



**Telemedicine,
Teledentistry, Telehealth,
and Home Telemonitoring
Services in Texas
Medicaid**

**As Required by
Texas Government Code, Section
531.0216(f)**

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TEXAS
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Executive Summary

[Texas Government Code, Section 531.0216](#) requires the Texas Health and Human Services Commission (HHSC) to report to the Speaker of the House of Representatives and to the Lieutenant Governor by December 1 on the effects of telemedicine medical services, teledentistry dental services, telehealth services, and home telemonitoring services in Texas Medicaid, including:

- The number of physicians, dentists, health professionals, and licensed health care facilities using telemedicine medical services, teledentistry dental services, telehealth services, or home telemonitoring services;
- The geographic and demographic disposition of the physicians, dentists, and health professionals;
- The number of patients receiving telemedicine medical services, teledentistry dental services, telehealth services, and home telemonitoring services;
- The types of services being provided;
- The cost of utilization; and
- The cost savings of telemedicine medical services, teledentistry dental services, telehealth services, and home telemonitoring services to Medicaid.

In this report, the services known as telemedicine, teledentistry, telehealth, and telemonitoring are collectively referred to as teleservices. During the 2022-2023 biennium, utilization and expenditures of Texas Medicaid telemedicine and telehealth services decreased from fiscal year 2022 to 2023, while visits and costs for home telemonitoring services increased. Prior to the end of the federally declared COVID-19 public health emergency (PHE) on May 11, 2023, HHSC evaluated and expanded the delivery of teleservices when deemed clinically appropriate and cost-effective, in accordance with [House Bill \(H.B.\) 4, 87th Legislature, Regular Session, 2021](#). During the 2024-25 biennium, HHSC continued this work and authorized additional physician office visits to be delivered through synchronous audio-only technology. The agency also implemented [H.B. 2727, 88th Legislature, Regular Session, 2023, which](#) expands the availability of home telemonitoring services for Texas Medicaid clients.

Introduction

Since 2002, HHSC has reported on the effects of telemedicine medical services, teledentistry dental services, telehealth services, and home telemonitoring services in Texas Medicaid. Collectively referred to as "teleservices," telemedicine, telehealth, and teledentistry offer options for remote healthcare delivery, complemented by home telemonitoring services that facilitate remote monitoring capabilities.

In Texas Medicaid, teleservices experienced peak utilization during fiscal year 2021, with over 7.1 million services delivered to Medicaid clients. The number of clients receiving teleservices in Texas Medicaid decreased by 21 percent from fiscal year 2022 to fiscal year 2023, leading to a 22 percent decrease in the number of services delivered over the same period. This decline led to a \$51 million decrease in teleservices expenditures from fiscal year 2022 to fiscal year 2023. The most common type of diagnosis for clients receiving telemedicine and telehealth services during this period were conditions related to mental, behavioral and neurodevelopmental disorders. Clinic/Group Practice was the predominant provider type for teleservices in both fiscal years 2022 and 2023. Teleservices were most frequently delivered in Harris County.

The number of Medicaid clients using telemedicine services decreased by 24 percent between fiscal years 2022 and 2023, with a corresponding 15 percent decrease in expenditures. Likewise, the use of telehealth services decreased by 20 percent over these fiscal years, with a 25 percent decrease in expenditures. Conversely, there was a 4 percent increase in the number of Medicaid clients receiving home telemonitoring services between fiscal years 2022 and 2023, leading to a 19 percent increase in telemonitoring expenditures.

HHSC implemented certain Medicaid and Children's Health Insurance Program (CHIP) telemedicine and telehealth flexibilities during the COVID-19 PHE. In alignment with H.B. 4, HHSC analyzed the clinical and cost effectiveness of the PHE-related flexibilities and based on the analysis, transitioned many of the flexibilities into permanent policy.

This shift in utilization and expenditures for telemedicine and telehealth services may be attributed to the PHE ending on May 11, 2023.

Background

The Texas Medicaid program began providing reimbursement to physicians offering telemedicine medical services in 1997, under [H.B. 2386, 75th Legislature, Regular Session, 1997](#). In subsequent sessions, the Texas Legislature expanded Medicaid reimbursement to include teledentistry, telehealth, and home telemonitoring services.

