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# CMS Manual System

## Pub. 100-04 Medicare Claims Processing

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Department of Health &  
Human Services (DHHS)  
Centers for Medicare &  
Medicaid Services (CMS)

Transmittal 997

Date: JULY 7, 2006

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CHANGE REQUEST 5122

### SUBJECT: Medicare Telehealth Services Update

**I. SUMMARY OF CHANGES:** Follow-up inpatient consultation and confirmatory consultation as described by CPT codes 99261 through 99263 and CPT codes 99271 through 99275 no longer exist. As such, these services were removed from the list of Medicare telehealth services. Additionally, the narrative describing the list of telehealth services was updated to reflect the current list of Medicare telehealth services. Chapter 12, sections 190.3, and 190.7, were revised to reflect these changes.

**NEW/REVISED MATERIAL - EFFECTIVE DATE\*: January 1, 2006**  
**IMPLEMENTATION DATE: August 7, 2006**

*Disclaimer for manual changes only: The revision date and transmittal number apply to the red italicized material only. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.*

### II. CHANGES IN MANUAL INSTRUCTIONS: (R = REVISED, N = NEW, D = DELETED)

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
R	12/190.3/List of Medicare Telehealth Services
R	12/190.7/Contractor Editing of Telehealth Claims

**III. FUNDING:** No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2006 operating budgets.

### IV. ATTACHMENTS:

X	Business Requirements
X	Manual Instruction
	Confidential Requirements
	One-Time Notification
	Recurring Update Notification

\*Unless otherwise specified, the effective date is the date of service.

# Attachment - Business Requirements

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**SUBJECT: Medicare Telehealth Services Update**

## I. GENERAL INFORMATION

**A. Background:** The American Medical Association deleted CPT codes 99261 – 99263 (hospital inpatient follow-up consultations) and codes 99271 - 99275 (confirmatory consultations). Effective January 1, 2006, these CPT codes no longer exist and were removed from the physician fee schedule. As such, CMS has made a conforming change to the list of Medicare telehealth services. Confirmatory consultation and inpatient follow-up consultation have been removed from the list of Medicare telehealth services.

**NOTE:** These codes were already deleted from the physician fee schedule as part of the CY 2006 HCPCS update (January 1, 2006).

**B. Policy:** Medicare telehealth consultations include office and other outpatient consultations, and initial inpatient consultations as described by CPT codes 99241 through 99255.

## II. BUSINESS REQUIREMENTS

*"Shall" denotes a mandatory requirement*

*"Should" denotes an optional requirement*

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)							
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers			
					F I S S	M C S	V M S	C W F	
5122.1	Contractors shall remove CPT codes 99261 through 99263, and CPT codes 99271 through 99275 from the list of telehealth services for dates of service on or after January 1, 2006. These codes were deleted effective January 1, 2006.	X		X					

## III. PROVIDER EDUCATION

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)
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		F I	R H H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
5122.2	<p>A provider education article related to this instruction will be available at <a href="http://www.cms.hhs.gov/MLNMattersArticles">www.cms.hhs.gov/MLNMattersArticles</a> shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within 1 week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin and incorporated into any educational events on this topic. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.</p>	X		X						

**IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS**

**A. Other Instructions: N/A**

X-Ref Requirement #	Instructions

**B. Design Considerations: N/A**

X-Ref Requirement #	Recommendation for Medicare System Requirements

**C. Interfaces: N/A**

**D. Contractor Financial Reporting /Workload Impact: N/A**

**E. Dependencies: N/A**

**F. Testing Considerations: N/A**

**V. SCHEDULE, CONTACTS, AND FUNDING**

<p><b>Effective Date*:</b> January 1, 2006</p> <p><b>Implementation Date:</b> August 7, 2006</p> <p><b>Pre-Implementation Contact(s):</b> Policy: Craig Dobyski (410) 786-4584; <a href="mailto:Craig.Dobyski@cms.hhs.gov">Craig.Dobyski@cms.hhs.gov</a></p> <p><b>Carrier Claims Processing:</b> Kathy Kersell (410) 786-2033; <a href="mailto:Kathleen.Kersell@cms.hhs.gov">Kathleen.Kersell@cms.hhs.gov</a></p> <p><b>Post-Implementation Contact(s):</b> Appropriate regional office</p>	<p><b>No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2006 operating budgets.</b></p>
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### **190.3 - List of Medicare Telehealth Services**

