Addendum: 
Telehealth in Medi-Cal
December 2022

This addendum is part of "An Advocate’s Guide to Medi-Cal Services" and gives an overview of the history of telehealth policy in California, describes current telehealth policies and regulations in Medi-Cal, and provides telehealth-related resources.

A. What is Telehealth?
Telehealth is “the use of digital technologies to deliver health care, health information, and other health services by connecting two or more users—principally the patient and the provider in separate locations.”1 The definition of telehealth varies by state. California law defines telehealth as “the mode of delivering health care services and public health via information and communication technologies to facilitate the diagnosis, consultation, treatment, education, care management, and self-management of a patient’s health care.”2 Using telehealth, a patient who is located in one location (“originating site”) may receive health care services from a health care provider who is located in another location (“distant site”).3

Telehealth modalities include synchronous (i.e., video calls, audio only telephone calls, and text messages), asynchronous store-and-forward, remote patient monitoring, and mHealth.4 Currently, not every state recognizes all types of telehealth modalities.5 Whether a modality is reimbursable also varies by state.6 Until 2019, California only recognized synchronous video interactions and asynchronous store and forward interactions.7 Currently, it recognizes all types of telehealth modalities.8

Telehealth has provided many people, including those in disadvantaged communities an additional tool to access health care services.9 However, the expansion of telehealth use—primarily during the COVID-19 Public Health Emergency (PHE) also exposed new equity issues and highlighted the effects of the digital divide. Studies conducted prior to the COVID-19 PHE showed that underserved populations such as low-income, rural, and Medicaid populations did not use telehealth as widely as other demographic groups.10 More recent research continues to suggest that telehealth access is not equitable across different population subgroups.11
For example, low-income households, older adults, and communities of color are more likely to lack the technical set up, device, or private space to effectively access health care services via telehealth. Many individuals and families in rural or low-income urban communities also often lack the necessary broadband connectivity to access synchronous video telehealth modality. Moreover, many telehealth service platforms are not yet available to people with disabilities or people with limited English proficiency. For many older adults and people with limited English proficiency—who are often already experiencing low health literacy, low digital literacy is another barrier they have to face while navigating a complex health care system.

With equity in mind, NHeLP developed a set of Medicaid Principles on Telehealth for policymakers’ considerations. The federal government has also issued guidance to explain how federal laws require making telehealth accessible to people with disabilities and limited English proficient persons.

B. Federal Medicaid Telehealth Policies

The Centers for Medicare & Medicaid Services (CMS) does not recognize telehealth as a distinct service. It recognizes telehealth interchangeably as “telemedicine” and “a cost-effective alternative to the more traditional face-to-face way of providing medical care that states can choose to cover under Medicaid”—a definition that is consistent with federal Medicare statute. To assist states in expanding their telehealth policies, CMS issued a Telehealth Toolkit: COVID-19 Version in 2020, and then a Supplement in 2021. Additionally, the U.S. Federal Communications Commission (FCC) officially launched the Affordable Connectivity Program to help provide financial assistance toward internet services and purchase of equipment for eligible households.

In 2020, the U.S. Department of Health and Human Services (HHS) established a website, Telehealth.HHS.gov, to provide information for health care providers and patients and support and promote telehealth. In 2022, it also issued, through its Office of Civil Rights (OCR), a new Health Insurance Portability and Accountability Act of 1996 (HIPAA) guidance to support the use of audio-only telehealth. The new HIPAA guidance clarified that remote communication technologies may be used to provide audio-only telehealth services in compliance with the HIPAA rules, as long as reasonable safeguards are put in place to protect the privacy and integrity of protected health information (PHI). Also, although the HIPAA Security Rule does not apply to audio-only telehealth services provided via a traditional telephone landline, it applies to audio-only telehealth services provided via electronic communication technologies such as web based applications and cellular phones (which transmit or maintain electronic data, as oppose to a traditional telephone landline).
C. California Telehealth Law

1. Legislative History

In 1996, through the passage of the Telemedicine Development Act, California became the first state to regulate the provision of telemedicine. For many years and like most states, California laws imposed a lot of limitations on the use of telehealth in Medi-Cal, including requiring providers to have at least one in-person visit with a patient before initiating a telehealth visit, mandating special written consent from the patient, and allowing telehealth visits to occur only in or from a provider’s office or a hospital site. Also, only synchronous modality was covered. In 2011, AB 415, the Telehealth Advancement Act was signed into law and eased several of these previous limitations on telehealth provision in California—waiving the in-person visit and location requirement, allowing verbal consent, and adding store-and-forward technology. In 2015, AB 809 was passed to allow verbal or written consent from the patient before a telehealth interaction.