During the 2022-2023 biennium, updates were made to the delivery of home telemonitoring services within Texas Medicaid. [H.B. 2727, 88th Legislature, Regular Session, 2023](#), amended [Texas Government Code, Section 531.001](#) to broaden the definition of home telemonitoring services to include federally qualified health centers (FQHCs) and rural health clinics (RHCs) as providers. Under H.B. 2727, HHSC is also authorized to allow FQHCs and RHCs as providers of telemonitoring services within Texas Medicaid, including Medicaid managed care programs. The enactment of H.B. 2727 allows HHSC to add coverage for clients with other medical conditions if considered clinically appropriate and cost-effective. Additionally, H.B. 2727 authorizes HHSC to determine the clinical and cost effectiveness for Texas Medicaid clients experiencing high-risk pregnancies. Home telemonitoring is now interchangeable with the term “remote patient monitoring”. In September 2024, HHSC updated Medicaid benefit policies in accordance with changes outlined in H.B. 2727.

The legislation also includes provisions to:

- Require home telemonitoring providers to establish a care plan with outcome measures for each patient and share this plan with the patient's physician;
- Update risk factors and eligibility criteria; and
- Establish criteria and provide telemonitoring services and equipment temporarily to recipients with high-risk pregnancies, if HHSC determines these services are cost-effective and clinically effective for high-risk pregnancy.

The utilization and expenditure trends discussed in the following sections are derived from data presented in Appendices B, C, and D. For a comprehensive overview of legislative measures related to telemedicine, teledentistry, telehealth, and home telemonitoring services dating back to 1997, please refer to Appendix F.

Telemedicine Services

Telemedicine refers to healthcare services provided by a Texas-licensed physician, or a health professional under a Texas-licensed physician’s delegation, serving patients at a different location through telecommunications or information technology. Physician delegates include physician assistants, nurse practitioners, clinical nurse specialists, and certified nurse midwives.

Telemedicine Providers

Compared to fiscal year 2022, 656 fewer Texas Medicaid providers received reimbursement for telemedicine services in fiscal year 2023. A total of 6,516 Texas Medicaid providers provided telemedicine medical services in fiscal year 2022, which decreased to 5,860 in fiscal year 2023. The number of telemedicine providers continued to decline during the 2022-23 biennium. However, it is important to note that the number of telemedicine providers in fiscal year 2023 (5,806 providers) remains larger than the number in fiscal year 2019 (491 providers).

A variety of Texas Medicaid providers, such as physicians, nurse practitioners, physician assistants, other licensed healthcare professionals, hospitals, and centers, offer telemedicine services. Table 1 shows that clinic/group practices were the most common provider type in both fiscal years 2022 and 2023, followed by individual physicians.

Table 1: Top Three Telemedicine Provider Types by Fiscal Year (FY)¹

Provider Type	FY 2022	FY 2023
Clinic/Group Practices	4,579	4,247
Physicians	946	691
Delegated Medical Professionals	181	159

¹ Group practices/clinics include: Clinic/group practice (code 22); podiatry group (code 95); family planning clinic (code 71); maternity service clinic (code 55). Physicians in the table include physician, MD (code 20); physician, DO (code 19); podiatrist (code 32). Delegated medical professionals include certified nurse midwife/registered nurse/licensed midwife (code 33); physician assistant/nurse practitioner/clinical nurse specialist (code 10).

Table 2 shows that most Texas Medicaid telemedicine providers practice in metropolitan statistical areas (MSAs) with large populations of Medicaid clients.

Table 2: Top Three MSAs by Telemedicine Provider Geographical Distribution

MSAs	FY 2022	FY 2023
Houston-Pasadena-The Woodlands	1,623	1,487
Dallas-Fort Worth-Arlington	1,500	1,439
San Antonio-New Braunfels	634	550

In fiscal year 2022, 48 counties had no telemedicine providers living within the county, while 37 counties had one provider. However, Medicaid clients can access telemedicine services from providers located in any county in Texas.

In fiscal year 2023, 49 counties lacked telemedicine providers, and 38 counties only had one provider. Table 3 shows that rural counties experienced the largest percentage decrease in providers delivering telemedicine services between the two fiscal years.

Table 3: Telemedicine Providers by County Type^{2,3}

County Type	Number of Telemedicine Providers FY 2022	Number of Telemedicine Providers FY 2023	Percentage Change
Urban	5,033	4,569	-9
Suburban	1,022	952	-7
Rural	636	558	-12

² County Descriptions: Urban Counties: Counties that contain the largest city by population within a federally-delineated MSA. The Office of Management and Budget is the federal agency tasked with delineating MSAs across the United States.

Suburban Counties: All other counties within a federally-delineated MSA, with the exception of Tarrant County. Tarrant County, part of the Dallas-Fort Worth-Arlington MSA, is classified as an urban county due to its substantial population exceeding 1.8 million residents.

