



(H.R. 6792, S. 3998) – Improving Telehealth for Underserved Communities Act of 2020

Summary: Clinicians that work in Rural Health Clinics (RHCs) and Federally Qualified Health Centers (FQHCs) do not have Medicare payment parity between in-person and telehealth services. The current policy both disincentivizes the use of telehealth in underserved communities and creates unnecessary administrative burdens for RHCs and FQHCs.

Background: The CARES act allowed RHCs and FQHCs to bill Medicare for telehealth services as distant site providers for the duration of the public health emergency. However, CMS insisted that they be authorized to establish a new payment methodology for these distant site services instead of paying RHCs and FQHCs through their normal reimbursement mechanisms. This new methodology, which CMS demanded, crudely reimburses all RHCs and FQHCs receive a flat fee of \$92.03 for any of 200+ different telehealth services that are covered by Medicare.

Until June 30th, Medicare will pay RHCs and FQHCs their normal rates. However, in July Medicare will recoup the difference between the normal rate and \$92.03 for every telehealth visit provided. This recoupment will be thousands, if not tens of thousands of dollars in many cases.

Current Policy:

- RHCs and FQHCs bill all telehealth visits under one code: G2025
- Payment is \$92.03 for all telehealth visits no matter what was provided
- Creates a massive administrative burden because all costs associated with telehealth must be “carved out” of the annual cost report
- Telehealth visits do not count towards the productivity standard for RHCs
- Claims data is inaccurate because G2025 represents at least 238 different services
- Recoupment period in July will create financial strain

Proposed Policy:

- RHCs and FQHCs bill telehealth visits through their normal reimbursement mechanisms
- Payment is the All-Inclusive Rate for RHCs, and the Prospective Payment System rate for FQHCs
- Costs associated with telehealth would count on annual cost reports
- Telehealth visits counts towards productivity standard
- Claims data is accurate because accurate coding would be used
- No recoupment period in July

The telehealth rate of \$92.03 is higher than the maximum Medicare reimbursement independent RHCs are allowed to receive (\$86.31). This underscores how low this RHC “cap” is to begin with and this legislation ensures that our independent RHCs ~ who benefit slightly from the telehealth reimbursement methodology ~ are not hurt by a move back toward normal payment by raising the upper limit or “cap” on their payments to \$92.03.