In 2019, the California Department of Health Care Services (DHCS) published a Medi-Cal Telehealth Provider Manual (updated in August 2020) to inform Californians of telehealth related Medi-Cal covered benefits, services, and health care provider requirements. AB 1494 was signed into law to require that telehealth services, telephonic services (defined as “health services provided via telephone with audio component only”), and other specified services be reimbursable when provided during or immediately following a state of emergency. Additionally, AB 744 was enacted to mandate payment parity for health care services that are provided via telehealth “on the same basis and to the same extent” as in-person, effective January 1, 2021.

Following HHS Secretary’s declaration of the COVID-19 PHE on March 13, 2020, California temporarily expanded its existing telehealth service provisions for Medi-Cal beneficiaries. For example, Medi-Cal began to reimburse providers for medically appropriate services rendered over the phone at the same rate as via video. Out-of-state licensed providers were also allowed to apply for enrollment in the Medi-Cal Fee-for-Service (FFS) program to fill the needs for additional providers during the PHE. Moreover, Medi-Cal temporarily allowed for expanded access to telehealth through non-public technology platforms, such as Apple FaceTime, Facebook Messenger video chat, Google Hangouts video, WhatsApp video chat, Zoom, or Skype. Essentially, providers were allowed to render all applicable Medi-Cal services that can be appropriately provided via telehealth modalities – even those historically not identified or regularly provided via telehealth to new and established patients.

As the COVID-19 PHE continued to impact Medi-Cal service delivery, telehealth laws were enacted to continue telehealth policies and services that were
available to Medi-Cal beneficiaries during the PHE after the pandemic ends. On July 27, 2021, AB 133 was signed into law. Under AB 133, coverage of remote patient monitoring became permanent and many Medi-Cal telehealth flexibilities that were temporarily available during the PHE (including payment parity for audio-only modality) were to remain available at least until December 31, 2022. It also mandated DHCS to create a stakeholder advisory group to strategize ways to increase access and equity and reduce disparities in the Medi-Cal program.

In December 2021, after convening the stakeholder workgroup, DHCS published a Medi-Cal Telehealth Advisory Workgroup report. On June 30, 2022, as part of the California 2022-2023 State Budget, SB 184, the Health Budget Trailer Bill was signed into law to require permanent coverage of and payment parity of synchronous video, synchronous audio-only, and asynchronous telehealth modalities, starting January 1, 2023.

2. Current Medi-Cal Telehealth Laws and Policies

Requirements

A health care provider at the distant site ("a site where a health care provider who provides health care services is located while providing these services via a telecommunications system") may render Medi-Cal covered benefits via telehealth to a patient located at the originating site ("a site where a patient is located at the time health care services are provided via a telecommunications system or where the asynchronous store and forward service originates") when:

- A health care provider determines that a particular benefit or service is clinically appropriate based upon evidence-based medicine or/ and best practice to be delivered via telehealth;
- The benefits or services delivered via telehealth meet the procedural definitions and components of the Current Procedural Terminology (CPT) or Healthcare Common Procedure Coding System (HCPCS) codes; and
- The benefits or services delivered via telehealth meet all state and federal laws regarding confidentiality, privacy, and patient’s rights.

A health care provider rendering Medi-Cal covered services via telehealth (unless employed by a tribal health program to provide services for the tribal health program) must be licensed in California, enrolled as a Medi-Cal provider or non-physician medical practitioner, and affiliated with an enrolled Medi-Cal provider group that is located in California or a border community. The standard of care is the same whether the patient is seen in-person or via telehealth.