Rural Counties: Counties that are not classified as Metropolitan Areas by the Office of Management and Budget, or that are not included in a larger MSA.

³ In fiscal year 2022, there were 82 telemedicine providers whose county type was unknown. In fiscal year 2023, this number increased to 190 telemedicine providers with an unknown county type.

Persons Receiving Telemedicine

The number of urban Texas Medicaid clients receiving telemedicine services decreased by 24 percent between the 2022-2023 fiscal years, as shown in Table 4.

Table 4: Texas Medicaid Telemedicine Clients by County Type⁴

County Type	Number of Telemedicine Clients FY 2022	Number of Telemedicine Clients FY 2023	Percentage Change
Urban	640,431	485,361	-24
Suburban	114,058	92,102	-19
Rural	90,994	66,178	-27

In fiscal year 2023, there were over 2.1 million telemedicine services provided to Texas Medicaid clients, with office visits being the most prevalent type of telemedicine service. During telemedicine services, physicians and their delegates typically provide preventive care, refer patients to specialists, and diagnose and treat minor illnesses and chronic conditions.

Table 5 shows that in both fiscal years, 2022 and 2023, behavioral health diagnoses were the most common reason for Texas Medicaid clients to seek telemedicine services. Behavioral health diagnoses accounted for 57 percent of all telemedicine services delivered in fiscal year 2023.

Table 5: Top Three Diagnostic Categories for Client Diagnoses in Telemedicine Services

Diagnostic Category	FY 2022	FY 2023
Behavioral Health ⁵	266,632	239,525
Diseases of the Respiratory System	181,627	125,741
Abnormal Clinical or Laboratory Findings	158,050	110,245

Diagnostic categories are groups of related diagnosis codes that are classified based on similarities.⁶ They do not provide specific details about the health issue being

⁴ In fiscal year 2022, there were 1,001 telemedicine clients whose county type was unknown. In fiscal year 2023, this number decreased to 822 telemedicine clients with an unknown county type.

⁵ Behavioral health includes mental, behavioral, and neurodevelopmental disorders.

⁶ Diagnostic categories are outlined in the International Statistical Classification of Diseases and Related Health Problems.

addressed, like mental health problems or blood pressure complications.⁷ These categories encompass a wide range of diagnoses that healthcare providers use to classify various health conditions. When comparing the top diagnoses for clients receiving telemedicine services in fiscal year 2022 and fiscal year 2023, the data in Table 6 shows a decline in the number of clients receiving telemedicine services diagnoses that would be categorized as diseases of the respiratory system. The number of clients receiving a telemedicine service for a diagnosis of the 2019 Novel Coronavirus Disease, COVID-19 (diagnosis code U07.1), has decreased by 75 percent between the two fiscal years. While upper respiratory infections (diagnosis code J06.9) and acute pharyngitis (diagnosis code J02.9) continue to be prevalent diagnoses, behavioral health conditions are now emerging as more common diagnoses for clients receiving telemedicine services, as shown in Table 7.

Table 6: Fiscal Year 2022 – Top Diagnoses for Clients Receiving Telemedicine Services

Diagnosis Description (Diagnosis Code)	FY 2022	FY 2023⁸
Acute Unspecified Upper Respiratory Infection (J06.9)	70,251	43,507
2019 Novel Coronavirus Disease, COVID-19 (U07.1)	69,673	17,337
Attention-Deficit Hyperactivity Disorder, Combined Type (F90.2)	50,831	45,347
Contact/Exposure to COVID-19 (Z20.822)	46,984	8,270
Acute Unspecified Pharyngitis (J02.9)	27,061	19,435

Table 7: Fiscal Year 2023 – Top Diagnoses by Number of Clients Receiving Telemedicine Services

Diagnosis Description (Diagnosis Code)	FY 2022⁹	FY 2023
Attention-Deficit Hyperactivity Disorder, Combined Type (F90.2)	50,831	45,347

⁷ Diagnostic categories help organize and understand different health conditions, while a diagnosis is the specific identification of a particular condition within those categories for clients.

⁸ The data for fiscal year 2023 has been included to provide additional context regarding the changes occurring throughout the biennium.

⁹ The data for fiscal year 2022 has been included to provide additional context regarding the changes occurring throughout the biennium.

