth originating site facility fee (Q3014) annual updates will be included in the annual updates of the CMAC file and TRICARE contractors will implement these updates in accordance with the annual CMAC updates. See [paragraph II.B.2.](#)

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