Before the delivery of health care via telehealth, the health care provider initiating the use of telehealth must inform the patient about the use of
telehealth and obtain verbal or written consent from the patient, and the consent for the use of telehealth must be documented in the patient’s medical file (a general consent agreement that specifically mentions the use of telehealth as an acceptable modality for delivery of services is sufficient). All health care providers providing Medi-Cal covered benefits or services to patients via telehealth must meet the same documentation standard as in-person services and must maintain appropriate documentation utilizing the corresponding CPT and HCPCS codes. A patient may not at any time be precluded from receiving in-person health care delivery services during a specified course of health care and treatment after agreeing to receive services via telehealth.

Medi-Cal does not limit the setting or location of the distant site or the originating site, but it requires providers to use a specific Place of Service (POS) code 02 to indicate that service was provided through telehealth except for services provided in Federally Qualified Health Centers (FQHCs), Rural Health Clinics (RHCs), and Indian Health Services (IHS) clinics. In addition, providers need to use a specific modifier for services or benefits provided via a specific telehealth modality. Medi-Cal covers telehealth services provided in FQHCs, RHCs, and IHS clinics under different billing requirements.

Medi-Cal may not require pre-existing in-person contact or relationship before services are rendered via telehealth and may not require documentation of a barrier to an in-person visit for Medi-Cal coverage of services provided via telehealth.

**Network Adequacy**

Medi-Cal gives providers flexibility to use telehealth as a modality for delivering medically necessary services to their patients, and currently, as part of the PHE flexibilities, providers are allowed to offer services via telehealth only. To ensure that all Medi-Cal managed care covered services are available and accessible to beneficiaries in a timely manner, all Medi-Cal Managed Care Health Plans (MCPs) are required to meet network adequacy standards, which include provider-to-member ratios and the time and distance requirements. Currently, DHCS allows MCPs to utilize telehealth providers to meet physician and provider-to-member ratios. Although providers who provide services via telehealth only may be counted as an additional provider to meet provider-to-member ratio network adequacy requirement, those who provide services both in-person and via telehealth may only be counted once in any given specialty.

DHCS allows MCPs to use telehealth to meet the time and distance standards. However, before using a telehealth provider to fulfill network adequacy requirements for time and distance standards in a defined service
area, the MCP must make reasonable attempts to contract with an in-person provider.\textsuperscript{57} Also, MCP cannot require members to utilize telehealth in place of in-person services.\textsuperscript{58}

**Covered Modalities**

Currently, Medi-Cal covers the following telehealth modalities: (1) **Synchronous interactions** ("real-time interaction between a patient and a health care provider located at a distant site"); (2) **Asynchronous store and forward transfers** ("the transmission of a patient’s medical information from an originating site to the health care provider at a distant site"); (3) **Remote patient/physiologic monitoring (RPM)** ("a type of telehealth that involves the secure transfer of personal health and medical data to a provider for remote monitoring, care, and support").\textsuperscript{59}

(1) **Synchronous**

Synchronous **video and audio-only** modalities are currently covered by Medi-Cal across multiple services and delivery systems, including physical health, dental, specialty mental health, and Drug Medi-Cal Organized Delivery System (DMC-ODS).\textsuperscript{60}

During the COVID-19 PHE, DHCS allowed many services to be provided via **audio-only or telephone** for the first time and has since made some of these PHE flexibilities permanent. For example, prior to the PHE, a person under the age of 21 could only submit an in-person application or renewal for the Medi-Cal Minor Consent Program, a program that allows minors to consent to services related to family planning, sexual assault, pregnancy, sexually transmitted diseases, substance use, and outpatient mental health.\textsuperscript{61} Starting June 2021, minors permanently have the option to apply or renew Medi-Cal Minor consent eligibility in-person or by phone.\textsuperscript{62} Prior to the PHE, California’s family planning Medicaid program, Family Planning, Access, Care and Treatment (FPACT) were already permitted to utilize telehealth modalities to deliver family planning services.\textsuperscript{63} As a result of the PHE, DHCS broadened the use of telehealth to temporarily allow (i) eligible individuals to virtually or telephonically enroll and recertify for FPACT, and (ii) access to subcutaneous Depo-Provra (DMPA-SQ) directly from their pharmacy for self-administration.\textsuperscript{64} DMPA-SQ has now been made a permanent Pharmacy Benefit.\textsuperscript{65}

(2) **Asynchronous**

Under the Medi-Cal Telehealth policy, asynchronous store and forward transfers between health care providers ("E-Consults") are covered, but consultations via asynchronous transmission initiated directly by patients (including through mobile phone applications) are not.\textsuperscript{66}
(3) Remote patient/ physiologic monitoring (RPM)

As of July 1, 2021, RPM is permanently an allowable telehealth modality for Medi-Cal covered health care services for fee-for-service and managed care beneficiaries with full scope Medi-Cal or pregnancy-only coverage. RPM services are provided for established patients ages 21 and older, and they are reimbursable when ordered by and billed by physicians or other qualified health professionals.