Diagnosis Description (Diagnosis Code)	FY 2022 ⁹	FY 2023
Acute Unspecified Upper Respiratory Infection (J06.9)	70,251	43,507
Major Depressive Disorder, Recurrent, Moderate (F33.1)	21,464	20,796
Acute Unspecified Pharyngitis (J02.9)	27,061	19,435
Generalized Anxiety Disorder (F41.1)	19,206	19,227

Telemedicine Costs

The number of Texas Medicaid providers delivering telemedicine services has declined, as shown in Tables 1 and 3, including a decrease in telemedicine services from fiscal years 2022 to 2023. In fiscal year 2023, there was a decrease of approximately 680,000 telemedicine visits compared to the previous fiscal year. Payments from fee-for-service Medicaid and Medicaid managed care organizations to providers for telemedicine services amounted to \$187.5 million in fiscal year 2022 and \$159.0 million in fiscal year 2023, reflecting a decrease of nearly \$30 million, as shown in Table 8.

Table 8: Telemedicine Costs in Texas Medicaid (All Funds)

Telemedicine Costs	FY 2021 ¹⁰	FY 2022	FY 2023
Total Amount Paid to Providers	\$214,938,955	\$187,451,552	\$158,974,916

To determine whether there are cost savings associated with telemedicine services for the 2022-2023 biennium, additional data from fiscal year 2024 and subsequent years is needed to assess potential savings.¹¹ For more information, please refer to the Senate Bill (S.B.) 789 teleservices report published in [December 2020](#), which includes Texas A&M Health Science Center’s external evaluation of cost savings associated with teleservices based on data between fiscal year 2012 and fiscal year 2018. Telemedicine payment rates are equivalent to payment rates for in-person services so there are no direct savings associated with providing telemedicine services in place of in-person services.

¹⁰ The data from the 2021 state fiscal year is included for additional context.

¹¹ Data for the state fiscal year 2024 and subsequent years is necessary to assess potential cost savings for clients based on the state fiscal year 2023. Special evaluations must also be conducted to estimate potential cost savings that exclude data from the current biennium.

Teledentistry Services

Teledentistry services involve the delivery of healthcare services by a dentist or a supervised health professional to patients in a different physical location, using telecommunications technology.

Teledentistry services must adhere to the same standards of care as in-person services. Dental providers in the Texas Health Steps program are required to follow the regulations outlined in the Texas Dental Practice Act and by the Texas Board of Dental Examiners when offering teledentistry services, including a delegation of tasks to licensed dental hygienists or assistants.

H.B. 2056, 87th Legislature, Regular Session, 2021, updated [Texas Occupations Code, Chapter 111](#) to include teledentistry as a teleservice. The State Board of Dental Examiners subsequently implemented Texas Administrative Code [Title 22 Rule §108.16](#) in June 2022.

Policy updates to align Medicaid with H.B. 2056 are under development. Information related to these changes will be in the next report.

Telehealth Services

Telehealth refers to healthcare services provided by licensed, certified, or entitled health professionals within Texas, to patients at remote locations, using telecommunications or information technology, excluding telemedicine and teledentistry.

Telehealth Providers

In fiscal year 2022, 3,746 Texas Medicaid providers received reimbursement for telehealth services, with this number decreasing to 3,344 in fiscal year 2023, as shown in Appendix C. Table 9 shows the most common telehealth providers were behavioral health specialists, including licensed professional counselors, licensed clinical social workers, and psychologists.

Table 9: Top Three Telehealth Provider Types¹²

Provider Type	FY 2022	FY 2023
Licensed Professional Counselors	1,449	1,308
Licensed Clinical Social Workers	225	190
Psychologists	133	124

Table 10 shows that most Texas Medicaid telehealth providers practice in MSAs with large populations of Medicaid clients.

Table 10: Top Three MSAs by Telehealth Provider Geographical Distribution

MSAs	FY 2022	FY 2023
Houston-Pasadena-The Woodlands	713	646
Dallas-Fort Worth-Arlington	677	664
San Antonio-New Braunfels	384	323

In fiscal year 2022, 69 counties had no telehealth providers living within the county, while 44 counties had one provider. The number of counties without a telehealth provider increased to 71 in fiscal year 2023, and the number of counties

¹² The 'Top Three Telehealth Provider Types' table excludes: CCP Provider, SHARS – Individual, Nursing Home, and Home Health Agency. These provider types were not included, because they consist of multiple provider types.

with only one provider increased to 51. Medicaid clients can access telehealth services from providers located in any county in Texas.

Table 11 shows that all county types (urban, suburban, and rural) experienced a similar percentage decline in telehealth providers during the 2022-2023 biennium.

Table 11: Texas Medicaid Telehealth Providers by County Type¹³

County Type	Number of Telehealth Providers FY 2022	Number of Telehealth Providers FY 2023	Percentage Change
Urban	2,829	2,536	-10
Suburban	562	502	-11
Rural	399	353	-12

Persons Receiving Telehealth

Table 12 shows the number of Medicaid clients using telehealth decreased by 20 percent in all three county types between fiscal years 2022 and 2023.

