

South Carolina Department of Health and Human Services

FY23-24 Proviso 117.115 (C) – Telehealth Report

This report is issued pursuant to Section 117.116 (C) of Act 94 of 2023.

“The Department of Health and Human Services shall continue to identify and implement telehealth benefits and policies that are evidence-based, cost efficient and aligned with the needs of the Medicaid population. The department must also continue to review the temporary telephonic and telehealth flexibilities it has adopted to address the COVID-19 public health emergency and make permanent those that are suitable for inclusion in the Medicaid benefit. No later than October 1, the department shall submit a report to the Governor, the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee on policy and benefit changes it has introduced in the furtherance of this goal and as part of its ongoing effort to improve the sustainability of telehealth services.”

I. Introduction

During the coronavirus disease 2019 (COVID-19) federal public health emergency (PHE), the South Carolina Department of Health and Human Services (SCDHHS) modified its existing telehealth program to provide needed flexibilities in the delivery of care as the pandemic continued to bring drastic change to healthcare delivery systems across South Carolina. These flexibilities are detailed at length in the [FY22-23 Proviso 117.116 \(C\) Telehealth Report](#).

As the state has transitioned out of the COVID-19 PHE, the telehealth landscape in South Carolina continues to adjust. This report will provide information on the current status and future possibilities of the telehealth flexibilities added during the PHE, as well as an overview of the department's telehealth program as a whole. Also included is current utilization data and a preview of the focus for the department's telehealth program in the year to come.

II. COVID-19 Public Health Emergency

In March 2020, a national emergency was declared due to COVID-19. As a part of the state's preparation and response to COVID-19, SCDHHS released a series of bulletins outlining policy modifications related to telehealth services to protect South Carolina Healthy Connections Medicaid members by ensuring ongoing access to care. These temporary policy changes have afforded providers the flexibility to ensure members continued to have access to care while supporting important social distancing measures.

The temporary policy flexibilities were issued using emergency authorities derived from the federal PHE and were issued for the duration of the federal PHE. These policy changes included a heavy emphasis on building upon SCDHHS' existing telehealth benefit. New telehealth flexibilities were extended for a wide variety of services where early evidence demonstrated a service may be able to be performed with an efficacy and quality of care comparable to the service provided in a face-to-face format.

A detailed description of the telehealth flexibilities issued during the COVID-19 PHE can be found in the [FY22-23 Proviso 117.116 \(C\) Telehealth Report](#).

III. Expiration of the Federal COVID-19 Public Health Emergency

SCDHHS learned of the end of the COVID-19 federal PHE on Feb. 9, 2023, when United States Secretary of Health and Human Services Xavier Becerra issued a letter to governors announcing a planned end date for the federal PHE of May 11, 2023. As such, SCDHHS proceeded with planned unwinding efforts initially announced through [Medicaid bulletin MB# 22-005](#), which was issued in April 2022 to provide an update to the temporary telehealth flexibilities created during the federal PHE. This bulletin announced that upon the expiration of the federal PHE, these flexibilities would fall into one of three categories:

1. Flexibilities that would become permanent;
2. Flexibilities that would be extended for one year after the expiration of the federal PHE for further evaluation; and,

3. Flexibilities that would sunset with the end of the federal PHE

Flexibilities Made Permanent

Based upon the evaluation of utilization data, clinical evidence and input from providers and other stakeholders, the flexibilities included below have clearly demonstrated value in terms of access to care and meeting the needs of the state's Medicaid population. Effective May 11, 2023, the following flexibilities have been included as a permanent addition to policy in South Carolina's Healthy Connections Medicaid program.

- *Patient Home as Referring Site*
SCDHHS waived referring site restrictions that existed prior to the COVID-19 PHE which allows physicians, nurse practitioners or physician assistants to be reimbursed for some evaluation and management (E/M) services delivered via telehealth to Healthy Connections Medicaid members regardless of the members' location as described in [MB# 20-005](#).
- *Medical Professional Required at Referring Site*
SCDHHS waived the requirement that a certified or licensed medical professional be present at the referring location for the purpose of assisting the patient with any aspect of care during the telehealth interaction.