Currently, as a response to the COVID-19 PHE, Medi-Cal temporarily covers brief virtual/ telephonic communications in physical health for brief virtual or telephonic communications between health care providers or between a health care provider and a patient (both new and established).

Payment Parity

Medi-Cal currently pays the same rate for health care services provided via synchronous video, synchronous audio-only, and asynchronous as it pays for services provided in-person. While payment parity for synchronous video is mandated by California law, payment parity for synchronous audio-only and asynchronous is required by DHCS only as part of the temporary COVID-19 telehealth flexibilities that will remain available through December 31, 2022. Effective January 1, 2023, in addition to synchronous video, California law will also begin mandating payment parity for synchronous audio-only and asynchronous telehealth modalities.

Payment parity does not apply to virtual communications, such as web-based interfaces, live-chats, or e-consults.

Medi-Cal Special Programs

Currently, Medi-Cal may cover telehealth services used for: California Children’s Services (CCS) Program, Genetically Handicapped Person’s Program (GHPP), and Child Health and Disability Prevention (CHDP) Program. Medi-Cal does not cover telehealth services used for: Newborn Hearing Screening Program (NHSP) or private duty nursing for the CCS, GHPP, or CHDP programs.

3. Medi-Cal Telehealth Laws and Policies Effective January 1, 2023

Several of the temporary Medi-Cal telehealth flexibilities that were made available to Medi-Cal beneficiaries during the COVID-19 PHE will remain available through December 31, 2022. On June 30, 2022, the Health trailer bill, SB 184, was signed into law to permanently implement many of the temporarily available Medi-Cal telehealth policies after 2022.
Effective January 1, 2023:

- **Coverage of and payment parity for synchronous video, synchronous audio-only, and asynchronous**—Medi-Cal will permanently require coverage of and payment parity for synchronous video, synchronous audio-only, and asynchronous for all providers, including in FQHCs and RHCs. Drug Medi-Cal Treatment Program (Drug Medi-Cal) providers must also receive reimbursement for health care services provided via synchronous video or synchronous audio-only interaction.

- **Network Adequacy requirements**—DHCS will authorize MCPs to use clinically appropriate synchronous video interaction (instead of any telehealth modalities) as a means of demonstrating compliance with the network adequacy time and distance standards.

- **New provider-patient relationships**—Medi-Cal providers may not establish new patient relationships via synchronous audio-only, asynchronous, RPM, or other virtual communication modalities except when the visit is related to “sensitive services” or “when the patient requests an audio-only modality or atest they do not have access to video.” Sensitive services, as defined in Cal. Civ. Code § 56.05(n), include “all health care services related to mental or behavioral health, sexual and reproductive health, sexually transmitted infections, substance use disorder, gender affirming care, and intimate partner violence.”

- **Medi-Cal beneficiaries will receive an informational notice from DHCS about telehealth**—DHCS must distribute to Medi-Cal beneficiaries with information that include, but not be limited to, all of the following: (i) The availability of Medi-Cal covered telehealth services; (ii) The beneficiary’s right to access all medically necessary covered services through in-person, face-to-face visits, and a provider’s and Medi-Cal managed care plan’s responsibility to offer or arrange for that in-person care, as applicable; (iii) An explanation that use of telehealth is voluntary and that consent for the use of telehealth can be withdrawn by the Medi-Cal beneficiary at any time without affecting their ability to access covered Medi-Cal services in the future; (iv) An explanation of the availability of Medi-Cal coverage for transportation services to in-person visits when other available resources have been reasonably exhausted; and (v) The beneficiary’s right to make complaints about the offer of telehealth services in lieu of in-person care or about the quality of care delivered through telehealth. DHCS is currently developing a patient consent form to incorporate the required information.