Table 12: Texas Medicaid Telehealth Clients by County Type¹⁴

County Type	Number of Telehealth Providers FY 2022	Number of Telehealth Providers FY 2023	Percentage Change
Urban	119,798	95,382	-20
Suburban	21,780	17,397	-20
Rural	18,449	14,811	-20

The number of telehealth visits declined from nearly 1.6 million in fiscal year 2022 to just over 1.1 million in fiscal year 2023, with speech therapy treatments being the most prevalent type of behavioral health service for both years.

Table 13 shows that behavioral health diagnoses were the most common diagnostic category for Texas Medicaid telehealth services clients in fiscal year 2022 and fiscal year 2023. Common conditions within this category include attention deficit hyperactivity disorder, depression, and anxiety disorders.

¹³ In fiscal year 2022, there were 28 telehealth providers whose county type was unknown. In fiscal year 2023, this number increased to 49 telehealth providers with an unknown county type.

¹⁴ In fiscal year 2022, there were 177 telehealth clients whose county type was unknown. In fiscal year 2023, this number decreased to 123 telemedicine clients with an unknown county type.

Table 13: Top Three Diagnostic Categories for Client Diagnoses in Telehealth Services

Diagnostic Category	FY 2022	FY 2023
Behavioral Health ¹⁵	115,481	88,716
Abnormal Laboratory or Clinical Findings	35,024	29,468
Factors Influencing Health Status ¹⁶	6,788	5,642

Table 14 shows the top diagnoses for clients receiving telehealth services remained consistent throughout the biennium, suggesting that the service is primarily used for children with developmental needs.

Table 14: Top Diagnoses for Clients Receiving Telehealth Services

Diagnosis Description (Diagnosis Code)	FY 2022	FY 2023
Delayed Milestone in Childhood (R62.0)	19,182	17,376
Mixed Receptive-Expressive Language Disorder (F80.2)	16,686	13,720
Unspecified Lack of Expected Normal Physiological Development in Childhood (R62.50)	9,738	6,761

Telehealth Costs

In fiscal year 2023, there were approximately 435,000 fewer telehealth visits compared to the previous fiscal year. Payments from fee-for-service Medicaid and Medicaid managed care organizations to providers for telehealth services also decreased, by \$35 million. Table 15 shows telehealth payments were \$146.1 million in fiscal year 2022 and fell to \$109.1 million in fiscal year 2023. Telehealth expenditures in fiscal year 2023 is \$122.5 million lower than the telehealth expenditures in fiscal year 2021.

Table 15: Telehealth Costs in Texas Medicaid (All Funds)

Telehealth Costs	FY 2021 ¹⁷	FY 2022	FY 2023
Total Amount Paid to Providers	\$231,617,971	\$146,143,436	\$109,110,728

¹⁵ Behavioral health includes mental, behavioral, and neurodevelopmental disorders.

¹⁶ The diagnostic category "Factors Influencing Health Status" includes diagnoses related to issues that impact an individual's health, other than illness or injury.

¹⁷ The data from fiscal year 2021 is included for additional context.

To determine whether there are cost savings associated with telehealth services for the 2022-2023 biennium, additional data from fiscal year 2024 and subsequent years is needed to assess potential savings.¹⁸ For more information, please refer to the [S.B. 789 teleservices report published in December 2020](#), which includes Texas A&M Health Science Center's external evaluation of teleservices cost savings based on data from previous years. Additionally, it is important to note that telehealth payment rates are equivalent to payment rates for in-person services so there are no direct savings associated with providing telehealth services in place of in-person services.

¹⁸ Data for the state fiscal year 2024 and subsequent years is necessary to assess potential cost savings for clients based on the state fiscal year 2023. Special evaluations must also be conducted to estimate potential cost savings that exclude data from the current biennium.

Home Telemonitoring Services

Home telemonitoring, synonymous with "remote patient monitoring," refers to scheduled remote health data monitoring transmitted to licensed healthcare facilities, including home and community support services agencies, FQHCs, RHCs, or outpatient hospitals.

Texas Medicaid currently reimburses home telemonitoring for clients of any age with hypertension, diabetes, or both. Clients under 21 years old may receive telemonitoring for one of the following qualifying conditions: end-stage solid organ disease, organ transplantation, and mechanical ventilation. In September 2024, HHSC updated Medicaid benefit policies in accordance with [H.B. 2727](#).

