

Medicare Telehealth Enhancement Act of 2005 (Introduced in House)

HR 2807 IH

109th CONGRESS
1st Session
H. R. 2807

To improve the provision of telehealth services under the Medicare Program, to provide grants for the development of telehealth networks, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

June 8, 2005

Mr. HULSHOF (for himself and Mr. THOMPSON of California) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To improve the provision of telehealth services under the Medicare Program, to provide grants for the development of telehealth networks, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

- (a) Short Title- This Act may be cited as the 'Medicare Telehealth Enhancement Act of 2005'.
- (b) Table of Contents- The table of contents of this Act is as follows:
 - Sec. 1. Short title; table of contents.

TITLE I--MEDICARE PROGRAM

- Sec. 101. Expansion and improvement of telehealth services.
- Sec. 102. Increase in number of types of originating sites; clarification.
- Sec. 103. Facilitating the provision of telehealth services across State lines.
- Sec. 104. Definition of medicare program.

TITLE II--HRSA GRANT PROGRAM

- Sec. 201. Grant program for the development of telehealth networks.
- Sec. 202. Reauthorization of telehealth network and telehealth resource centers grant programs.

TITLE I--MEDICARE PROGRAM

SEC. 101. EXPANSION AND IMPROVEMENT OF TELEHEALTH SERVICES.

- (a) Expanding Access to Telehealth Services to All Areas- Section 1834(m) of the Social Security Act (42 U.S.C. 1395m(m)) is amended in paragraph (4)(C)(i) by striking 'and only if such site is located' and all that follows and inserting 'without regard to the geographic area where the site is located.'
- (b) Report to Congress on Store and Forward Technology-
 - (1) STUDY- The Secretary of Health and Human Services, acting through the Director of the Office for the Advancement of Telehealth, shall conduct a study on the use of store and forward technologies (that provide for the asynchronous transmission of health care information in single or multimedia formats) in the provision of telehealth services for which payment may be made under the medicare program in Alaska and Hawaii and in other States. Such study shall include an assessment of the feasibility, advisability, and the costs of expanding the use of such technologies to other areas for use in the diagnosis and treatment of certain conditions.
 - (2) REPORT- Not later than 18 months after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the study conducted under subparagraph (A) and shall include in such report such recommendations for legislation or administration action as the Secretary determines appropriate.

SEC. 102. INCREASE IN NUMBER OF TYPES OF ORIGINATING SITES; CLARIFICATION.

(a) Increase- Paragraph (4)(C)(ii) of section 1834(m) of the Social Security Act (42 U.S.C. 1395m(m)) is amended by adding at the end the following new subclauses:

- ‘(VI) A skilled nursing facility (as defined in section 1819(a)).
- ‘(VII) A renal dialysis facility.
- ‘(VIII) A county mental health clinic or other publicly funded mental health facility.’.

(b) Clarification of Intent of the Term Originating Site- Such section is further amended by adding at the end the following new paragraph:

‘(5) CONSTRUCTION- In applying the term ‘originating site’ under this subsection, the Secretary shall apply the term only for the purpose of determining whether a site is eligible to receive a facility fee. Nothing in the application of that term under this subsection shall be construed as affecting the ability of an eligible practitioner to submit claims for telehealth services that are provided to other sites that have telehealth systems and capabilities.’.

SEC. 103. FACILITATING THE PROVISION OF TELEHEALTH SERVICES ACROSS STATE LINES.

(a) In General- For purposes of expediting the provision of telehealth services, for which payment is made under the medicare program, across State lines, the Secretary of Health and Human Services shall, in consultation with representatives of States, physicians, health care practitioners, and patient advocates, encourage and facilitate the adoption of provisions allowing for multistate practitioner licensure across State lines.

(b) Definitions- In paragraph (1):

- (1) TELEHEALTH SERVICE- The term ‘telehealth service’ has the meaning given that term in subparagraph (F) of section 1834(m)(4) of the Social Security Act (42 U.S.C. 1395m(m)(4)).
- (2) PHYSICIAN, PRACTITIONER- The terms ‘physician’ and ‘practitioner’ has the meaning given those terms in subparagraphs (D) and (E), respectively, of such section.

