

### At a Glance

## H.R. 5201, Telemental Health Expansion Act of 2020

As ordered reported by the House Committee on Energy and Commerce on July 15, 2020

By Fiscal Year, Millions of Dollars	2021	2021-2025	2021-2030
Direct Spending (Outlays)	0	425	1,650
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	425	1,650
Spending Subject to Appropriation (Outlays)	0	0	0

Statutory pay-as-you-go procedures apply?	Yes	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2031?	> \$5 billion	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

#### The bill would

- Permanently remove geographic restrictions on Medicare coverage of mental health services provided through telehealth
- Permanently remove the requirement that Medicare beneficiaries must be on-site at a medical facility to receive mental health services through telehealth

#### Estimated budgetary effects would primarily stem from

- Increased use of mental health services through telehealth

#### Areas of significant uncertainty include

- Projecting use of telehealth by Medicare beneficiaries
- Estimating the extent to which mental health services delivered through telehealth represent additional visits as opposed to substitutes for in-person visits

**Detailed estimate begins on the next page.**



## Bill Summary

Under current law, once the novel coronavirus emergency has been lifted, Medicare will resume covering mental health services provided through telehealth only for beneficiaries in rural areas when those beneficiaries are on-site at a medical facility. H.R. 5201 would permanently remove Medicare’s geographic and originating-site requirements for mental health services provided through telehealth, and it would allow beneficiaries to receive such services at home.

## Estimated Federal Cost

The estimated budgetary effect of H.R. 5201 is shown in Table 1. The costs of the legislation fall within budget function 570 (Medicare).

**Table 1.**  
**Estimated Budgetary Effects of H.R. 5201**

	By Fiscal Year, Millions of Dollars										2021-2025	2021-2030
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030		
	<b>Increases in Direct Spending</b>											
Estimated Budget Authority	0	50	100	125	150	175	200	250	275	325	425	1,650
Estimated Outlays	0	50	100	125	150	175	200	250	275	325	425	1,650

## Basis of Estimate

Prior to the novel coronavirus emergency, the use of telehealth to provide mental health services under Medicare was limited to beneficiaries in rural areas, and those beneficiaries had to receive such services on-site at a medical facility (known as an “originating site”). Those limitations have been eased during the pandemic, and reductions in in-person visits to health care facilities and temporary waivers of Medicare’s telehealth restrictions have led to rapid growth in the use of health care services through telehealth.

Under current law, the geographic and originating-site restrictions will resume after the emergency is lifted. Because this bill would permanently lift those restrictions, CBO estimates that, even if growth eases after the public health emergency, use of telehealth for mental health services over the next 10 years would be higher than historical data would imply. Growth in the use of those services also would depend on the supply of mental health practitioners, and their capacity to use telehealth. Although the federal government projects growth in some mental health professions over the next few years, CBO expects that demand for services will still outstrip supply.



Based on analyses of growth in telehealth services during the pandemic and of comparative data for mental health and other specialties, CBO estimates that, under the bill, Medicare would cover about two million additional mental health visits per year, on average, than would be covered under current law. (CBO expects that many more telehealth visits would occur after enactment but that most would be substitutes for in-person visits that would have occurred under current law.)

Using projected payment rates, CBO estimates that Medicare would pay an average of \$71 per visit. Overall, CBO estimates, H.R. 5201 would increase net direct spending by \$1.65 billion over the 2021-2030 period (see Table 1).<sup>1</sup>

## Uncertainty

H.R. 5201 would expand Medicare's coverage of mental health services provided through telehealth. Estimating the number of beneficiaries who would use those services over the budget window is subject to considerable uncertainty because of the rapid growth in use of telehealth during the pandemic. CBO also cannot precisely estimate which services reflect visits that otherwise would have occurred under current law and which reflect new use.

## Pay-As-You-Go Considerations

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in Table 1.

## Increase in Long-Term Deficits

CBO estimates that enacting H.R. 5201 would increase on-budget deficits by more than \$5 billion in at least one of the four consecutive 10-year periods beginning in 2031.

**Mandates:** None.

## Previous CBO Estimate

On September 30, 2019, CBO transmitted a [cost estimate for H.R. 3417](#), the Beneficiary Education Tools, Telehealth, and Extenders Reauthorization Act of 2019, as ordered reported by the House Committee on Ways and Means on June 26, 2019. Title I, section 103, of

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1. For this estimate, CBO's budgetary estimates are based on an assumption that the emergency declarations concerning the pandemic will remain in place through early 2022 (that is, for an additional 13 months). Those declarations include a declaration of a public health emergency as authorized under the Public Health Service Act (42 U.S.C. 247d); and a declaration of emergency as authorized under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121). The declarations allow federal agencies to take actions and expend funds to respond to emergencies, including outbreaks of disease. The duration of such declarations is not necessarily an indication of the severity of the pandemic at any particular point while the declarations are in effect.



H.R. 3417 is similar to H.R. 5201. Both would eliminate the geographic and originating-site requirements for providing mental health services through telehealth. However, H.R. 3417 also proposed a requirement of an initial face-to-face assessment by a provider before telehealth psychotherapy could begin, and it would have required periodic in-person reassessments. H.R. 5201 does not include such requirements. H.R. 3417 also proposed eliminating the geographic restrictions on telehealth for two mental health codes; H.R. 5201 would lift those restrictions for all mental health codes currently eligible for telehealth delivery.

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