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Telehealth to take front and center role in New York Medicaid Managed Care

By Caitlin Donovan

Last month, the Division of Health Plan Contracting and Oversight of the New York State Department of Health (DOH) issued guidance clarifying the important role of telehealth in Medicaid Managed Care (Telehealth Guidance). The Telehealth Guidance recognizes the important role telehealth can play to "close gaps in coverage and care and to offer Medicaid members an alternative means to access needed services." The Telehealth Guidance clarifies that telehealth services are covered by Medicaid Managed Care Plans, to the extent such services are medically appropriate and permissible under state and federal regulations. Both tele-psychiatry and home health telehealth services—provided by certified home health agencies and long-term home health care programs—for patients with conditions requiring frequent monitoring are covered services within the current Medicaid Managed Care construct.

The Telehealth Guidance also highlights new telehealth services to be added that will be reimbursable as "in lieu of services" (ILS). The DOH, in conjunction with the Telehealth Guidance, issued ILS Guidance about the ILS federal regulation, codified as 42 CFR 438.3 and effective July 6, 2016, designed to "encourage innovation and promote efficiency and quality" by giving Medicaid Managed Care Organizations (MMCOs) the option to offer enrollees "physical and behavioral health services that are not covered under the Medicaid State Plan." It is important to note that MMCOs may not bill for ILS without first obtaining approval from the state. The ILS Guidance cautions that "MMCOs may voluntarily agree to provide any service to an enrollee outside of an approved ILS construct, however, the cost of such voluntary services may not be included in determining state premium rates."

In order for an ILS service to be approved by the state, the following requirements must be met:

1. A MMCO cannot require an enrollee to use an ILS instead of a state plan-covered service or setting.

2. The proposed ILS services must be both medically appropriate and cost-effective.

3. The proposal must define the population and criteria for the ILS services (i.e., the plan is responsible to calculate the cost-benefits and prove the proposed ILS services cost-effective).

4. ILS services may not include expenditures that are prohibited by the Centers for Medicare & Medicaid Services (CMS)—such as training or equipment for law enforcement and room and board.

The DOH has also issued an ILS Request Form to be completed by MMCOS seeking to offer telehealth services under the ILS provision. It is not mandatory for MMCOs to provide ILS services.

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