
Program Memorandum Intermediaries/Carriers

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

Transmittal AB-02-160

Date: NOVEMBER 8, 2002

CHANGE REQUEST 2403

SUBJECT: Medicare Telehealth Update

Background

Section 1834(m) of the Social Security Act (the Act) establishes the payment amount for the Medicare telehealth originating site facility fee for telehealth services provided from October 1, 2001, through December 31, 2002, at \$20. For telehealth services provided on or after January 1 of each subsequent calendar year, the telehealth originating site facility fee is increased as of the first day of the year by the percentage increase in the Medicare Economic Index (MEI) as defined in §1842(i)(3) of the Act. The MEI increase for 2003 is 3.0 percent.

Additionally, the psychiatric diagnostic interview examination was added to the list of Medicare telehealth services as specified at 42 CFR Subpart B, Section 410.78. We used the annual physician fee schedule rule for calendar year 2003 as the vehicle for adding this service.

Originating Site Facility Fee Payment Amount Update

For calendar year 2003, the payment amount for HCPCS code “Q3014, telehealth originating site facility fee” is 80 percent of the lesser of the actual charge or \$20.60.

The Medicare telehealth originating site facility fee and MEI increase by the applicable time period is shown below.

<u>Facility Fee</u>	<u>MEI Increase</u>	<u>Period</u>
\$20.00	N/A	10/01/2001 – 12/31/2002
\$20.60	3.0%	01/01/2003 – 12/31/2003

Addition to the List of Medicare Telehealth Services

Effective January 1, 2003, the psychiatric diagnostic interview examination (CPT code 90801) is a Medicare telehealth service. Add CPT code 90801 to your list of covered Medicare telehealth services and instruct the physicians and practitioners at the distant site to use the applicable telehealth modifiers to identify this as a telehealth service.

Intermediaries are to inform their providers eligible for telehealth originating site facility fee payments (hospitals, rural health clinics, federally qualified health centers, and critical access hospitals) of this addition to the list of Medicare telehealth services.

The *effective date* for this Program Memorandum (PM) is January 1, 2003.

The *implementation date* for this PM is January 1, 2003.

These instructions should be implemented within your current operating budget.

This PM may be discarded after January 1, 2004.

If you have any questions, contact your regional office.

CMS-Pub. 60AB