

## Telehealth Coverage Expands under Next Generation ACO Model

In 2015, approximately 20 percent of all *accountable care organizations* (ACOs) utilized telehealth as a means of providing greater access to healthcare services and improving care management.<sup>1</sup> Proponents expect telehealth to become increasingly popular among ACOs because such care delivery methods may allow healthcare providers to offer improved quality of care to a greater number of patients in a cost-efficient manner – a major goal of the ACO program.<sup>2</sup> Previous Medicare ACO models have already incorporated telehealth services into their coverage; however, early models limited reimbursement for telehealth services based on the site of service, as well as its rural classification.<sup>3</sup> In a policy shift, the more recent *Next Generation ACO Model* expands coverage of telehealth services by eliminating the site of service and rural classification requirements.<sup>4</sup> This *Health Capital Topics* article will discuss how federal ACOs provide coverage for telehealth services, and how the Next Generation ACO Model expands telehealth coverage for Medicare patients.

Early ACO Models under the *Centers for Medicare and Medicaid Services* (CMS) provided limited coverage for telehealth services to beneficiaries of participating ACOs.<sup>5</sup> Among other services, both the Pioneer ACO Model and the *Medicare Shared Services Program* (MSSP) cover telehealth services only for Medicare beneficiaries located in rural *Health Professional Shortage Areas* (HPSA),<sup>6</sup> which account for approximately 29 percent of the Medicare population.<sup>7</sup> In addition to the rural location requirement, beneficiaries of telehealth services must be physically present inside an established healthcare facility, which includes:

- (1) Physician or practitioner offices (e.g., physician assistant, nurse practitioner);<sup>8</sup>
- (2) Hospitals;
- (3) *Critical access hospitals* (CAH);
- (4) Rural health clinics;
- (5) Federally qualified health centers;
- (6) Hospital-based or CAH-based renal dialysis centers;
- (7) *Skilled nursing facilities* (SNF); and,
- (8) *Community mental health centers* (CMHC).<sup>9</sup>

Although the site of service requirements have not changed,<sup>10</sup> the number of reimbursable telehealth services under CMS guidelines for Medicare claims

processing has increased each year since 2012,<sup>11</sup> with eight new services to be covered in 2017.<sup>12</sup>

Created as an improvement upon the Pioneer ACO Model and MSSP,<sup>13</sup> the Next Generation ACO Model features several enhancements to its parent models, including expanded coverage of telehealth services.<sup>14</sup> Instead of receiving telehealth services exclusively at established health facilities, Next Generation ACO Model beneficiaries are able to receive these services in their homes.<sup>15</sup> However, CMS outlines several restrictions to the types of telehealth services that can be performed within a patient's home; specifically, reimbursable telehealth services under the Next Generation ACO Model does *not* include care for: (1) follow-up consultations for beneficiaries in hospitals or SNFs; (2) "*subsequent hospital care services*;" or, (3) "*subsequent nursing facility care services*."<sup>16</sup> Additionally, CMS removed the limitation on the provision of telehealth services to rural HPSAs in the Next Generation ACO Model, allowing beneficiaries to receive telehealth services in both metropolitan and rural areas.<sup>17</sup> Although CMS relaxed restrictions on the location of service provision in this newer model, the specific telehealth services reimbursed under the Next Generation ACO Model remain subject to overall coverage determinations by CMS.<sup>18</sup>

Despite the increased number of telehealth services covered by federal ACOs, CMS continues to limit coverage for certain telehealth services under federal ACOs, including the Next Generation ACO Model. For instance, CMS only reimburses face-to-face interactions,<sup>19</sup> leaving other types of telehealth technologies, such as remote monitoring, excluded from Medicare coverage.<sup>20</sup> Additionally, only specific types of clinicians (e.g., physicians and nurse practitioners) are allowed to receive reimbursement for telehealth services under the Next Generation ACO Model.<sup>21</sup> Other healthcare providers, such as certified diabetes educators and therapists, are excluded from coverage.<sup>22</sup>

When the Next Generation ACO Model closes its first performance year in 2016, CMS will evaluate the program based "*on its ability to deliver better care for individuals, better health for populations, and lower growth expenditures*."<sup>23</sup> Continuing to expand Medicare coverage of telehealth services may be compatible with this goal,<sup>24</sup> especially considering the generally positive reviews beneficiaries have given to telehealth services.<sup>25</sup>

Although the Next Generation ACO Model is still in its nascent stages, if the 18 ACOs currently participating in the program achieve the benchmark goals stated above, the earliest date CMS could decide to expand it nationally

would be 2020.<sup>26</sup> As federal ACOs transition from fee-for-service to value-based care, expanding telehealth services could be a way for CMS to achieve this objective.

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**Robert James Cimasi**, MHA, ASA, FRICS, MCBA, CVA, CM&AA, serves as Chief Executive Officer of **HEALTH CAPITAL CONSULTANTS (HCC)**, a nationally recognized healthcare financial and economic consulting firm headquartered in St. Louis, MO, serving clients in 49 states since 1993. Mr. Cimasi has over thirty years of experience in serving clients, with a professional focus on the financial and economic aspects of healthcare service sector entities including: valuation consulting and capital formation services; healthcare industry transactions including joint ventures, mergers, acquisitions, and divestitures; litigation support & expert testimony; and, certificate-of-need and other regulatory and policy planning consulting.