Flexibilities Extended for One Year After the Expiration of the Federal PHE for Further Evaluation

Based upon the evaluation of utilization data, clinical evidence and input from providers and other stakeholders, the flexibilities included below have demonstrated potential value in enhancing access to care and helping to meet the needs of the state's Medicaid population. Effective May 11, 2023, the following temporary flexibilities were extended for one year beyond the expiration of the federal PHE for further evaluation. This extended period which will last through May 10, 2024, will allow SCDHHS to continue to evaluate data, study national payor trends, receive additional feedback from stakeholders and develop a telehealth monitoring plan. As such, providers did not experience a lapse in their ability to continue to provide these services via telehealth when the federal PHE expired.

- *Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs)*
SCDHHS continues to reimburse FQHCs and RHCs for services rendered through telehealth. This extension applies to the flexibilities announced in [MB# 20-007](#) and [MB# 22-005](#).
- *Audio-only Telephonic Services*
When audio/visual telehealth is not available SCDHHS continues to reimburse providers for the audio-only current procedural terminology (CPT) codes included in [MB# 20-004](#). Reimbursement will continue to be limited to encounters with established patients as described in [MB# 20-004](#) when rendered by a physician, nurse practitioner, physician assistant or licensed independent practitioner (LIP). Audio-only services rendered through an FQHC or RHC will also be reimbursed.

- *Behavioral Health*
SCDHHS continues to augment the state’s pre-existing behavioral health telehealth benefit by extending certain behavioral health flexibilities. Services are eligible for reimbursement when delivered by LIPs and associate-level licensed practitioners as described in [MB# 20-009](#), [MB# 20-014](#) and [MB# 20-016](#), which also include services rendered through an FQHC or RHC. This extension has also been continued for mental health professional master’s level personnel employed by other state agencies.
- *Applied Behavior Analysis (ABA)*
SCDHHS continues to reimburse providers for the ABA services described in [MB# 20-011](#). These flexibilities have been extended for remote supervision of registered behavior technicians (RBTs) who provide service in a face-to-face setting and consultation of parent-directed activities via telehealth as described in [MB# 20-011](#). These flexibilities have been extended for encounters that include both audio and visual components.
- *Developmental Evaluation Center (DEC) Screenings*
SCDHHS continues to reimburse DEC’s for services rendered through telehealth for encounters that include both audio and visual components. As specified in the [SCDHHS memo](#) issued April 16, 2020, services rendered by a physician, NP, PA or psychologist for the applicable codes are reimbursed subject to the same duration requirements and service limits as services delivered face-to-face.
- *Addiction and Recovery-related Services*
SCDHHS continues to reimburse for management of medication-assisted treatment (MAT) services and services rendered by Act 301 local alcohol and drug abuse authorities (local authorities) delivered via telehealth. These continued flexibilities apply to the services and provider types described in the [SCDHHS memo](#) issued April 17, 2020 and [MB# 20-017](#) with the exception of audio-only telephonic coverage of MAT services which expired with the end of the federal PHE.
- *Physical, Occupational and Speech Therapy Services*
SCDHHS continues to reimburse for physical, occupational and speech therapy services that include both audio and visual components. These continued flexibilities apply to physical, occupational and speech therapy services rendered by the provider types and services described in [MB# 20-008](#) and [MB# 20-016](#) with exceptions. The exceptions are of services provided as audio-only telephonic services which expired with the end of the federal PHE.
- *Telehealth Services for BabyNet-enrolled Children*
SCDHHS continues to reimburse providers for early intervention services and development of individualized family service plans (IFSPs) rendered through telehealth as described in [MB# 20-010](#) and the [Medicaid alert](#) dated July 9, 2020. Interpretation services as described in [MB# 20-010](#) remain available via telehealth. Additional billing guidance for these services is included in the [SCDHHS memo](#) issued on April 30, 2020.

- *Child Well-care and Early and Periodic Screening, Diagnostic and Treatment (EPSDT) Visits* SCDHHS continues to reimburse providers for child well-care and EPSDT visits rendered through telehealth. These continued flexibilities apply to the policy changes described in [MB# 20-015](#) for encounters that include both audio and visual components. Families and beneficiaries should continue to be given every opportunity to make informed decisions about the receipt of services via telemedicine, including the clinical appropriateness of the intervention, its limitations, and privacy and confidentiality expectations.