Home Telemonitoring Providers

Physicians and physician delegates, at individual or group practices, are responsible for ordering and setting data parameters for home telemonitoring services. This data is then monitored by a licensed healthcare provider, such as a registered nurse, nurse practitioner, clinical nurse specialist, or physician assistant. They are tasked with reporting any data that falls outside the established parameters to the prescribing physician. The delivery and maintenance of home telemonitoring equipment is the responsibility of the home health agency or hospital.

In fiscal year 2022, 760 Texas Medicaid providers received reimbursement for telemonitoring services. This number decreased to 751 providers in fiscal year 2023. Table 16 shows the most common telemonitoring providers are clinic/group practices.

Table 16: Top Three Telemonitoring Provider Types

Provider Type	FY 2022	FY 2023
Clinic/Group Practice	594	592
Home Health Agencies	85	83
Physician	58	45

In fiscal years 2022 and 2023, telemonitoring providers who received reimbursement for services were in MSAs with high Medicaid enrollment. Table 17 shows that in 2022, the Houston-Pasadena-The Woodlands MSA and the Dallas-Fort Worth-Arlington MSA had an equal number of telemonitoring providers. However, the number of providers in the Dallas-Fort Worth-Arlington MSA grew in fiscal year 2023, making it the region with the highest number of telemonitoring providers.

The McAllen-Edinburg-Mission MSA ranked third in Texas Medicaid for the most telemonitoring providers. Unlike other teleservices provider categories, the McAllen-Edinburg-Mission MSA continues to remain a top three MSA for telemonitoring providers.

Table 17: Top Three MSAs by Telemonitoring Provider Geographical Distribution

MSAs	FY 2022	FY 2023
Dallas-Fort Worth-Arlington	190	208
Houston-Pasadena-The Woodlands	190	190
McAllen-Edinburg-Mission	102	101

During fiscal year 2022, 179 counties had no telemonitoring providers living within the county, and 25 counties had one provider. In fiscal year 2023 there was an increase in the number of counties with only one provider offering the service, totaling 30. Approximately 80 percent of Texas counties without a provider offering telemonitoring services are classified as rural areas. The number of rural Texas Medicaid providers providing telemonitoring services decreased by 4 percent between the 2022-2023 fiscal years, as shown in Table 18.

Table 18: Texas Medicaid Telemonitoring Providers by County Type¹⁹

County Type	Number of Telemonitoring Providers FY 2022	Number of Telemonitoring Providers FY 2023	Percentage Change
Urban	640	634	-1
Suburban	67	68	+2
Rural	56	54	-4

Persons Receiving Home Telemonitoring

During fiscal years 2022 and 2023, in contrast to telemedicine and telehealth services, home telemonitoring utilization increased by nearly four percent. The number of suburban Texas Medicaid clients receiving telemonitoring services increased by 17 percent between the 2022-2023 fiscal years, as shown in Table 19.

¹⁹ In fiscal year 2022, there were 5 telemonitoring providers whose county type was unknown. In fiscal year 2023, this number increased to 13 telemonitoring providers with an unknown county type.

Table 19: Texas Medicaid Telemonitoring Clients by County Type

County Type	Number of Telemonitoring Clients FY 2022	Number of Telemonitoring Clients FY 2023	Percentage Change
Urban	15,732	16,320	+4
Suburban	1,322	1,555	+17
Rural	2,676	2,628	-2

Texas Medicaid currently provides coverage for telemonitoring services for clients with hypertension or diabetes and for children with complex medical conditions. Telemonitoring clients may receive benefits for one or more diagnoses (comorbidities). Table 20 shows that diseases of the circulatory system diagnoses were the most common diagnostic category for Texas Medicaid telemonitoring services clients in fiscal year 2022 and fiscal year 2023. Circulatory system diseases include hypertension, while diabetes diagnoses are in the endocrine, nutritional, and metabolic disease category. Other frequently diagnosed conditions were diseases of the respiratory system.

Table 20: Top Three Diagnostic Categories for Client Diagnoses in Telemonitoring Services

Diagnostic Category	FY 2022	FY 2023
Diseases of the Circulatory System	17,338	18,344
Endocrine, Nutritional and Metabolic Diseases	3,266	3,679
Diseases of the Respiratory System	223	136

Telemonitoring services offer a targeted method for the continuous monitoring of blood pressure levels, which allows for timely interventions and adjustments to treatment plans, for Texas Medicaid clients with identified health risks. Among the Texas Medicaid clients who received telemonitoring services in fiscal years 2022 and 2023, primary hypertension remains the most prevalent diagnosis, as shown in Table 21.

