

CMS Finalizes Rule on Telemedicine

On May 5, 2011, the Centers for Medicare and Medicaid Services (CMS) issued a final rule on telemedicine credentialing and privileging which may help facilitate the implementation of innovative medicine at rural hospitals. This rule allows privileges and credentialing reciprocity between an institution where a physician seeks to provide telemedicine services to Medicare and Medicaid patients and the hospital where a physician is already privileged.¹ By easing the credentialing process, CMS aims to increase the quantity and quality of care received at remote healthcare facilities by making available the state-of-the-art medical care seen at large urban hospitals.²

Telemedicine refers to the use of technology by physicians to provide professional health care services via electronic communications to remote-site hospitals.³ By utilizing this growing technology, medical services access can be expanded into remote areas, a main objective of healthcare reform. Prior to the final rule, Medicare's Conditions of Participation (CoP) required that physicians seeking to provide telemedicine services be privileged at their primary hospital as well as the remote-site hospital.⁴ Generally, the privileging process relies on recommendations from hospital staff who thoroughly review the credentials of a physician according to hospital specific criteria.⁵ These criteria usually involve evaluation of a physician's state medical license, training, skills and experience, and possibly any special certifications from medical specialty boards.⁶ Accordingly, the CoP process presented challenges for smaller, rural hospitals that lacked necessary administrative staff and resources to credential numerous telemedicine providers.⁷

Under the newly established rule, effective July 5, 2011, CMS will now permit hospitals to simply rely on the privileges and credentials of the home hospital that grants privileges to a physician seeking to provide telemedicine services.⁸ To circumvent the more cumbersome CoPs previously required, hospitals seeking to provide telemedicine to their patients may simply form an agreement with the remote-site hospital.⁹ This streamlined process may potentially lessen the challenges faced by rural hospitals' in physician credentialing and enable quicker and better access to care.

Many professional associations have expressed approval of the new regulations. The Joint Commission, which controls much of telemedicine accreditation and has been heavily involved with CMS policy surrounding this topic, applauded the new legislation as a positive step for improving access to care for rural patients.¹⁰ The American Hospital Association specifically commended the rule's flexibility and the inclusion of non-hospital entities such as independent physicians and radiology groups within the scope of the law.¹¹ While the burden on remote hospitals has been lessened and providers support the movement towards expanded access to telemedicine, regulatory hurdles remain despite the new rule.

Physicians still face restrictions by state licensure laws in areas that do not extend reciprocity to physicians looking to provide telemedicine services to hospitals in another state. Although a majority of states have some legislation addressing licensure for telemedicine services, laws vary widely in flexibility and allowances, with many only permitting consultations.¹² Telemedicine still faces many hurdles, but CMS's new law suggests that legislation is finally starting to advance along with expanding technology.

¹ "Medicare and Medicaid Programs: Changes Affecting Hospital and Critical Access Hospital Conditions of Participation: Telemedicine Credentialing and Privileging" Federal Register, Vol. 76, No. 87, p. 25550 (May 5, 2011).

² "Medicare Finalizes a New Rule for Telemedicine Services to Keep Beneficiaries in Rural" Senior Medical Care, Health Connection (May 2, 2011), <http://www.anactivelife.com/wordpress/2011/05/medicare-finalizes-a-new-rule-for-telemedicine-services-to-keep-beneficiaries-in-rural/>, (Accessed 5/19/11).

³ "Telemedicine Defined" American Telemedicine Association, 2011, <http://www.americantelemed.org/i4a/pages/index.cfm?pageid=333> (Accessed 2/18/11).

⁴ "New Telemedicine Physician Credentialing Rules Released" Provider Enrollment Digest (May 5, 2011), <http://providerenrollment.net/provider-enrollment/new-telemedicine-physician-credentialing-rules-released/>, (Accessed 5/18/11).

⁵ "Medicare Finalizes a New Rule for Telemedicine Services to Keep Beneficiaries in Rural" Senior Medical Care, Health Connection (May 2, 2011), <http://www.anactivelife.com/wordpress/2011/05/medicare-finalizes-a-new-rule-for-telemedicine-services-to-keep-beneficiaries-in-rural/>, (Accessed 5/19/11).

⁶ "Medicare Finalizes a New Rule for Telemedicine Services to Keep Beneficiaries in Rural" Senior Medical Care, Health

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10 "The Joint Commission Applauds CMS' Revised Telemedicine Requirements" By Elizabeth E. Zhani, The Joint Commission, May 6, 2011,
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