Flexibilities that Sunset with the End of the PHE

Based upon the evaluation of utilization data, clinical evidence and input from providers and other stakeholders, the telehealth flexibilities listed below did not demonstrate a benefit to Healthy Connections Medicaid beneficiaries by improving access to care. As such, the temporary telehealth flexibilities described in this section ended with the expiration of the federal PHE on May 11, 2023.

- *Behavior modification*
- *Psychosocial rehabilitation service (individual)*
- *Family support*
- *Audio-only services for MAT, occupational, physical and speech therapy providers*

IV. Post COVID-19 Public Health Emergency Transition

Following the end of the federal PHE in May 2023, SCDHHS worked to ensure a smooth transition back into standard operations. SCDHHS continues to work with stakeholders, monitor state and national trends and rely on Medicaid data to develop evidence-based and data-driven coverage policy that will best serve the Healthy Connections Medicaid members and taxpayers of South Carolina.

During the federal PHE, dating back to March 2020, SCDHHS issued many bulletins outlining the telehealth flexibilities described above and referenced throughout this report. As communicated during the COVID-19 pandemic, SCDHHS ensured all necessary policy elements were incorporated into the appropriate Medicaid provider manuals as of May 11, 2023.

Telehealth Service Evaluation and Quality Assurance

SCDHHS is committed to ensuring services offered via telehealth retain clinical parity to the in-person service offerings available to Healthy Connections Medicaid members. To support this effort, SCDHHS has developed a telehealth monitoring strategy that is being used to evaluate the telehealth flexibilities that have been extended for further review.

Utilization data will be critical in monitoring for the appropriateness and in some cases, the effectiveness of the extended telehealth services. Additional elements such as clinical evidence and feedback from providers, member organizations and other stakeholders will also help to demonstrate any potential value the extended flexibilities may offer in regard to enhancing access to care and better meeting the needs of the state’s Medicaid population.

The evaluation period will last through May 10, 2024, and will allow SCDHHS to continue to examine data, study national payor trends, elicit additional feedback from stakeholders and further develop the overall telehealth monitoring plan for the agency. In support of this effort, SCDHHS has added telehealth analyst staff within the Bureau of Policy and telehealth quality assurance staff within the Bureau of Quality that will assist with the evaluation of the lifecycle of all telehealth flexibilities extended for this additional review period. Some responsibilities of these positions include capturing member experience, analyzing trends and providing recommendations and supporting data related to the flexibilities SCDHHS has elected to continue monitoring.

V. Current Utilization

Historically, telehealth utilization within South Carolina’s Healthy Connections Medicaid program showed steady increase in the years leading up to the COVID-19 PHE. As expected, that steady annual increase grew exponentially during the COVID-19 PHE. Utilization totals eclipsed 700,000 encounters in SFY2021 at the height of the pandemic when social distancing measures were enacted in an effort to prevent the spread of COVID-19. There is a decrease in FY2022, which is attributed to the ability to reconvene in-person care more readily, reducing the urgent need for remote care to the extent it was required during the initial stages of the COVID-19 PHE. Additional leveling in total utilization can be seen in FY2023 as the state continued to normalize practices following the height of the COVID-19 pandemic.

