Telehealth in Occupational Therapy Practice:

Variations in Medicaid Reimbursement in Seven States

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Background/Introduction

“Occupational therapy is the only profession that helps people across the lifespan to do the things they want and need to do through the therapeutic use of daily activities (occupations). Occupational therapy practitioners enable people of all ages to live life to its fullest by helping them promote health, and prevent—or live better with—injury, illness, or disability.”

-American Occupational Therapy Association

According to the U.S. Bureau of Labor Statistics, in 2016, there were approximately 130,400 occupational therapy practitioners (OTP) employed in the United States (U.S. Bureau of Labor Statistics, August 2018). OTPs are employed in a variety of settings including schools, community health settings, hospitals, psychiatric facilities, skilled nursing facilities, outpatient rehabilitation clinics, and home health organizations (AOTA, 2010). The primary areas of occupational therapy practice as identified by the American Occupational Therapy Association (AOTA) are Children & Youth, Health & Wellness, Mental Health, Productive Aging, Rehabilitation & Disability, and Work & Industry (AOTA, 2018).

Telehealth, according to a 2013 position paper, is defined by the American Occupational Therapy Association (AOTA) “as the application of evaluative, consultative, preventative, and therapeutic services delivered through telecommunication and information technologies.” In its position statement, the AOTA asserts that this evolving model of health care delivery is promising for every major OT practice area (AOTA, 2013). Telehealth is continuously
increasing in its use by OT practitioners, a pattern that is expected to continue (Cason & Jacobs, 2014; Cason, 2015). Evidence suggests that telehealth has potential to complement timing, frequency and duration of services (Winters & Winters, 2004), improve quality of care (McCue, Fairman & Pramuka, 2010), and afford the provision of services in a less restrictive environment that is context specific (Tornsey, 2003; Whitten, Doolittle, Mackert & Rush, 2003; Zylstra, 2013). In combination with the potential to tackle service shortage issues, telehealth can potentially enhance functional outcomes by assisting clients and students with generalizing intervention strategies within their environments or classrooms (Theodoros, 2008).

Telehealth may be used as a delivery method by an occupational therapy practitioner to facilitate various services including the following: evaluation of a client using informal or formal assessment tools; to observe a client’s performance in the context of daily activities or occupations; to facilitate direct treatment interventions; or to offer consultation to a client or the caregivers of a client. All of these are guided by the Occupational Therapy Practice Framework (AOTA, 2014). Accredited occupational therapy education programs require students to demonstrate achievement of technology familiarity, such as use of telehealth (ACOTE, 2013; Cason, 2014). Despite the potential offered by telehealth services, barriers to its use exist. A lack of clarity exists in its efficacy research; telehealth licensing, regulatory, and reimbursement issues remain a challenge; telehealth licensing involves multiple layers with significant variations from state to state; regulatory and legal structures remain obscure; and a lack of clarity with reimbursement laws brings unpredictable reimbursement to health care service providers (Marcoux & Vogenberg, 2016). Hence, at the state level, policy and reimbursement laws for telehealth services delivered in the school setting require careful analysis and interpretation.
Medicaid Reimbursement for Telehealth in Occupational Therapy

Medicaid funds rehabilitation services, including occupational therapy, in some states. Alternatively, several states do not specifically mention occupational therapy or do not specifically mention occupational therapy delivered via telehealth in their Medicaid guidelines. Because Medicaid programs are jointly funded by the federal and state government, it might be assumed that information would be readily available. However, during this research, it was evident that nothing about reimbursement through Medicaid is clear. When contacted, even state Medicaid employees were uncertain and could not provide consistent information. Further, papers already published on this subject contained contradictory information and often conflicted with one another. Thus, the remainder of this document focuses on Medicaid regulations and reimbursement issues and the variations in guidelines from a sampling of seven states. While inquiries were made to other states, the seven below were states offering definitive answers either through state websites and document review, or via personal communication. During a two-month period (July-August 2018), state Medicaid offices and regional telehealth centers were researched and/or contacted to gather information on Medicaid reimbursement for occupational therapy delivered via telehealth. The following questions were posed:

1) Does Medicaid reimburse for OT delivered via telehealth in this state?

2) Does Medicaid reimburse for pediatric school-based OT telehealth in this state?

3) What are the reimbursable OT Telehealth Current Procedural Terminology (CPT) codes in this state?

