



March 11, 2011

Mr. Neville Wise, Acting Commissioner
Cabinet for Health and Family Services
Department for Medicaid Services
275 E. Main Street, 6W-A
Frankfort, KY 40621

Re: Kentucky Title XIX State Plan Amendment, Transmittal #09-008

Dear Mr. Wise:

We have reviewed Kentucky State Plan Amendment (SPA) 09-008, which was submitted to the Atlanta Regional Office on October 18, 2010. This amendment implements the use of telehealth as an alternative delivery method in the Kentucky Medicaid population.

Based on the information provided, we are now ready to approve Kentucky SPA 09-008. This SPA was approved on March 10, 2011. The effective date is October 1, 2009. The signed HCFA-179 and the approved plan pages are enclosed.

If you have any questions regarding this amendment, please contact Laura Killebrew at (404) 562-0151.

Sincerely,

A handwritten signature in cursive script that reads "Jackie Glaze".

Jackie Glaze
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:
09-008

2. STATE
Kentucky

FOR: HEALTH CARE FINANCING ADMINISTRATION

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
October 1, 2009

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN

AMENDMENT TO BE CONSIDERED AS NEW PLAN

AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:
42 C.F.R. 415.174, 415.184, 431.300-431.307, 440.50

7. FEDERAL BUDGET IMPACT:
a. FFY 2009 - Indeterminable
b. FFY 2010 - Indeterminable

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Att. 3.1-A pages 17-21;
Att. 3.1-B pages 43-47; and
Att. 4.19-B page 22

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

None

10. SUBJECT OF AMENDMENT:

This plan amendment initiates telehealth as means for Medicaid Providers to deliver services through telecommunications.

11. GOVERNOR'S REVIEW (Check One):

- GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

X OTHER, AS SPECIFIED: Review delegated
to Commissioner, Department for Medicaid
Services

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME: Elizabeth A. Johnson

14. TITLE: Commissioner, Department for Medicaid Services

15. DATE SUBMITTED: October 20, 2009

16. RETURN TO:

Department for Medicaid Services
275 East Main Street 6W-A
Frankfort, Kentucky 40621

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

10/23/09

18. DATE APPROVED:

03/09/11

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

10/01/09

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Jackie Glaze

22. TITLE: Associate Regional Administrator
Division of Medicaid & Children's Health Opns

23. REMARKS:

Approved with following changes as authorized by State Agency on email dated 02/21/11:

Block # 7a Changed to read: FFY 2009 - Indeterminable = \$0 and 7b FFY 2010 - Indeterminable = \$0.

Block # 8 Changed to read: Atch 3.1-A pages 7.1, 7.1(a), 7.1(b), 7.1(c) and Atch 3.1-B pages 12, 12.1, 12.2 and 12.3.

TELEHEALTH

The Kentucky Department for Medicaid Services program (DMS) reimburses for medically necessary health services furnished to eligible DMS members. To assist DMS' eligible members receive medically necessary services, DMS includes coverage for selected telehealth services. The department's definition of telehealth services is:

TELEHEALTH MEDICAL SERVICES: The originating-site or spoke site is the location of the eligible Kentucky Medicaid recipient at the time the telehealth service is being furnished via an interactive telehealth service communications system. The distant or hub site is the location of the provider and is considered the place of service. An interactive telehealth service communication system includes interactive audio and video equipment permitting two-way real time interactive communication between the patient and the practitioner at the originating and distant-sites. Coverage for services rendered through telehealth service, provided at the originating-site, are covered to the same extent the service and the provider are covered when not furnished through telehealth service and are considered an alternative way of providing covered services that are typically provided face-to-face and thus do not constitute a change in Medicaid coverage.

ELIGIBLE PROVIDERS: Providers of telehealth services shall be initially approved by the Kentucky e-Health Network Board. The e-Health board will oversee the operation of the statewide electronic health network. Telehealth providers must be an approved member of the Kentucky telehealth network and comply with the standards and protocols established by the Kentucky Telehealth Board.

Upon subsequent approval or verification of a DMS medical assistance provider participation agreement by DMS or its designee, OIG recognized licensed providers that meet applicable telehealth services requirements are eligible to be reimbursed for furnishing covered telehealth services to eligible DMS members.

