



May 21, 2018

Felicia Norwood
Director
Department of Healthcare and Family Services
201 South Grand Avenue East
Springfield, IL 62763

Dear Director Norwood:

On behalf of the Illinois Health and Hospital Association's (IHA's) more than 200 hospitals and nearly 50 health systems, I am writing to provide recommendations requested at the May 9, 2018 Illinois Department of Healthcare and Family Services (HFS) Telemedicine Taskforce to improve access to Medicaid services via telehealth. I would also like to offer our assistance as your staff moves forward on reducing barriers to telehealth program implementation and expansion.

The HFS Provider Notice released January 10, 2018 loosens telemedicine regulatory restrictions for provider presence at the patient's location (a.k.a., originating site) beyond the requirements of Public Act 100-0385ⁱ, representing a small step in the right direction to create greater access to careⁱⁱ. However, access to the appropriate providers and treatment facilities remains an issue as:

- Only 28 percent of Illinois mental health professional needs are being met for mental healthcare;
• 57 percent of primary care health professional needs are being metⁱⁱⁱ; and,
• Opioid-related overdose deaths have increased by more than 70 percent over a three-year period^{iv}.

Illinois Medicaid telehealth regulations were written ten years ago and many stakeholders – including providers, patients and payers – are confused about what is reimbursable. Both patient and provider site reimbursement eligibility should align with facilities that are currently reimbursed for in-person services to Medicaid beneficiaries. Similarly, provider eligibility should align with existing Illinois Medicaid participating providers delivering in-person services. We also support amending current definitions to align all types of service under one term: telehealth. This would in turn support future coverage parity between medical services and psychiatric services delivered via telehealth, which are currently segmented further by varying provider and facility eligibility.

Detailed recommendations for Medicaid telehealth benefit design and requested clarification in HFS guidance regarding existing telehealth benefits are described in

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Brenda J. Wolf, La Rabida Children's Hospital

the May 19, 2017 letter from IHA to Lieutenant Governor Evelyn Sanguinetti and the January 25, 2018 letter from a telehealth coalition (including IHA) to Christopher Kantas, Director of Policy for Health Care and Human Services, Office of the Governor (Attachments A & B). The latter coalition letter recommendations are reflected in existing legislation, Senate Bill 3049, which does not increase covered services but explicitly recognizes telehealth as a way to deliver existing covered services^v. IHA strongly supports Senate Bill 3049 and is interested in working with this existing effort on targeted Medicaid telehealth expansion, as well as broader expansion efforts moving forward.

HFS has shared its concern that recognizing telehealth as a way to deliver existing covered services may lead to an increase in the volume of healthcare encounters, thereby raising costs to payers. However, actual cost analyses from other states and reputable third-party study projections indicate that expanding Medicaid telehealth coverage will improve access to healthcare while lowering the overall cost by avoiding emergency department visits, admissions and unnecessary transportation. As evidence:

- A study of provider-to-provider telehealth found that of the approximately 2.2 million patients transported between emergency departments each year, adoption of real-time video telehealth would avoid 646,000 of these transports, resulting in U.S. annual net savings of \$408 million;
- Similarly, the study found that of the approximately 2.7 million transports made annually from nursing facilities to emergency departments, telehealth could avoid 337,000 of these transports, resulting in a potential savings of \$259 million^{vi};
- A Maryland fiscal analysis based on telehealth parity legislation found that an estimated 2 percent increase in the use of physician services would be more than offset by cost savings in avoided transportation costs and emergency department admissions, leading to estimated \$2.5 million annual net savings;
- Fiscal analyses from states including California, Colorado, Kentucky, Texas, and Vermont reported that their enacted Medicaid legislation recognizing telehealth as a way to deliver existing covered services would have little or no negative fiscal impact on state programs^{vii}; and,
- Iowa recently concurred with the above states, passing Medicaid and commercial telehealth parity laws with broad support between 2015 and 2018^{viii,ix}.

Again, thank you for your interest in reducing barriers to telehealth program implementation and expansion. If you have any questions or comments, please contact me at pgallagher@team-iha.org or 630-276-5496, or Lia Daniels at ldaniels@team-iha.org or 630-276-5461.