*(Rev. 997, Issued: 07-07-06; Effective: 01-01-06; Implementation: 08-07-06)*

The use of a telecommunications system may substitute for a face-to-face, “hands on” encounter for consultation, office visits, individual psychotherapy, pharmacologic management, *psychiatric diagnostic interview examination, end stage renal disease related services, and individual medical nutrition therapy*. These services and corresponding current procedure terminology (CPT) *or Healthcare Common Procedure Coding System (HCPCS)* codes are listed below.

- Consultations (CPT codes 99241 - 99275) - *Effective October 1, 2001 – December 31, 2005;*
  - *Consultations (CPT codes 99241 - 99255) - Effective January 1, 2006;*
  - Office or other outpatient visits (CPT codes 99201 - 99215);
  - Individual psychotherapy (CPT codes 90804 - 90809);
  - Pharmacologic management (CPT code 90862); and
  - Psychiatric diagnostic interview examination (CPT code 90801) – Effective March 1, 2003.
- End Stage Renal Disease (ESRD) related services (HCPCS codes G0308, G0309, G0311, G0312, G0314, G0315, G0317, and G0318) – Effective January 1, 2005.
- Individual Medical Nutrition Therapy (HCPCS codes G0270, 97802, and 97803) (Effective January 1, 2006).

### **190.7 - Contractor Editing of Telehealth Claims**

*(Rev. 997, Issued: 07-07-06; Effective: 01-01-06; Implementation: 08-07-06)*

*Medicare* telehealth services (*as listed in section 190.3*) are billed with either the “GT” or “GQ” modifier. The contractor shall approve covered telehealth services if the physician or practitioner is licensed under State law to provide the service. Contractors must familiarize themselves with licensure provisions of States for which they process claims and disallow telehealth services furnished by physicians or practitioners who are not authorized to furnish the applicable telehealth service under State law. For example, if a nurse practitioner is not licensed to provide individual psychotherapy under State law, he or she would not be permitted to receive payment for individual psychotherapy under Medicare. The contractor shall install edits to ensure that only properly licensed physicians and practitioners are paid for covered telehealth services.

If a contractor receives claims for professional telehealth services coded with the “GQ” modifier (representing “via asynchronous telecommunications system”), it shall approve/pay for these services only if the physician or practitioner is affiliated with a Federal telemedicine demonstration conducted in Alaska or Hawaii. The contractor may require the physician or practitioner at the distant site to document his or her participation

in a Federal telemedicine demonstration program conducted in Alaska or Hawaii prior to paying for telehealth services provided via asynchronous, store and forward technologies.

If a contractor denies telehealth services because the physician or practitioner may not bill for them, the contractor uses MSN message 21.18: "This item or service is not covered when performed or ordered by this practitioner." The contractor uses remittance advice message 52 when denying the claim based upon MSN message 21.18.

If a service is billed with one of the telehealth modifiers and the procedure code is not designated as a covered telehealth service, the contractor denies the service using MSN message 9.4: "This item or service was denied because information required to make payment was incorrect." The remittance advice message depends on what is incorrect, e.g., B18 if procedure code or modifier is incorrect, 125 for submission billing errors, 4-12 for difference inconsistencies. The contractor uses B18 as the explanation for the denial of the claim.

The only claims from institutional facilities that FIs shall pay for telehealth services at the distant site, except for MNT services, are for physician or practitioner services when the distant site is located in a CAH that has elected Method II, and the physician or practitioner has reassigned his/her benefits to the CAH. The CAH bills its regular FI for the professional services provided at the distant site via a telecommunications system, in any of the revenue codes 096x, 097x or 098x. All requirements for billing distant site telehealth services apply.

Claims from hospitals or CAHs for MNT services are submitted to the hospital's or CAH's regular FI. Payment is based on the non-facility amount on the Medicare Physician Fee Schedule for the particular HCPCS codes.