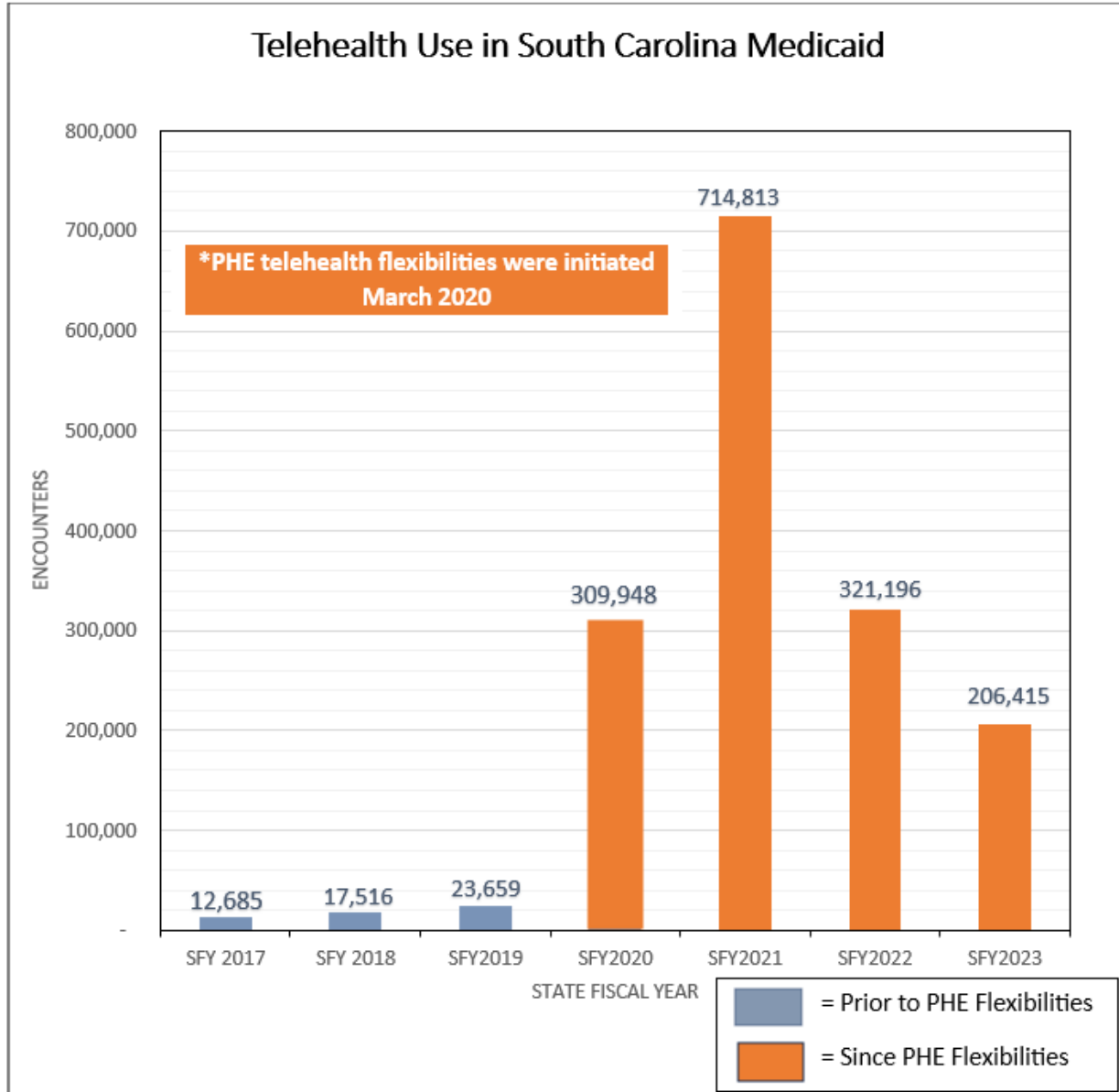


Figure 1 Telehealth utilization, SFY2017- SFY2023 (claims)

Figure 2 and Figure 3 summarize utilization percentage and proportion of telehealth expenditures by service type in SFY2023.

