Illinois Health and Hospital Association

December 21, 2024

ILLINOIS HEALTH AND HOSPITAL ASSOCIATION
M E M O R A N D U M

SUBJECT: **CY 2025 Medicare PFS Final Rule Update**

Following last month's release of the calendar year (CY) 2025 Medicare Physician Fee Schedule (PFS) final rule, Congress is currently considering a two-year extension of all statutory telehealth waivers that are set to expire at the end of the year. The extension of the waivers to continue Medicare telehealth coverage may be included as part of the larger health package in the continuing resolution (CR) that extends government funding into the new year. Absent Congressional action, the Medicare program will reinstate the statutory limitations on the use of telehealth services in place prior to the COVID-19 public health emergency (PHE), including:

- Geographic restrictions;
- Location restrictions on where you can provide services; and
- Limitations on the scope of practitioners who can provide telehealth services.

Healthcare stakeholders strongly support the telehealth flexibilities enacted during the COVID-19 PHE, as described in a Sept. 4 IHA comment letter to CMS on the CY 2025 PFS proposed rule.

CMS finalized a CY 2025 conversion factor under the PFS final rule to $32.35, representing an average PFS payment rate decrease of 2.93% due to factors specified in law. The CR would also provide partial relief for Medicare physician reimbursement rates, increasing the statutory conversion factor adjustment by 2.5%.

Below is a summary of coverage and payment changes under the CY 2025 PFS final rule specific to the focus areas of IHA's advocacy in response to the proposed rule, including:

- Broadened telehealth access;
- Expansion of behavioral healthcare services; and
- Development of payment mechanisms that support health equity.

Telehealth Service Expansion
Beyond the Medicare coverage provisions dependent on an extension of statutory telehealth waivers, the PFS rule finalized several new provisional and permanent telehealth coverage requirements. For CY 2025, the payment amount for the telehealth originating site facility fee (patient location, HCPCS Q3014) is 80% of the lesser of either the actual charge or $31.01.

Permanent Telehealth Changes
Audio-only communications will be permanently allowed when the home is the originating site (patient location), but only when the patient does not have access to video or does not consent

to having a video visit. In addition, Pre-Exposure Prophylaxis (PrEP) counseling and safety planning interventions are being added to the Medicare Telehealth Services List on a permanent basis.

For certain low risk services that must be provided under the direct supervision of a physician or other supervising practitioner, CMS has permanently adopted a definition of direct supervision that permits the supervising physician or practitioner to provide supervision via a virtual presence through real-time audio and visual interactive telecommunications. Specifically, supervising physicians or practitioners may provide virtual direct supervision for the following:

- Services provided incident to a physician or other practitioner's professional service when provided by auxiliary personnel employed by the billing physician or supervising practitioner and working under their direct supervision, and when the underlying HCPCS code has been assigned a PC/TC indicator of "5" and services described by CPT code 99211; and
- Office or other outpatient visits for the evaluation and management of an established patient who may not require the presence of a physician or other qualified practitioner.

Provisional Telehealth Changes

For other services that do not fit into the categories listed above and still require direct supervision of a physician or other supervising practitioner, CMS will permit direct supervision through real-time audio and visual interactive telecommunications technology through the end of CY 2025.

Healthcare practitioners will continue to be able to utilize their enrolled practice location instead of their home address when providing telehealth services through CY 2025, which is critical for practitioners' privacy and safety.

A Caregiver Training Services and Radiation Treatment Management Code were both added to the Medicare Telehealth Services List on a provisional basis. Beginning in CY 2025, Opioid Treatment Programs will also be allowed to furnish periodic assessments via audio-only communications as long as all requirements are met and the use of the technology is permitted under applicable Drug Enforcement Administration and Substance Abuse and Mental Health Service Administration requirements at the time that services are provided.

Additionally, telehealth frequency limitations for certain services were removed until the end of CY 2025, including:

- Subsequent hospital inpatient/observation care (CPT 99231, 99232, and 99233);
- Subsequent nursing facility visits (CPT codes 99307, 99308, 99309, and 99310); and
- Critical care consultation services (HCPCS codes G0508 and G0509).

Rural Health Clinics and Federally Qualified Health Centers will now be reimbursed at the PFS rate for providing telehealth services, while targeted telehealth service flexibilities were also granted for these sites through CY 2025. Specifically, in-person requirements for mental health services delivered via telehealth will be waived and virtual direct supervision will be permitted in the coming year.

Finally, new codes were established for Digital Mental Health Treatment devices (HCPCS G0552, G0553, and G0554) when used with ongoing behavioral health treatment under a plan of care by the billing practitioner, modeled on coding for remote therapeutic monitoring services. In order for these devices to be payable, they must first be cleared under the Food, Drug, and Cosmetics Act or granted authorization by the U.S. Food and Drug Administration.

Behavioral Health Service Expansion

Aligning with the proposed rule, CMS established separate coding and payment describing safety planning interventions for patients in crisis, including those with suicidal ideation, at risk of suicide, or at risk of overdose. Specifically, CMS finalized payment for HCPCS code G0560 as a standalone code, rather than an add-on code as proposed. The G-code can be billed in units of 20 minutes and may be performed by the billing practitioner in a variety of settings for CY 2025. In future rulemaking, CMS signaled it will consider practitioner supervision for this code. For patients discharged from the emergency department for a crisis encounter, a monthly billing code (HCPCS G0544) was established to provide post-discharge follow-up contact as a bundled service, described as four calls in a month.

For interprofessional consultations, CMS added six new codes (HCPCS G0546–G0551) that mirror current interprofessional consultation CPT codes used by practitioners who are eligible to bill evaluation and management visits. The codes apply to practitioners in the following specialties which are statutorily limited to services for the diagnosis and treatment of mental illness:

- Clinical psychologists;
- Clinical social workers;
- Marriage and family therapists; and
- Mental health counselors.

For Opioid Treatment Programs, CMS will also update payments for Social Determinant of Health risk assessments that are a part of intake services as well as related, periodic assessments that these programs may conduct throughout treatment in order to monitor potential changes in a patient's Health-Related Social Needs or support services.

Payment Mechanisms That Support Health Equity

Although CMS issued a broad request for information on how to enhance the newly implemented Community Health Integration services, Principal Illness Navigation services, and the Social Determinants of Health Risk Assessment, the agency decided not to move forward

with specific changes in CY 2025. Instead, the agency will consider the detailed comments received on these services in future rulemaking. IHA will continue to advocate for CMS to evaluate payment mechanisms under the PFS in order to improve the accuracy of valuation and payment for these services, especially in the context of evolving models of care and addressing unmet social needs that affect the diagnosis and treatment of medical problems.

For more information on the PFS final rule, see the fact sheet and Medicare Learning Network summary. For questions or comments on this memo, contact Lia Daniels at ldaniels@team-iha.org or 630-276-5461.