

To:  
Federally  
Qualified  
Health  
Clinics  
Rural Health  
Clinics  
HMOs and  
Other  
Managed  
Care  
Programs

## Telemedicine Can Be Considered an Encounter in a Cost Settlement Report for Rural Health Clinics and Federally Qualified Health Centers

This *Wisconsin Medicaid and BadgerCare Update* provides information about when telemedicine is considered an encounter in a cost settlement report for rural health clinics and federally qualified health centers.

### Telemedicine Definition

Telemedicine services (also known as “Telehealth”) are services provided from a remote location using a combination of interactive video, audio, and externally acquired images through a networking environment between a recipient (i.e., the originating site) and a Medicaid-certified provider at a remote location (i.e., the distant site). The services must be of sufficient audio and visual fidelity and clarity as to be functionally equivalent to a face-to-face contact.

### Cost-Based Reimbursement

Telemedicine may be reported as an encounter on the cost report for both rural health clinics (RHCs) and federally qualified health clinics (FQHCs) when both of the following are true:

- The RHC or FQHC is the distant site.

- The recipient is an established patient of the FQHC or RHC at the time of the telemedicine service.

*Note:* The originating site facility fee is not an RHC/FQHC service and, therefore, may not be reported as an encounter on the cost report. Any reimbursement for the originating site facility fee from Wisconsin Medicaid must be reported as a deductive value on the cost report.

### For More Information

Providers may refer to the June 2006 *Update* (2006-58), titled “Wisconsin Medicaid Reimburses Selected Services Provided Through Telemedicine,” for more information on reimbursable telemedicine services.

## Information Regarding Medicaid HMOs

This *Update* contains Medicaid fee-for-service policy and applies to providers of services to recipients on fee-for-service Medicaid only. For Medicaid HMO or managed care policy, contact the appropriate managed care organization. Wisconsin Medicaid HMOs are required to provide at least the same benefits as those provided under fee-for-service arrangements.

The *Wisconsin Medicaid and BadgerCare Update* is the first source of program policy and billing information for providers.

Although the *Update* refers to Medicaid recipients, all information applies to BadgerCare recipients also.

Wisconsin Medicaid and BadgerCare are administered by the Division of Health Care Financing, Wisconsin Department of Health and Family Services, P.O. Box 309, Madison, WI 53701-0309.

For questions, call Provider Services at (800) 947-9627 or (608) 221-9883 or visit our Web site at [dhfs.wisconsin.gov/medicaid/](http://dhfs.wisconsin.gov/medicaid/).

PHC 1250