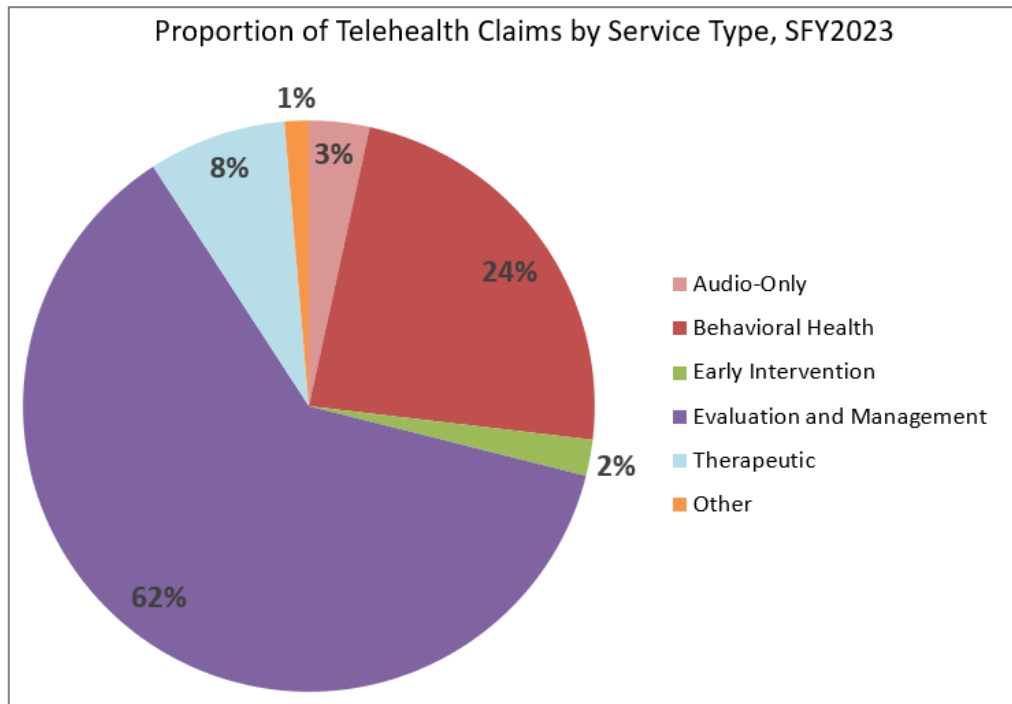


Figure 2 Telehealth utilization by type of service in SFY2023.

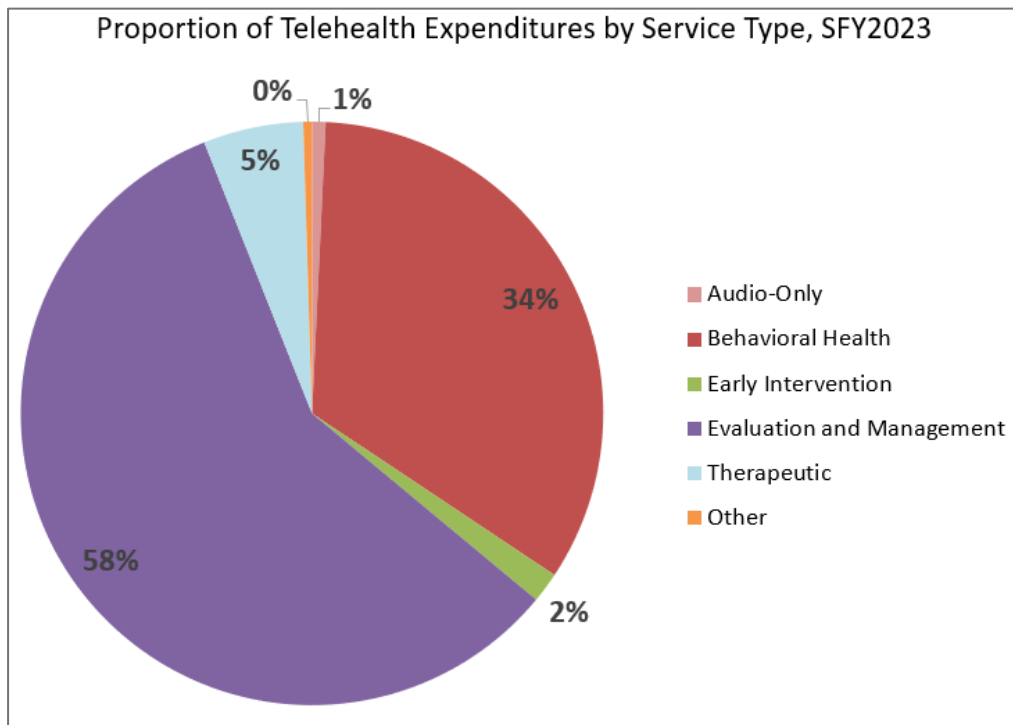


Figure 3 Telehealth expenditures by type of service in SFY2023

VI. Cost Analysis

SCDHHS continues to evaluate the potential fiscal impact and value provided by the telehealth services expanded during the federal COVID-19 PHE. As such, SCDHHS will perform further cost analyses to better determine the budgetary impact brought on by a long-term increase in the number of services available through telehealth. This analysis will help the department continue to predict utilization and ensure SCDHHS is able to make data-driven decisions when developing its annual funding request.