4) What are the geographic or location restrictions associated with those CPT codes in this state?
California

In the state of California, Medicaid is known as Medi-Cal. According to the California Department of Healthcare Services, “existing Medi-Cal benefits when appropriately provided via telehealth can be reimbursable subject to the standard authorization review process” (CDHS, 2018). There is no language included regarding occupational therapy on the California CDHS website nor in the Medi-Cal Provider Manual on Telehealth (CDHS, 2018).

1) Does Medicaid reimburse for OT delivered via telehealth in this state? **NO**

2) Does Medicaid reimburse for pediatric school-based OT telehealth in this state? **NO**

3) What are the reimbursable OT Telehealth CPT codes in this state? **NONE**

4) What are the location restrictions associated with those CPT codes in this state? **NOT APPLICABLE**

(CDHS, 2018; California Department of Healthcare Services personal communication, July 2018).

Florida

Occupational therapy services delivered via telehealth are eligible for Medicaid reimbursement in the state of Florida. Per 59G-1.057: Telemedicine, “this rule applies to any person or entity prescribing or reviewing a request for Florida Medicaid services and to all providers of Florida Medicaid services that are enrolled in or registered with the Florida Medicaid program” (AHCA, 2018, p. 1); to services provided by “a practitioner who is located at a site other than the site where a recipient is located for the purposes of evaluation, diagnosis, or
treatment” (AHCA, 2018, p. 1) and services within their scope of practice within the practitioner’s licensure (AHCA, 2018; Personal communication with AHCA, August 14, 2018).

1) Does Medicaid reimburse for OT delivered via telehealth in this state? **YES**

2) Does Medicaid reimburse for pediatric school-based OT telehealth in this state? **Not specified**

3) What are the reimbursable OT Telehealth CPT codes in this state? **Not specified**

There are no OT specific CPT codes for OT delivered via telehealth. Exploration of modifiers are recommended, but reportedly not a guarantee of reimbursement (AHCA, 2018; Personal communication with AHCA, August 14, 2018).

4) What are the location restrictions associated with those CPT codes in this state? **NOT Specified**

**Idaho**

In Idaho, Medicaid guidelines allow reimbursement for occupational therapy services delivered via telehealth as follows:

Effective July 1, 2016, rules were promulgated in IDAPA 16.03.09 (section 732.04.f) to allow licensed occupational and physical therapists, and speech language pathologists to provide certain services through telehealth. To ensure quality and program integrity, additional guidance for telehealth therapy services is published in the Idaho Medicaid Provider Handbooks (IDHW, 2018).
1) Does Medicaid reimburse for OT delivered via telehealth in this state?  **YES**

2) Does Medicaid reimburse for pediatric school-based OT telehealth in this state?  **YES**

3) What are the reimbursable OT Telehealth CPT codes in this state?  **97530-Individual**

   **Occupational Therapy – Professional by School District**

4) What are the location restrictions associated with those CPT codes in this state?

Location restrictions are cited in Idaho Medicaid guidelines as follows:

   “Performing providers at the distant site, who regularly provide telehealth services to Idaho Medicaid participants are required to maintain current Idaho licensure, as applicable, follow all applicable licensure rules and maintain standards of care within the identified scope of practice” (IDHW, 2018).

**Minnesota**

   To be eligible for reimbursement for occupational therapy services delivered via telehealth in Minnesota, the school or school district must “self-attest that the telemedicine services provided by the professional provider either employed by or contracted by the school meet all of the conditions of the MHCP telemedicine policy” (MDHS, 2017).

1) Does Medicaid reimburse for OT delivered via telehealth in this state?  **YES**

2) Does Medicaid reimburse for pediatric school-based OT telehealth in this state?  **YES**

3) What are the reimbursable OT Telehealth CPT codes in this state?
“The CPT and HCPCS codes that describe a telemedicine service are generally the same codes that describe an encounter when the health care provider and patient are at the same site. Physical and occupational therapists, speech-language pathologists and audiologists may use telemedicine to deliver certain covered rehabilitation therapy services that they can appropriately deliver via telemedicine. Service delivered by this method must meet all other rehabilitation therapy service requirements and providers must adhere to the same standards and ethics as they would if the service was provided face-to-face” (MDHS, 2016).

4) **What are the location restrictions associated with those CPT codes in this state?**

**Originating site**

“The originating site is the location of the child or youth at the time the provider is providing the service via a telecommunication system. Document home or school as the originating site in the child’s health record” (MDHS, 2017).