Providers are enrolled in Medicaid before submitting a telehealth services claim for payment to the DMS claims processing contractors. DMS makes available on the CHFS/DMS website, or other program-specific websites or in hard copy format, information necessary to participate in health care programs administered by DMS or its authorized agents, including telehealth services program policies, billing instructions, utilization review instructions, and other pertinent materials. Reimbursement for services provided through an interactive, telehealth services telecommunication system can be made when the service is rendered at an allowed originating telehealth services site.

PROVIDER RESPONSIBILITIES: A provider who furnishes services to Kentucky Medicaid members via telehealth services agrees to comply with all federal and state laws and regulations relevant to the provision of medical services as specified in the DMS provider participation agreement. A provider also agrees to conform to DMS program policies and instructions as specified in this state plan amendment and its appendices, and program directions and billing instructions, as updated. A provider is also responsible for following coding manual guidelines and CMS correct coding initiatives.

COVERED SERVICES: DMS covers telehealth services and procedures that are Medicaid State Plan services and medically necessary for the diagnosis and treatment of an illness or injury as indicated by the eligible recipient's condition. All telehealth services must be furnished within the limits of provider program policies and within the scope and practice of the provider's professional standards.

The distant-site is the location where the provider agent/practitioner is physically located at time of the telehealth service. Coverage of services furnished through telehealth at the distant-site is limited to:

1. Consultations;
2. Mental health evaluation and management services;
3. Individual and group psychotherapy;
4. Pharmacologic management;
5. Psychiatric/psychological/mental health diagnostic interview examinations;
6. Individual medical nutrition services;

*All services are covered to the same extent the service and the provider are covered when not provided through telehealth.

PRIOR AUTHORIZATION AND UTILIZATION REVIEW: All telehealth services are subject to utilization review for medical necessity and program compliance. Reviews can be performed before services are furnished, before payment is made, or after payment is made. Once enrolled, the provider receives instructions on how to access provider program policies, billing instructions, utilization review instructions, and other pertinent material and to obtain answers to questions on or not covered by these materials. It is the provider's responsibility to access these instructions or ask for paper copies to be provided, to understand the information provided and to comply with the requirements.

Certain telehealth procedures or services can require prior approval from DMS or its authorized agents. Services for which prior authorization was obtained remain subject to utilization review at any point in the payment process. A service provided through telehealth is subject to the same prior authorization and utilization review requirements which exist for the service when not provided through telehealth.

NON-COVERED SERVICES: If a service is not covered in a face-to-face setting, it is also not covered if provided through telehealth. A service provided through telehealth is subject to the same program restrictions, limitations and coverage which exist for the service when not provided through telehealth.

TELEHEALTH AUTHORIZED PRACTITIONERS OR THOSE FUNCTIONING AS AGENTS OF AN AUTHORIZED PROVIDER FOR SERVICES NOT PROVIDED IN A COMMUNITY MENTAL HEALTH CENTER:

1. A psychiatrist;
2. A licensed clinical social worker directly employed by a psychiatrist if the psychiatrist also interacts with the recipient during the encounter;
3. A psychologist with a license in accordance with KRS 319.010(5) and a doctorate degree in psychology directly employed by a psychiatrist if the psychiatrist also interacts with the recipient during the encounter;
4. A licensed professional clinical counselor directly employed by a psychiatrist if the psychiatrist also interacts with the recipient during the encounter;
5. A licensed marriage and family therapist directly employed by a psychiatrist if the psychiatrist also interacts with the recipient during the encounter;
6. A physician*;
7. An ARNP*;

8. Speech-language pathologist*;
9. Occupational therapist*;
10. Physical therapist*;
11. Licensed dietitian or certified nutritionist*; or
12. Registered nurse or dietician*

*Certain restrictions apply for these providers and are outlined in the Kentucky Administrative Regulation, which can be found at: <http://www.lrc.ky.gov/kar/907/003/170.htm>

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2. A physician;
3. Psychologist with a license in accordance with KRS 319.010(5);
4. A licensed marriage and family therapist;
5. A licensed professional clinical counselor;
6. A psychiatric medical resident;
7. A psychiatric registered nurse;
8. A licensed clinical social worker;
9. An advanced registered nurse practitioner;

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7. A psychiatric registered nurse;
8. A licensed clinical social worker;
9. An advanced registered nurse practitioner;