Sincerely,

Patrick Gallagher
Senior Vice President, Health Policy and Finance

cc: Lia Daniels, Manager, Health Policy, IHA
Teresa Hursey, Acting Administrator, Division of Medical Programs, HFS
Kim McCullough, Deputy Director, HFS

Enclosures

ⁱ Illinois General Assembly, Public Act 100-0385 (2018). Retrieved from: <http://www.ilga.gov/legislation/publicacts/fulltext.asp?Name=100-0385&GA=100>

ⁱⁱ Illinois Department of Healthcare and Family Services, Provider Notice (2018). Retrieved from: <https://www.illinois.gov/hfs/MedicalProviders/notices/Pages/prn180110b.aspx>

ⁱⁱⁱ Bureau of Health Workforce, Health Resources and Services Administration, U.S. Department of Health & Human Services; *Designated Health Professional Shortage Areas Statistics: Designated HPSA Quarterly Summary, as of December 31, 2017*. Retrieved from: https://ersrs.hrsa.gov/ReportServer?/HGDW_Reports/BCD_HPSA/BCD_HPSA_SCR50_Qtr_Smry_HTML&rc:Toolbar=false

^{iv} Illinois Department of Human Services, retrieved February 2018. Based on Illinois Department of Public Health provisional death report for 2016, as compared with 2013 death report.

^v Illinois General Assembly, Senate Bill 3049 (2018). Retrieved from: <http://www.ilga.gov/legislation/billstatus.asp?DocNum=3049&GAID=14&GA=100&DocTypeID=SB&LegID=110579&SessionID=91>

^{vi} Center for Information Technology Leadership Partners, *The Value of Provider-to-Provider Telehealth Technologies* (2007): p. 75-77. Retrieved from: <https://telehealth.utmb.edu/presentations/CITL%20-%202007%20-%20The%20Value%20of%20Provider-to-Provider%20Telehealth%20Technologies.pdf>

^{vii} American Telemedicine Association, *ATA State Telemedicine Toolkit* (2015). Retrieved from: https://higherlogicdownload.s3.amazonaws.com/AMERICANTELEMED/3c09839a-fffd-46f7-916c-692c11d78933/UploadedImages/Policy/State%20Policy%20Resource%20Center/2017%20-%20Feb%20ATA%20State%20Telemedicine%20Toolkit_CVG%20RMB%20-%20Feb%202017.pdf

^{viii} The Iowa Legislature, *Senate File 505* (2015). Retrieved from: <https://www.legis.iowa.gov/legislation/BillBook?ga=86&ba=sf505>

^{ix} The Iowa Legislature, *House File 2305* (2018). Retrieved from: <https://www.legis.iowa.gov/legislation/BillBook?ga=87&ba=hf2305>

May 19, 2017

The Honorable Evelyn Sanguinetti
Lieutenant Governor of the State of Illinois
State Capital
214 State House
Springfield, IL 62706

Dear Lieutenant Governor Evelyn Sanguinetti,

Thank you again for your interest in hospital and health system recommendations to improve access to healthcare in Illinois through telehealth solutions. On behalf of the Illinois Health and Hospital Association's (IHA's) more than 200 hospitals and nearly 50 health systems, I am writing to provide more formal recommendations to specifically improve access to Medicaid services via telehealth, seek clarification on current provisions, and offer our assistance as your staff moves forward reducing barriers to telehealth program implementation and expansion. Your prioritization of rural communities across Illinois is recognized and we truly appreciated discussing potential reforms in February with your Chief of Staff, Brian Colgan. Since then, IHA sought feedback and recommendations from our members and this letter outlines our recommendations for making telehealth more available for Medicaid recipients. As the state continues to work on a Medicaid 1115 Waiver, we will also be sharing these recommendations with the Department of Healthcare and Family Services (HFS).

Improved telehealth coverage has the potential to contribute to timely care in the most appropriate setting and help facilitate the integration of physical and behavioral healthcare into hospital and primary care settings.

Member hospitals view the current Medicaid telehealth requirements as burdensome and not reflective of current practice. The policy framework below outlines different focus areas of Medicaid telehealth coverage that could be changed, currently approved coverage outlined in regulations and IHA policy positions developed around coverage expansion. The final column includes recommendations that were considered, but determined to be too aggressive to advocate for at this time.

Medicaid Recommendations for Originating Sites

- Originating Site: The location where the patient is located at the time the service is rendered.