Mr. Cimasi holds a Master in Health Administration from the University of Maryland, as well as several professional designations: Accredited Senior Appraiser (ASA – American Society of Appraisers); Fellow Royal Institution of Chartered Surveyors (FRICS – Royal Institution of Chartered Surveyors); Master Certified Business Appraiser (MCBA – Institute of Business Appraisers); Certified Valuation Analyst (CVA – National Association of Certified Valuators and Analysts); and, Certified Merger & Acquisition Advisor (CM&AA – Alliance of Merger & Acquisition Advisors). He has served as an expert witness on cases in numerous courts, and has provided testimony before federal and state legislative committees. He is a nationally known speaker on healthcare industry topics, and is the author of several books, the latest of which include: “*The Adviser’s Guide to Healthcare – 2nd Edition*” [2015 – AICPA]; “*Healthcare Valuation: The Financial Appraisal of Enterprises, Assets, and Services*” [2014 – John Wiley & Sons]; “*Accountable Care Organizations: Value Metrics and Capital Formation*” [2013 – Taylor & Francis, a division of CRC Press]; and, “*The U.S. Healthcare Certificate of Need Sourcebook*” [2005 – Beard Books].

Mr. Cimasi is the author of numerous additional chapters in anthologies; books, and legal treatises; published articles in peer reviewed and industry trade journals; research papers and case studies; and, is often quoted by healthcare industry press. In 2006, Mr. Cimasi was honored with the prestigious “*Shannon Pratt Award in Business Valuation*” conferred by the Institute of Business Appraisers. Mr. Cimasi serves on the Editorial Board of the Business Appraisals Practice of the Institute of Business Appraisers, of which he is a member of the College of Fellows. In 2011, he was named a Fellow of the Royal Institution of Chartered Surveyors (RICS). In 2016, Mr. Cimasi was named a “*Pioneer of the Profession*” as part of the recognition of the *National Association of Certified Valuators and Analysts (NACVA)* “*Industry Titans*” awards, which distinguishes those whom have had the greatest impact on the valuation profession.



**Todd A. Zigrang**, MBA, MHA, ASA, FACHE, is the President of **HEALTH CAPITAL CONSULTANTS (HCC)**, where he focuses on the areas of valuation and financial analysis for hospitals, physician practices, and other healthcare enterprises. Mr. Zigrang has over 20 years of experience providing valuation, financial, transaction and strategic advisory services nationwide in over 1,000 transactions and joint ventures. Mr. Zigrang is also considered an expert in the field of healthcare compensation for physicians, executives and other professionals.

Mr. Zigrang is the co-author of “*The Adviser’s Guide to Healthcare – 2nd Edition*” [2015 – AICPA], numerous chapters in legal treatises and anthologies, and peer-reviewed and industry articles such as: *The Accountant’s Business Manual* (AICPA); *Valuing Professional Practices and Licenses* (Aspen Publishers); *Valuation Strategies: Business Appraisal Practice*; and, *NACVA QuickRead*. In addition to his contributions as an author, Mr. Zigrang has served as faculty before professional and trade associations such as the American Society of Appraisers (ASA); the National Association of Certified Valuators and Analysts (NACVA); Physician Hospitals of America (PHA); the Institute of Business Appraisers (IBA); the Healthcare Financial Management Association (HFMA); and, the CPA Leadership Institute.

Mr. Zigrang holds a Master of Science in Health Administration (MHA) and a Master of Business Administration (MBA) from the University of Missouri at Columbia. He is a Fellow of the American College of Healthcare Executives (FACHE) and holds the Accredited Senior Appraiser (ASA) designation from the American Society of Appraisers, where he has served as President of the St. Louis Chapter, and is current Chair of the ASA Healthcare Special Interest Group (HSIG).



**John R. Chwarzinski**, MSF, MAE, is Senior Vice President of **HEALTH CAPITAL CONSULTANTS (HCC)**. Mr. Chwarzinski’s areas of expertise include advanced statistical analysis, econometric modeling, as well as, economic and financial analysis. Mr. Chwarzinski is the co-author of peer-reviewed and industry articles published in *Business Valuation Review* and *NACVA QuickRead*, and he has spoken before the Virginia Medical Group Management Association (VMGMA) and the Midwest Accountable Care Organization Expo.

Mr. Chwarzinski holds a Master’s Degree in Economics from the University of Missouri – St. Louis, as well as, a Master’s Degree in Finance from the John M. Olin School of Business at Washington University in St. Louis. He is a member of the St. Louis Chapter of the American Society of Appraisers, as well as a candidate for the Accredited Senior Appraiser designation from the American Society of Appraisers.



**Jessica L. Bailey-Wheaton**, Esq., is Vice President and General Counsel of **HEALTH CAPITAL CONSULTANTS (HCC)**, where she conducts project management and consulting services related to the impact of both federal and state regulations on healthcare exempt organization transactions and provides research services necessary to support certified opinions of value related to the Fair Market Value and Commercial Reasonableness of transactions related to healthcare enterprises, assets, and services. Ms. Bailey is a member of the Missouri and Illinois Bars and holds a J.D., with a concentration in Health Law, from Saint Louis University School of Law, where she served as Fall Managing Editor for the *Journal of Health Law & Policy*.



**Kenneth J. Farris**, Esq., is an Associate at **HEALTH CAPITAL CONSULTANTS (HCC)**, where he provides research services necessary to support certified opinions of value related to the Fair Market Value and Commercial Reasonableness of transactions related to healthcare enterprises, assets, and services, and tracks impact of federal and state regulations on healthcare exempt organization transactions. Mr. Farris is a member of the Missouri Bar and holds a J.D. from Saint Louis University School of Law, where he served as the 2014-2015 Footnotes Managing Editor for the *Journal of Health Law & Policy*.