

# CLIENT ALERTS

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## States Receive Guidance on Paying for Medicaid Telehealth Services for Fee-for-Service from CMS

3.18.2020

As further steps in the regulatory flexibility that the Centers for Medicare & Medicaid Services (“CMS”) is granting, on March 17, 2020, CMS sent the following information to the states on paying for Medicaid-fee-for-service Telehealth services:

1. States are encouraged to facilitate appropriate care in the Medicaid program using Telehealth technology.
2. States have a great deal of flexibility where telehealth services are provided to Medicaid patients.
3. States are not required to submit a state plan amendment to pay for Telehealth services if payments are made in same manner as when services are provided face-to-face.
4. A state would need to have a state plan approved to establish rates or payment methodologies for telehealth services that differ from applicable face-to-face settings.
5. States may pay a qualified physician or other licensed practitioners at a distant site (the billing provider) and the state's payment methodology may include costs associated with time and resources spent facilitating care at originating site. Billing provider may distribute payment to distant and originating site.
6. Providers must practice within scope of their State Practice Act.
7. States may also pay for appropriate ancillary costs such as technical support transmission charges and necessary equipment for delivery of telehealth services. A state would need an approved state plan payment methodology that specifies ancillary costs and circumstances when those costs are payable.
8. Ancillary costs associated with an originating site may be incorporated into the fee-for-service rates or separately reimbursed as an administrative cost. The ancillary costs

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must be directly related to the covered Medicaid service provided via telehealth and properly allocated to Medicaid program.

9. States are encouraged to reach out to their state lead as soon as possible if they are interested in submitting a state plan amendment.

Further guidance on telehealth/telemedicine may be found on Medicaid.gov: <https://www.medicaid.gov/medicaid/benefits/telemedicine/index.html>. Additional questions may be submitted to MedicaidCOVID19@CMS.hhs.gov.

This announcement follows from prior CMS information on telehealth services and on regulatory waivers generally. For more information on HHS's telehealth changes and any other laws, regulations, and proclamations related to COVID-19, contact your Butzel Long attorney or visit Butzel Long's COVID-19 Resource Center.

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