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Memorial Hospital

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La Rabida Children's Hospital

Focus Area	Current Approved Coverage	Coverage Expansion Position	Potential Limits to Recommendations
Facility Eligibility	-Local Health Departments -Community Mental Health Centers -Outpatient Hospitals -Encounter Rate Clinics -Federally Qualified Health Centers -Rural Health Clinics	-Emergency Departments* -Inpatient Hospital Settings -Skilled Nursing Facilities -Schools** -Assisted Living Facilities	-Home
Provider Eligibility	-Physician -Other Licensed Healthcare Professional	-All Illinois Medicaid Participating Providers -Telepresenter***	-N/A
Staff Presence Requirement	-Staff Presence at <u>All</u> Times with the Patient	-Staff Immediately Available (On Site)	-No Staff Presence Requirement
Staff Presence Eligibility	-Physician -Any Other Licensed Healthcare Professional	-Telepresenter***	-N/A
Specific Telepsychiatry Staff Presence Eligibility	-Physician -Licensed Healthcare Professional -Other Licensed Clinician -Mental Health Professional -Qualified Mental Health Professional	-Eliminate Separate Category for Telepsychiatry so Staff Presence Requirements are Uniform for All Telehealth Services	-N/A

*Clarification sought for this setting. See “Originating and distant site eligibility of emergency departments” on p. 4 of letter.

**Clarification sought for this setting. See “Originating site eligibility of schools” on p. 4 of letter.

***A non-provider attendant to connect the patient to the specialist.

Medicaid Recommendations for Distant Sites

- Distant Site: The location where the provider rendering the telehealth service is located.

Focus Area	Current Approved Coverage	Coverage Expansion Position	Potential Limits to Recommendations
Facility Eligibility	-Encounter Rate Clinics -Federally Qualified Health Centers -Rural Health Clinics -Community Mental Health Centers*	-Emergency Departments** -Inpatient Hospital Settings -Outpatient Hospitals -Skilled Nursing Facilities	-N/A
Provider Eligibility	-Physician -Physician Assistant -Podiatrist -Advanced Practice Nurse	-Clinical Psychologists -Clinical Social Workers -Clinical Professional Counselors	-All Illinois Medicaid Participating Providers
Specific Telepsychiatry Provider Eligibility	-Physician	- Eliminate Separate Category for Telepsychiatry so Provider Eligibility Requirements are Uniform for All Telehealth Services	-N/A
Service Reimbursement	-Wide Range	-Care Coordination -Remote Monitoring	-Group Psychotherapy -Dental Assessments

* Clarification sought for this setting. See “Rule 132 optional mental health Medicaid benefits” on p. 1 of letter.

**Clarification sought for this setting. See “Originating and distant site eligibility of emergency departments” on p. 4 of letter.

Additional Medicaid Clarifications to Seek From State Partners

- Network adequacy
 - We support additional network adequacy language to clarify that providers preferred by the patient and considered in-network for an in-person service will not be denied by Medicaid fee-for-service or MCOs for that service delivered via telehealth (when applicable).
 - In addition, we support language to clarify that an immediately available in-person service preferred by the patient will not be denied by Medicaid fee-for-service or MCOs due to the availability of an alternative service delivered via telehealth preferred by insurers.

- Originating and distant site eligibility of emergency departments
 - We seek clarification from HFS on agency policy for services delivered via telehealth in emergency department settings and advocate for originating and distant site coverage if currently excluded from reimbursement. Outpatient hospital settings are included in guidance from HFS, but members have informed IHA these claims are denied ([Expansion of Telehealth Services, HFS Informational Notice, Jan. 12, 2010](#)).
- Originating site staff presence
 - We seek clarification as to whether the Q3014 \$25 reimbursement must be linked somehow with a corresponding distant site claim, as IHA members have observed widespread denial of this claim after it has been submitted.
- Originating site eligibility of schools
 - Medicaid regulations indicate that local education agencies may submit telehealth services as a certified expenditure, but members have shared that schools do not qualify as originating site providers ([89 Ill. Adm. Code 140.403\(c\)\(1\)\(B\)](#)). We seek clarification from HFS on agency policy for services delivered via telehealth to school settings and advocate for originating site coverage if currently excluded from reimbursement.
- Partial hospitalization & intensive outpatient treatment reimbursement (PHP/IOP)
 - We seek clarification as to whether PHP and IOP are covered under originating site eligibility reimbursement, as they are technically outpatient hospital services and advocate for originating site coverage if currently excluded from reimbursement.
 - We support PHP & IOP coverage in any expansion of distant site reimbursement for the outpatient hospital setting.
- MCO coverage
 - We strongly support telehealth service coverage inclusion in all MCO contract requirements with HFS, as members have informed IHA that some MCOs refuse to reimburse any service delivered via telehealth. MCOs are supposed to have greater flexibility than fee-for-service Medicaid in approving innovative delivery and payment models.
- Medicaid 1115 Waiver
 - We strongly support telehealth pilot funding for emergency department assessments delivered via telepsychiatry between partnering hospitals, in order to expedite smooth patient transfers to the appropriate care setting.
- Telehealth, telemedicine and telepsychiatry definitions
 - We support amending current definitions to align all types of services under one term: telehealth. This would in turn support future coverage parity between medical services and psychiatric services delivered via telehealth, which are currently segmented further by varying provider and facility eligibility.