Figure 4 below highlights telehealth costs per fiscal year compared to the same services delivered in person. It is important to note that while telehealth costs increased with the onset of the PHE and subsequent introduction of the telehealth flexibilities outlined throughout this report, overall costs for these services have remained relatively flat throughout and after the federal COVID-19 PHE.

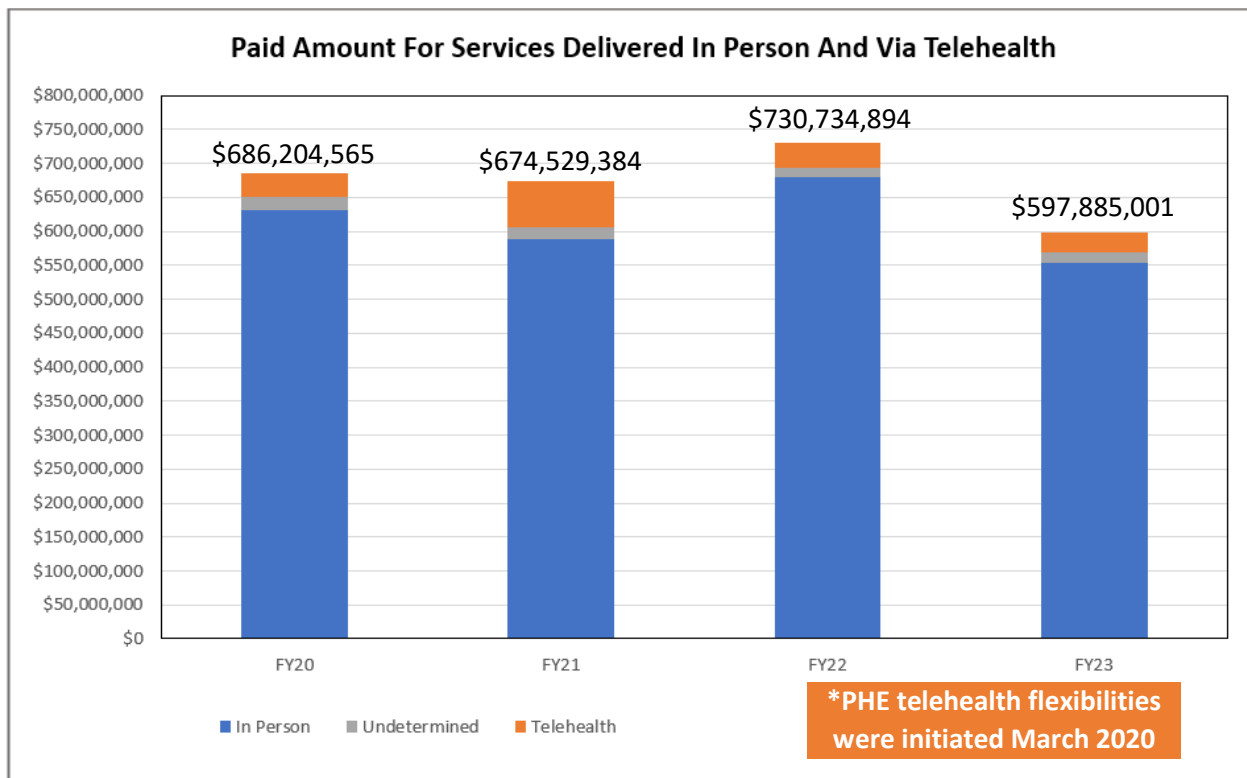


Figure 4 Comparison of paid amounts by fiscal year for services rendered in person and via telehealth using the telehealth code set in place prior to the COVID-19 PHE and codes introduced as PHE flexibilities with the use of a telehealth modifier/Amounts in gray represent services that can be coded with or without the presence of a telehealth modifier, so these services were delivered both in person and via telehealth.