Additionally, no sooner than January 1, 2024, health care providers (including FQHC and RHC providers, unless exceptions apply) furnishing applicable health
care services via synchronous audio-only interaction must also offer those same health care services via synchronous video interaction. Also, a provider furnishing services through synchronous video or synchronous audio-only interaction must also offer those services through in-person face-to-face contact or arrange for a referral to in-person care, unless exceptions apply.84

Finally, on or before January 1, 2023, DHCS is required to: (1) propose strategies to analyze the relationship between telehealth and access to care, access to in-person care, quality of care, and Medi-Cal program costs, utilization, and program integrity; (2) examine issues using an equity framework that includes stratification by available geographic and demographic factors, including, but not limited to, race, ethnicity, primary language, age, and gender, to understand inequities and disparities in care; and (3) prioritize research and evaluation questions that directly inform Medi-Cal policy.85

D. Telehealth Resources

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Endnotes


3 *Id.*

4 Synchronous care is a “real time interaction for patient health communication,” which may include video calls to share progress or check on healing, audio-only calls to confirm instructions, and text messaging to answer patient questions. Asynchronous is communication between providers, patients, and caregivers stored for future reference or response. Examples may include emails or text messages with follow-up instructions or confirmations, images for evaluation, and lab results or vital statistics. Remote patient monitoring consists of transmitting and storing patient data and clinical measurements from in-home devices to patient portals. Data examples may include: blood pressure monitors, pacemakers, glucose meters, and oximeters. See HHS, Getting Started with Telehealth, [www.telehealth.hhs.gov/providers/getting-started/](http://www.telehealth.hhs.gov/providers/getting-started/) (last visited Nov. 8, 2022).

5 Ctr. for Connected Health Pol’y, *State Telehealth Laws and Medicaid Program Policies* (2022), [www.cchpca.org/2022/05/Spring2022_ExecutiveSummaryfinal.pdf](http://www.cchpca.org/2022/05/Spring2022_ExecutiveSummaryfinal.pdf).

6 *Id.*


9 Sanuja Bose et al., *Medicare Beneficiaries in Disadvantaged Neighborhoods Increased Telemedicine Use During The COVID-19 Pandemic*, 41 Health Aff. 5 (2022).


13 Karimi et al., supra note 11, at 2; see also California Interactive Broadband Map (2019), www.broadbandmap.ca.gov/EOY2019/ (last visited Nov. 8, 2022).

14 Karimi et al., supra note 11, at 2


16 See Carrión, supra note 1, at 4–10.


21 Id.

22 Id.


24 Id.

25 Id.


37 Id.

38 Id.

39 Id.; See also Cal. Dep’t Health Care Servs., Telehealth Advisory Workgroup, www.dhcs.ca.gov/provgovpart/Pages/TelehealthAdvisoryWorkgroup.aspx (last visited Nov. 8, 2022).


43 Cal. Bus. & Prof. Code § 2290.5(a); see also Medi-Cal Telehealth Manual, supra note 8, at 6.


46 Medi-Cal Telehealth Manual, supra note 8, at 4.

47 Id. at (c).

48 Id. at 5.

50 *Id.*

51 **Cal. Welf. & Inst. Code** § 4132.72(c).

52 *Post-PHE Telehealth Policy Proposal*, supra note 34, at 12.

53 **Cal. Welf. & Inst. Code** § 14197.


55 *Id.* at 4.

56 *Id.* at 6.

57 *Id.* at 9.

58 *Id.;* See also **Cal. Welf. & Inst. Code** § 14132.72(f).

59 **Cal. Bus. & Prof. Code** § 2290.5(a)(2022); see also Medi-Cal Telehealth Manual, *supra* note 8, at 6–7; see also Broderick et al., *supra* note 8.


Post-PHE Telehealth Policy Proposal, supra note 34, at 6.: see also AB 744.

AB 133; AB 744; SB 183; see also Post-PHE Telehealth Policy Proposal, supra note 34.

Post-PHE Telehealth Policy Proposal, supra note 34, at 6.


Id.

AB 133.

SB 184.

Id. at (13).

Id. at (31).

Id. at (31).

Id. at (14).

Id. at (12).

See Telehealth, Assem. Bill 32 (2022); see also Cal. CIV. CODE § 56.05(n).

SB 184.

Id. at (12).

Id.