Table 21: Top Diagnoses for Clients Receiving Telemonitoring Services

Diagnosis Description (Diagnosis Code)	FY 2022	FY 2023
Essential (Primary) Hypertension (I10)	16,495	17,784
Type 2 Diabetes Mellitus, With Unspecified Complications (E11.8)	1,146	1,933

Diagnosis Description (Diagnosis Code)	FY 2022	FY 2023
Type 2 Diabetes Mellitus, Without Complications (E11.9)	899	724

Home Telemonitoring Costs

Telemonitoring costs increased from fiscal year 2022 to 2023, as shown in Table 22.

Table 22: Telemonitoring Costs in Texas Medicaid (All Funds)

Telemonitoring Cost	FY 2021 ²⁰	FY 2022	FY 2023
Total Amount Paid to Providers	\$32,627,586	\$26,159,338	\$31,162,728

An increase in telemonitoring costs may be related to factors such as an increase in clients diagnosed with chronic diseases during the PHE. Notably there has been a 69 percent increase in Texas Medicaid clients diagnosed with Type 2 Diabetes Mellitus, With Unspecified Complications (E11.8) receiving telemonitoring services.²¹ To determine whether there are cost savings associated with telemonitoring services for the 2022-2023 biennium, additional data from fiscal year 2024 and subsequent years is needed to assess potential savings.²²

²⁰ The data from the 2021 state fiscal year is included for additional context.

²¹ For additional information see, Folkerts K, Petruski-Ivleva N, Kelly A, Fried L, Blankenburg M, Gay A, Kovesdy CP. Annual health care resource utilization and cost among type 2 diabetes patients with newly recognized chronic kidney disease within a large U.S. administrative claims database. J Manag Care Spec Pharm. 2020 Dec;26(12):1506-1516. doi: 10.18553/jmcp.2020.26.12.1506. PMID: 33251992.

²² Data for the state fiscal year 2024 and subsequent years is necessary to assess potential cost savings for clients based on the state fiscal year 2023. Special evaluations must also be conducted to estimate potential cost savings that exclude data from the current biennium.

Conclusion

The number of Medicaid clients using telemedicine and telehealth services declined in fiscal years 2022-2023. Expenditures for teleservices also decreased, by \$51 million.

Telemedicine, telehealth, and home telemonitoring providers continue to be in larger MSAs such as the Dallas-Fort Worth-Arlington, Houston-Pasadena-The Woodlands, and San-Antonio-New Braunfels metropolitan areas. However, the McAllen-Edinburg-Mission MSA rose to the top three highest MSAs of home telemonitoring providers.

Data on procedure codes and client diagnoses for FYs 2022 and 2023 show that clients predominantly used telemedicine and telehealth services to address behavioral health conditions. There was an increase in diagnoses of circulatory system diseases during the fiscal period for home telemonitoring services. This diagnostic category accounted for nearly 90 percent of diagnoses among clients receiving this service during this fiscal period.

Texas Medicaid continues to update teleservices policies. In September 2024, HHSC updated Medicaid benefit policies in accordance with changes outlined in H.B. 2727. The dental benefits policy is undergoing revisions to incorporate teledentistry services as part of the broader telehealth services array, in alignment with H.B. 2056. More information on these updates will be provided in the next report.

List of Acronyms

Acronym	Full Name
CHIP	Children's Health Insurance Program
FQHC	Federally Qualified Health Center
FY	Fiscal Year
HHSC	Health and Human Services Commission
H.B.	House Bill
MSA	Metropolitan Statistical Area
PHE	Public Health Emergency
RHC	Rural Health Clinic
S.B.	Senate Bill

Appendix A. Information about the Data in this Report

Billing and Coding: Texas Medicaid allows the use of telemedicine and telehealth services through various telecommunications platforms, including synchronous audiovisual technology, synchronous audio-only technology, and store-and-forward technology combined with synchronous audio-only technology.

Providers delivering these services should use a designated modifier when submitting claims for reimbursement, representing the method of service delivery. Procedure codes should include a modifier on claims when seeking reimbursement. A modifier can help differentiate between remotely delivered services and in-person services.

Before the PHE, Texas Medicaid utilized modifier 95 (audiovisual), to indicate the remote delivery of telemedicine and telehealth services. Audiovisual was the only modality permitted in Texas Medicaid at that time. Audio-only delivery of services was allowed during the PHE. No audio-only modifier existed until January 1, 2022 when the Centers for Medicare & Medicaid Services published [modifier FQ](#) and the American Medical Association published [modifier 93](#) to address this modality. These modifier updates were implemented into Texas Medicaid policies in September 2022. During the PHE, Texas Medicaid allowed modifier 95 to be used to indicate either audio-only or audiovisual delivery, and allowed three telephonic only codes (99441, 99442, and 99443) to indicate audio-only (telephone) office visits. Texas Medicaid discontinued the use of these three telephonic codes when the PHE ended. Therefore, aside from service utilization designated by the three telephonic codes, all other telemedicine and telehealth services provided prior to September 2022 are collectively remote delivery services and are not individually distinguishable by audio-only or audiovisual.