SEC. 104. DEFINITION OF MEDICARE PROGRAM.

In this title, the term ‘medicare program’ means the program of health insurance administered by the Secretary of Health and Human Services under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.).

TITLE II--HRSA GRANT PROGRAM

SEC. 201. GRANT PROGRAM FOR THE DEVELOPMENT OF TELEHEALTH NETWORKS.

(a) In General- The Secretary of Health and Human Services (in this section referred to as the 'Secretary'), acting through the Director of the Office for the Advancement of Telehealth (of the Health Resources and Services Administration), shall make grants to eligible entities (as described in subsection (b)(2)) for the purpose of expanding access to health care services for individuals in rural areas, frontier areas, and urban medically underserved areas through the use of telehealth.

(b) Eligible Entities-

(1) APPLICATION- To be eligible to receive a grant under this section, an eligible entity described in paragraph (2) shall, in consultation with the State office of rural health or other appropriate State entity, prepare and submit to the Secretary an application, at such time, in such manner, and containing such information as the Secretary may require, including the following:

- (A) A description of the anticipated need for the grant.
- (B) A description of the activities which the entity intends to carry out using amounts provided under the grant.
- (C) A plan for continuing the project after Federal support under this section is ended.
- (D) A description of the manner in which the activities funded under the grant will meet health care needs of underserved rural populations within the State.
- (E) A description of how the local community or region to be served by the network or proposed network will be involved in the development and ongoing operations of the network.
- (F) The source and amount of non-Federal funds the entity would pledge for the project.
- (G) A showing of the long-term viability of the project and evidence of health care provider commitment to the network.

The application should demonstrate the manner in which the project will promote the integration of telehealth in the community so as to avoid redundancy of technology and achieve economies of scale.

(2) ELIGIBLE ENTITIES- An eligible entity described in this paragraph is a hospital or other health care provider in a health care network of community-based health care providers that includes at least two of the organizations described in subparagraph (A) and one of the institutions and entities described in subparagraph (B) if the institution or entity is able to demonstrate use of the network for purposes of education or economic development (as required by the Secretary).

(A) The organizations described in this subparagraph are the following:

- (i) Community or migrant health centers.

- (ii) Local health departments.
- (iii) Nonprofit hospitals.
- (iv) Private practice health professionals, including community and rural health clinics.
- (v) Other publicly funded health or social services agencies.
- (vi) Skilled nursing facilities.
- (vii) County mental health and other publicly funded mental health facilities.
- (viii) Providers of home health services.
- (ix) Renal dialysis facilities.

(B) The institutions and entities described in this subparagraph are the following:

- (i) A public school.
- (ii) A public library.
- (iii) A university or college.
- (iv) A local government entity.
- (v) A local health entity.
- (vi) A health-related nonprofit foundation.
- (vii) An academic health center.

An eligible entity may include for-profit entities so long as the recipient of the grant is a not-for-profit entity.

(c) Preference- The Secretary shall establish procedures to prioritize financial assistance under this section based upon the following considerations:

- (1) The applicant is a health care provider in a health care network or a health care provider that proposes to form such a network that furnishes or proposes to furnish services in a medically underserved area, health professional shortage area, or mental health professional shortage area.
- (2) The applicant is able to demonstrate broad geographic coverage in the rural or medically underserved areas of the State, or States in which the applicant is located.
- (3) The applicant proposes to use Federal funds to develop plans for, or to establish, telehealth systems that will link rural hospitals and rural health care providers to other hospitals, health care providers, and patients.
- (4) The applicant will use the amounts provided for a range of health care applications and to promote greater efficiency in the use of health care resources.
- (5) The applicant is able to demonstrate the long-term viability of projects through cost participation (cash or in-kind).
- (6) The applicant is able to demonstrate financial, institutional, and community support for the long-term viability of the network.
- (7) The applicant is able to provide a detailed plan for coordinating system use by eligible entities so that health care services are given a priority over non-clinical uses.