May 19, 2017

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Again, thank you for your interest in reducing barriers to telehealth program implementation and expansion. If you have any questions or comments, please contact me at pgallagher@team-iha.org or 630-276-5496, or Lia Daniels at ldaniels@team-iha.org or 630-276-5461.

Sincerely,

Patrick Gallagher
Senior Vice President, Health Policy and Finance
Illinois Health and Hospital Association

cc: Lia Daniels, Policy Manager, IHA
Teresa Hursey, Acting Administrator, Division of Medical Programs, HFS

January 25, 2018

To: Christopher Kantas, Director of Policy for Health Care and Human Services, Office of the Governor, State of Illinois
Emily Bastedo, Senior Advisor to the Governor, State of Illinois

From: Nancy Kaszak, Director, Partnership for a Connected Illinois
Nina M. Antoniotti, Executive Director of TeleHealth and Clinical Outreach, SIU Medicine
Angela Grover, System Director of Advocacy, Presence Health
Lisa S. Mazur, Partner, McDermott, Will & Emery, Chicago
Dr. Gurpreet S. Mander, Executive Director, Illinois Telehealth Network
Lia Daniels, Manager, Health Policy, Illinois Health and Hospital Association

CC: Kyle Stone, General Counsel, Illinois Department of Public Health
Dr. Brad Hughes, Deputy Clinical Director of Inpatient Services, Illinois Department of Human Services
Shawn McGady, Chief of Staff, Illinois Department of Healthcare and Family Services
Patrick Gallagher, Senior Vice President, Illinois Health and Hospital Association

RE: Options for Moving TeleHealth Forward in Illinois

Mr. Kantas & Ms. Bastedo,

Thank you again for expressing Governor Rauner's interest in improving access to healthcare in Illinois through TeleHealth solutions, specifically for Medicaid recipients with limited resources. In response to your request on December 18 and after consulting with a diverse group of stakeholders around the state, several Medicaid regulations have been identified as holding back the advancement of TeleHealth value, prohibiting quality and cost savings by limiting delivery methods in Illinois. Outlined below are the primary concerns that have been researched and brought to the Lieutenant Governor's Office and Illinois Department of Healthcare and Family Services (HFS) in the past.

Eliminate the Restrictions on Originating Sites (Patient Sites)

Although the current Medicaid rules do not specifically address a section on originating sites, Section 140.403(a)(4) references originating sites through the payment of the facility fee and states "'Facility Fee' means the reimbursement made to the following originating sites for the telehealth service: physician's office, podiatrist's office, local health departments, community mental health centers, licensed hospital outpatient departments as defined in 89 Ill. Adm. Code 148.25(d) and substance abuse treatment centers licensed by the Department of Human Services-Division of Alcoholism and Substance Abuse (DASA)." This unnecessary restriction of originating sites and the vagueness regarding licensed hospital outpatient departments is keeping life-saving and quality promoting services from Medicaid recipients that access care or reside in facilities certified by the federal Centers for Medicare and Medicaid Services that are not listed. The State of Illinois spends a large portion of the Medicaid budget on skilled nursing care, children, and

transportation costs, all of which can be reduced if TeleHealth were used. However, these Medicaid certified facilities are not listed as originating sites (skilled nursing facilities, developmental centers, emergency departments, inpatient facilities, residential psychiatric facilities, schools, etc.). Also not included is the home, where a substantial number of Medicaid recipients could receive care via TeleHealth, and avoid transportation costs, as well as delays in treatment and evaluation of changes in chronic conditions.