VII. National Overview

Centers for Medicare & Medicaid Services (CMS)

CMS is continuing to explore ways to expand telehealth flexibilities for the Medicare and Medicaid populations. The [2024 Medicare Physician Fee Schedule Proposed Rule](#) suggests several new telehealth services. Like SCDHHS, CMS has added temporary additions to the list of approved telehealth services however, CMS has extended these temporary flexibilities through Dec. 31, 2024. This longer extension period is to allow for additional data to be collected on the flexibilities' utilization and potential benefits. These temporary services are being monitored in the following three groups:

1. Codes permanently added to policy;
2. Codes that ended with the expiration of the PHE; and
3. Codes that will remain on the list through Dec. 31, 2024, for further evaluation (i.e., "Category 3" codes)

In alignment with the Consolidated Appropriations Act, 2023, CMS has extended Category 3 codes through Dec. 31, 2024, to allow for more data collection that could support eventual inclusion as permanent additions to the Medicare telehealth services list. Prior in person visit requirements for telehealth appointments and the inclusion of FQHCs/RHCs as distant site telehealth practitioners have also been extended through Dec. 31, 2024.

The proposed rule continues to allow the patient's home as a referring site as a permanent flexibility added post PHE but has suggested an additional guideline. When patients use their home as the referring site during telehealth services providers can only be paid at the non-facility physician fee schedule (PFS) rate.

Prior to the PHE, Medicare telehealth services required the use of two-way, audio and video telecommunications technology. In early 2020, CMS instituted waivers that allowed for reimbursement of telehealth services furnished using audio-only technology. Over the past three years, this policy has become prevalent nationally, especially for beneficiaries that lack access to broadband service or video technology. In proposing the discontinuation of audio-only services CMS highlights that for telehealth services, other than mental health services, two-way, audio-video communications technology is the appropriate standard of care. CMS further notes that telehealth services are required to be analogous to in person care to serve as a substitute for a face-to-face encounter.

In the 2024 Medicare Physician Fee Schedule Proposed Rule, CMS has also proposed adding additional services to the category 3 list which contains services that potentially have a clinical benefit when furnished via telehealth but lack sufficient evidence to justify permanent coverage.

1. The following services have been added by CMS on a temporary basis and would be considered **category 3 codes** if approved:

- *Cardiovascular and Pulmonary Rehab*
The proposed rule suggests adding CPT codes 93797 and 94624 due to neither code requiring face-to-face interaction. These codes would be added to the Medicare Telehealth Services list on a temporary basis until Dec. 31, 2024.
- *Physical, Occupational and Speech Therapy Services*
New requests have been made to make these services permanent additions to the Medicare Telehealth Services list but after evaluation, the proposed rule states they will continue to leave these services as a temporary flexibility. Following CMS guidelines, these telehealth services are extended until Dec. 31, 2024, to allow for more data to assess these benefits.
- *Hospital Care, Emergency Department and Hospital*
Eleven codes were requested for permanent addition for telehealth use for observation or E/M care of patients in hospitals and emergency departments. Since some risk of COVID-19 remains, CMS determined to continue to leave these codes as category 3 codes to protect beneficiaries and providers.
- *Health and Well-Being Coaching Services*
The proposed rule suggests adding these services as a temporary benefit to assess if beneficiaries would benefit from virtual-only health and well-being coaching.
- *Enforcement Discretion for Teaching Physicians*
If approved, physicians in all residency training sites may be present through audio/video real-time communications technology until Dec. 31, 2024.
- *Diabetes Self-Management Training (DSMT) and Medical Nutrition Therapy (MNT)*
CMS is proposing to continue to allow institutional providers to bill for outpatient therapy, DSMT and MNT services until the end of CY2024. CMS is interested in observing how telehealth increases access to DSMT/MNT services and how effective these services are when furnished completely remotely.

The following items have been proposed by the (CY) 2024 Medicare Physician Fee Schedule Proposed Rule on a **permanent basis**:

- *Social Determinants of Health Risk Assessments*
The proposed rule suggests adding a code for *administration of a standardized, evidence based Social Determinants of Health Risk Assessment tool, 5-15 minutes* to the Medicare Telehealth Services List on a permanent basis once an appropriate Healthcare Common Procedure Coding System (HCPCS) code is identified.