(d) Maximum Amount of Assistance to Individual Recipients- The Secretary shall establish, by regulation, the terms and conditions of the grant and the maximum

amount of a grant award to be made available to an individual recipient for each fiscal year under this section. The Secretary shall cause to have published in the Federal Register or the 'HRSA Preview' notice of the terms and conditions of a grant under this section and the maximum amount of such a grant for a fiscal year.

(e) Use of Amounts- The recipient of a grant under this section may use sums received under such grant for the acquisition of telehealth equipment and modifications or improvements of telecommunications facilities including the following:

- (1) The development and acquisition through lease or purchase of computer hardware and software, audio and video equipment, computer network equipment, interactive equipment, data terminal equipment, and other facilities and equipment that would further the purposes of this section.
- (2) The provision of technical assistance and instruction for the development and use of such programming equipment or facilities.
- (3) The development and acquisition of instructional programming.
- (4) Demonstration projects for teaching or training medical students, residents, and other health profession students in rural or medically underserved training sites about the application of telehealth.
- (5) The provision of telenursing services designed to enhance care coordination and promote patient self-management skills.
- (6) The provision of services designed to promote patient understanding and adherence to national guidelines for common chronic diseases, such as congestive heart failure or diabetes.
- (7) Transmission costs, maintenance of equipment, and compensation of specialists and referring health care providers, when no other form of reimbursement is available.
- (8) Development of projects to use telehealth to facilitate collaboration between health care providers.
- (9) Electronic archival of patient records.
- (10) Collection and analysis of usage statistics and data that can be used to document the cost-effectiveness of the telehealth services.
- (11) Such other uses that are consistent with achieving the purposes of this section as approved by the Secretary.

(f) Prohibited Uses- Sums received under a grant under this section may not be used for any of the following:

- (1) To acquire real property.
- (2) Expenditures to purchase or lease equipment to the extent the expenditures would exceed more than 40 percent of the total grant funds.
- (3) To purchase or install transmission equipment off the premises of the telehealth site and any transmission costs not directly related to the grant.
- (4) For construction, except that such funds may be expended for minor renovations relating to the installation of equipment.
- (5) Expenditures for indirect costs (as determined by the Secretary) to the extent the expenditures would exceed more than 15 percent of the total grant.

(g) Administration-

- (1) NONDUPLICATION- The Secretary shall ensure that facilities constructed using grants provided under this section do not duplicate adequately established telehealth networks.
- (2) COORDINATION WITH OTHER AGENCIES- The Secretary shall coordinate, to the extent practicable, with other Federal and State agencies and not-for-profit organizations, operating similar grant programs to pool resources for funding meritorious proposals.
- (3) INFORMATIONAL EFFORTS- The Secretary shall establish and implement procedures to carry out outreach activities to advise potential end users located in rural and medically underserved areas of each State about the program authorized by this section.

(h) Prompt Implementation- The Secretary shall take such actions as are necessary to carry out the grant program as expeditiously as possible.

(i) Authorization of Appropriations- There are authorized to be appropriated to carry out this section \$10,000,000 for fiscal year 2006, and such sums as may be necessary for each of the fiscal years 2007 through 2012.

SEC. 202. REAUTHORIZATION OF TELEHEALTH NETWORK AND TELEHEALTH RESOURCE CENTERS GRANT PROGRAMS.

Subsection (s) of section 330I of the Public Health Service Act (42 U.S.C. 254c-14) is amended--

- (1) in paragraph (1)--
 - (A) by striking 'and' before 'such sums'; and
 - (B) by inserting '\$10,000,000 for fiscal year 2007, and such sums as may be necessary for each of fiscal years 2008 through 2012' before the semicolon; and
- (2) in paragraph (2)--
 - (A) by striking 'and' before 'such sums'; and
 - (B) by inserting '\$10,000,000 for fiscal year 2007, and such sums as may be necessary for each of fiscal years 2008 through 2012' before the semicolon.