

## MEMORANDUM

**To:** Mainstream Medicaid Managed Care Plans

**From:** Jonathan Bick, Director   
Division of Health Plan Contracting and Oversight

**Date:** September 18, 2017

**Subject:** Telehealth Innovation in Medicaid Managed Care

The Department of Health (DOH) strongly encourages Medicaid Managed Care (MMC) plans to make telehealth services available to close gaps in coverage and care and to offer Medicaid members an alternative means to access needed services. This notification clarifies that MMC plans currently cover services delivered by telehealth in accordance with applicable laws and regulations. Going forward, MMC plans will be able to request reimbursement of additional cost effective alternative telehealth services in lieu of standard MMC benefit package services. Mainstream MMC plans will be incentivized for utilizing innovative telehealth delivery models.

### **New telehealth services may be offered by MMC plans and reimbursed by DOH:**

- Federal regulation found at 42 CFR 438(3)(e) now allows the use of cost-effective alternative services and encourages innovation, efficiency and quality by enabling MMC plans to offer their members services that were not previously included in the MMC benefit package as a Medicaid State Plan service. These cost-effective alternative services are often referred to as “in lieu of services” (ILS), and the forthcoming October 1, 2015 amendment to the Medicaid Managed Care Model Contract (Model Contract) includes provisions to implement ILS. DOH will be releasing the ILS Guidance and ILS Review Form later this month.
- Telehealth delivery not currently covered by MMC may now be reimbursed through the ILS approval process. The cost of approved ILS is included in the development of the MMC rates.
- **Mainstream MMC** plans will submit a **Telehealth Innovation Plan (TIP)** to DOH along with a telehealth-specific ILS Request Form to DOH within 60 days of the release of the new ILS Guidance and Forms. This submission should demonstrate potential meaningful improvements in access, quality, outcomes and cost-effectiveness through the proposed ILS telehealth services.
- Mainstream MMC plans who receive DOH approval of their TIP and telehealth ILS Request submission will earn **five (5) bonus points** for their annual **Quality Incentive (QI) award**. An **additional one (1) QI bonus point** will be earned if the submission demonstrates enhanced access to services and seeks to improve outcomes for women with high risk pregnancies and/or children in their first 1000 days of life.

**Current telehealth services included in the MMC benefit package:**

- The Telehealth Parity Law found in Public Health Law (PHL) Article 29-G, includes definitions relevant to the provision of services by means of telehealth modalities for purposes of Medicaid reimbursement (PHL § 2999-cc). Social Services Law (SSL) § 367-u, as referenced by PHL § 2999-dd, provides that health care services delivered through telehealth as defined in PHL Article 29-G are covered by Medicaid managed care. The forthcoming October 1, 2015 amendment to the Model Contract includes this requirement.
- Public Health Law § 3614-3(c) authorizes home telehealth reimbursement for certified home health agencies and long-term home health care programs for patients with conditions requiring frequent monitoring. Appendix K of the Model Contract further specifies requirements for the delivery of these services under PHL § 3614-3(c).
- Tele psychiatry services are covered and delivered in accordance with Office of Mental Health regulations, as applicable. The forthcoming October 1, 2015 amendment to the Model Contract includes this requirement.

DOH will be sharing additional guidance on your plan for telehealth innovation and looks forward to partnering with you on this important and impactful initiative.

cc: Jason Helgerson  
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