Additional information related to the CMS Medicare Physician Fee Schedule can be found using the [2024 Medicare Physician Fee Schedule Proposed Rule Fact Sheet](#).

VIII. SCDHHS Considerations Moving Forward

SCDHHS is focusing on a number of exciting projects aimed at continuing to maximize the use of telehealth technologies where appropriate. A few of the initiatives that will continue to evolve in the coming year as the agency further evaluates the telehealth flexibilities discussed throughout this report are listed below.

Palmetto Connect Digital Literacy Project

SCDHHS is partnering with Palmetto Care Connections (PCC) and the Palmetto Connect project. This initiative will create a path toward permanent home internet access for Healthy Connections Medicaid beneficiaries that do not currently have adequate internet access.

PCC and SCDHHS have identified the Community Choices Waiver group as a possible subset which is comprised of approximately 21,000 community long-term care beneficiaries, although other beneficiaries may be identified as well. PCC will provide digital literacy training and a free digital device to a subset of these beneficiaries. PCC will also work to assist these beneficiaries with obtaining broadband subsidies for permanent internet access.

The main components of this initiative include:

- a. Targeting, screening and enrolling eligible Healthy Connections Medicaid beneficiaries in the Palmetto Connect digital literacy program;
- b. Educating households on available broadband subsidy programs;
- c. Implementing a computer refurbishment and distribution program to provide digital devices to qualified households; and
- d. Training households on the proper use of equipment and internet access which will include training on how to request and conduct a telehealth visit with a provider.

School-based Behavioral Health

SCDHHS is continuing its focus on expanding access to mental health services in school settings with the goal of having at least one dedicated mental health counselor in each school. SCDHHS has increased the reimbursement rates of six core rehabilitative behavioral health services when they are offered in a school setting. These six services include assessments, service plan and development, crisis intervention, individual psychotherapy, group psychotherapy, and family psychotherapy. School districts can hire staff to provide these services or they can subcontract out with private entities or the South Carolina Department of Mental Health. Telehealth is also available as a service option to allow easier access to providers of these targeted mental health services. Working with the South Carolina Telehealth Alliance, SCDHHS

is helping to further develop a high-quality school-based telehealth network available to districts and schools across the state.

Nutritional Counseling Via Telehealth

SCDHHS is evaluating the potential to include nutritional counseling services via telehealth. There is growing evidence that telehealth is a viable medium for conducting nutritional counseling services without any decrease in efficacy. Further review is pending for this requested addition and SCDHHS will look to incorporate this telehealth option into the developing nutritional counseling project that is expected to go live in the 2024 calendar year.

IX. Closing Statement

SCDHHS is committed to continually striving for the ideal benefit design for South Carolina's Medicaid population. As such, continued evaluation of services that may achieve the department's access, cost and quality goals will continue to be a priority. SCDHHS will continue to evaluate the telehealth flexibilities that have been extended following the COVID-19 PHE and monitoring state and national trends surrounding those flexibilities as supporting evidence for a decision on their future status in the Healthy Connections Medicaid program.

Beyond the flexibilities described in this report, SCDHHS will continue to engage with the provider community and stakeholders to evaluate best practices and work to identify innovative solutions that will further improve access to healthcare services while demonstrating clinical evidence that such services can be delivered with the safety and efficacy of in person delivery.

To ensure the adoption of effective and efficient telehealth services to the Medicaid population, SCDHHS will continue to be engaged in regular collaboration with stakeholders to ensure future telehealth policy encompasses the tenets of cost, quality, and access. Further discussion will certainly be required for telehealth flexibilities that have been extended for evaluation through May 2024 and SCDHHS welcomes feedback from providers and stakeholders of all types to establish the best path forward. The continued development of strong working relationships with telehealth leaders throughout the state will be key to ensuring the best possible coverage policy for the Healthy Connections Medicaid members of South Carolina.

Additionally, SCDHHS will continue evaluating the telehealth services covered by other payors and adopt those services that are evidence-based, cost-efficient and aligned with the needs of the Healthy Connections Medicaid population. As was the case in 2023, SCDHHS will continue exploring those additional services and providers that are best able to enhance access to services in the areas of behavioral health, prenatal care and services that can benefit the children of South Carolina.