**Distant site**

“The distant site is the location where the licensed health care provider is located while providing the service via telemedicine. Use place of service 02 on the claim to, indicate the service was provided from the distant site” (MDHS, 2017).
Nevada

Occupational therapy services delivered via telehealth are eligible for Medicaid reimbursement in the state of Nevada. “Effective December 1, 2015, telehealth may be used by any Nevada Medicaid and Nevada Check Up provider working within their scope of practice to provide services that can be appropriately provided via telehealth” (NMS, 2018).

1) Does Medicaid reimburse for OT delivered via telehealth in this state? YES

2) Does Medicaid reimburse for pediatric school-based OT telehealth in this state? YES

3) What are the reimbursable OT Telehealth CPT codes in this state?

A complete list of CPT codes eligible for Medicaid reimbursement can be located at https://www.medicaid.nv.gov/Downloads/provider/NV_BillingGuidelines_PT60.pdf. No specific language is present to include or exclude any code from being used via telehealth.

4) What are the location restrictions associated with those CPT codes in this state?

Definitions of originating and distant sites are given, however no restrictions related to location and CPT codes could be identified (NMS, 2018).

Washington

In the state of Washington, Medicaid published the following statement regarding services eligible for reimbursement when delivered via telehealth:

“The agency covers telemedicine when it is used to substitute for an in-person face-to-face, hands-on encounter for only those services specifically listed in this billing guide. The provider furnishing
services via telemedicine must be enrolled as a servicing provider under the school district’s billing national provider identifier (NPI) in ProviderOne” (WSHCA, 2018, p. 26).

1) Does Medicaid reimburse for OT delivered via telehealth in this state?  **YES**

2) Does Medicaid reimburse for pediatric school-based OT telehealth in this state?  **YES**

3) What are the reimbursable OT Telehealth CPT codes in this state?

A complete list of CPT codes eligible for Medicaid reimbursement can be located at https://www.hca.wa.gov/assets/billers-and-providers/SBHS-20180101.pdf

No specific language is included to include or exclude any code from being used via telehealth (WSHCA, 2018, p. 32).

4) What are the location restrictions associated with those CPT codes in this state?

Definitions of originating and distant sites are given, however no restrictions related to location and CPT codes could be identified (WSHCA, 2018).

**West Virginia**

In West Virginia, Medicaid does not limit telehealth services to “members in non-metropolitan statistical professional shortage areas as defined by CMS Telehealth guidance” (WVDHH, 2016, p. 3). Occupational therapy delivered via telehealth is a service that is eligible for reimbursement through West Virginia Medicaid when offered in a school-based setting. However, in the training module on school-based services, occupational telehealth is listed as “unavailable” (WVHHS, 2018). While the option for reimbursement is available, at the time of
writing, occupational therapy is not being delivered as a school-based service due to licensing board issues (West Virginia Department of Health and Human Services, personal communication, July 2018). According to the American Occupational Therapy Association, the status of licensing/regulatory issues for occupational therapy telehealth is “no statute or regulations specific to OT and telehealth, Board reports that nothing prevents OTs from providing telehealth. September 15 Board meeting draft position statement reviewed, but not adopted. Holding for future action” (AOTA, 2018).

1) Does Medicaid reimburse for OT delivered via telehealth in this state?  
   YES

2) Does Medicaid reimburse for pediatric OT telehealth in this state?  
   YES

3) What are the reimbursable OT Telehealth CPT codes in this state?

A complete list of CPT codes eligible for Medicaid reimbursement can be located at https://wvde.state.wv.us/osp/MedicaidModules/Module6SBHS%20OT-PTServices.pdf

No specific language is included to include or exclude any code from being used via telehealth (WVDHHS, 2018, p. 19-33).

4) What are the location restrictions associated with those CPT codes in this state?

Specific location restrictions were not identified.

Conclusion

Occupational therapy practitioners’ use of telehealth as a delivery method continues to evolve. The limited current research on this topic, however, demonstrates promise for its future efficacy. While reimbursement for occupational therapy via telehealth is beginning to increase,
there is a significant need to clarify guidelines from state to state in terms of whether occupational therapy is considered a reimbursable service, specific procedural codes that can be used, and any location restrictions that exist in connection with those codes. In the absence of this specificity, navigating the reimbursement labyrinth remains a substantial challenge. Accordingly, collective efforts are required to assist in the creation of uniformity in reimbursement for this rapidly developing area.

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