Illinois, like other states, faces a growing shortage of primary care providers as well as specialists. Over half of states do not specify the patient setting or patient location for the purpose of TeleHealth and include all Medicaid certified facilities, including residential facilities. Illinois Medicaid regulations do not reimburse for consultations where patients spend most of their time (home, work, school). Furthermore, current Medicaid TeleHealth originating site requirements can be burdensome and not reflective of current practice for providers like hospitals and rural health centers. Expansion and clarification of originating site provisions could drastically increase access to care for Illinois patients and improve quality outcomes while reducing costs. We recommend the language in Section 140.403(a)(4) be changed to **“Facility Fee means the reimbursement made to any Medicaid certified eligible facility or provider organization as originating sites, as defined in 89 Ill. Adm. Code 148.25(d) including substance abuse centers licensed by the Department of Human Services-Division of Alcoholism and Substance Abuse (DASA),” and to define an originating site as “the location of the patient at the time the service is rendered.”**

Provider Shortages/Advanced Practice Professionals

Section 140.403(b)(1)(B) states that **“The distant site provider must be a physician, physician assistant, podiatrist or advanced practice nurse who is licensed by the State of Illinois or by the state where the patient is located.”** Again, Illinois Medicaid rules unnecessarily restrict the use of Medicaid eligible practitioners when care is delivered via TeleHealth. Due to shortages of health professionals in both urban and rural areas, practice boards have eased scope-of-practice requirements and many states’ Medicaid agencies are reimbursing for more care delivered by advanced practice professionals. Allowing physicians and advanced practice professionals to work at the top of their licenses can create greater value for the healthcare delivery system as a whole, by improving practice productivity, patient health, revenue, staff satisfaction and workforce retention. Illinois Medicaid has enabled licensed clinical psychologists, licensed clinical social workers and advanced practice nurses to receive direct reimbursement for in-person mental health services. However, these providers are currently ineligible for reimbursement when care is delivered via telepsychiatry. Providing clarity on the current regulations for mental health-focused advanced practice professionals and other Medicaid eligible advanced practice professionals would be helpful. Any clinician licensed, in good standing with the state of Illinois and registered under the IMPACT program should be able to provide care via TeleHealth. We recommend the language in Section 140.403(b)(1)(B) be changed to **“The distant site provider must be an eligible Illinois Medicaid participating provider.”**

Coverage Clarity

Illinois Medicaid regulations were written ten years ago and many stakeholders – including providers, patients and payers – are confused about what is reimbursable. Areas of confusion are

described in the May 19, 2017 letter from the Illinois Health and Hospital Association to Lieutenant Governor Evelyn Sanguinetti and the January 20, 2017 agenda for the meeting with the Illinois Department of Healthcare and Family Services to discuss school-based Tele-Behavioral Health (Attachment A & B). In addition, there are clarifications and improvements that can be made to the Illinois Administrative Code regarding Medicaid language and restrictions. These recommendations were presented to Lieutenant Governor Sanguinetti in a memo prepared by SIU Medicine in January of 2017 (Attachment C). **We ask that the Governor’s Office provide leadership in promoting clarity in the Administrative Code regarding the sections outlined by the Illinois Health and Hospital Association.**

Changes outlined in this letter would position Illinois to be a leader in Medicaid TeleHealth reimbursement and innovation, while allowing the state to attain the desired cost and quality metrics associated with an expanded use of TeleHealth for Medicaid recipients.

Sincerely,

Nina M. Antoniotti, Executive Director of TeleHealth and Clinical Outreach SIU Medicine	Lia Daniels, Manager, Health Policy IHA	Angela Grover, System Director of Advocacy Presence Health	Nancy Kaszak, Director PCI	Dr. Gurpreet S. Mander, Executive Director ITN	Lisa S. Mazur, Partner McDermott
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Advisors:

Sean Grove, External Affairs Manager, BJC Healthcare

Sally Lemke, Director of Community Based Practices, Rush University Medical Center

Don Miskowicz, Chief Executive Officer, North Central Behavioral Health

Jonathan Neufeld, Program Director, Great Plains Telehealth Resource Center

Dr. Traci Powell, Behavioral Health Medical Director, Harmony Health Plan

Phil Schaefer, Senior VP, Ambulatory Services & Chief Care Network Development Officer, Southern Illinois Healthcare

Pat Schou, Executive Director, Illinois Critical Access Hospital Network

Meryl Sosa, Executive Director, Illinois Psychiatric Society