Since September 2022, in Texas Medicaid, modifier 93 designates non-behavioral health audio-only services, while modifier FQ designates behavioral health audio-only services. Modifier 95 continues to distinguish audiovisual delivered services for both behavioral health and non-behavioral health.

Appendix B. Teleservices Terminology and Definitions²³

Table 23: Definitions of Terms Used in Telemedicine and Telehealth Services

Terms	Definition
Audiovisual	Synchronous audiovisual technology or store and forward technology in conjunction with synchronous audio-only technology.
In-person (or in person)	Within the physical presence of another person.
Platform	The technology, system, software, application, modality, or other method or means of delivery through which a health professional remotely interfaces with a client when providing a health care service or procedure as a telemedicine service or telehealth service.
Rural Counties ²⁴	Counties that are not classified as Metropolitan Areas by the Office of Management and Budget, or that are not included in a larger MSA.
Store and forward technology	A telecommunications platform that stores and transmits or grants access to a person’s clinical information for review by a health professional at a different physical location than the person that meets the privacy requirements of the Health Insurance Portability and Accountability Act.
Suburban Counties	All other counties within a federally-delineated MSA, with the exception of Tarrant County. Tarrant County, part of the Dallas-Fort Worth-Arlington MSA, is classified as an urban county due to its substantial population exceeding 1.8 million residents.
Synchronous audiovisual technology	An interactive, two-way audio and video telecommunications platform that meets the privacy requirements of the Health Insurance Portability and Accountability Act.
Synchronous telephone (audio-only), technology	An interactive, two-way audio telecommunications platform, including telephone technology, that uses only sound and meets the privacy requirements of the Health Insurance Portability and Accountability Act.
Telecommunications	The exchange of information by electronic and electrical means.
Urban Counties ²⁵	Counties that contain the largest city by population within a federally-delineated MSA. The Office of Management and Budget is the federal agency tasked with delineating MSAs across the United States.

²³ See Texas Medicaid Provider Procedures Manual, Telecommunications Handbook, 3.3.1 Definitions of Terminology for Telemedicine and Telehealth Services.

²⁴ For more information see Defining Rural Population

²⁵ For more information see Data Access - Urban Rural Classification Scheme for Counties

Appendix C. Telemedicine, Telehealth, and Home Telemonitoring Services Client Utilization and Expenditures

Table 24: Client Utilization and Expenditures, Fiscal Year 2022

Service	Clients	Providers	Services Delivered	Average Expenditure per Client*	Average Expenditure per Provider*
Telemedicine	843,852	6,516	2,830,784	\$222	\$28,768
Telehealth	159,419	3,746	1,569,934	\$917	\$39,013
Home Telemonitoring	19,765	760	229,672	\$1,324	\$34,420
Telephonic (Audio-only)**	47,621	1,567	79,497	\$56	\$1,698
Texas Total***	966,509	10,454	4,709,887	\$375	\$34,668

Table 25: Client Utilization and Expenditures, Fiscal Year 2023

Service	Clients	Providers	Services Delivered	Average Expenditure per Client	Average Expenditure per Provider
Telemedicine	641,966	5,860	2,151,513	\$248	\$27,129
Telehealth	127,077	3,344	1,135,647	\$859	\$32,629
Home Telemonitoring	20,511	751	234,069	\$1,519	\$41,495
Telephonic (Audio-only)*	70,354	1,627	169,710	\$174	\$7,522
Texas Totals**	768,691	9,492	3,690,939	\$405	\$32,816

***Telephonic (Audio-only):** Before the PHE, Texas Medicaid utilized modifier 95 (audiovisual), to indicate the remote delivery of telemedicine and telehealth services. Audiovisual was the only modality permitted in Texas Medicaid at that time. Audio-only delivery of services was allowed during the PHE. No audio-only modifier existed until January 1, 2022, when the Centers for Medicare & Medicaid Services published modifier FQ, and the American Medical Association published modifier 93 to address this modality. These modifier updates were implemented into Texas Medicaid policies in September 2022. During the PHE, Texas Medicaid allowed modifier 95 to be used to indicate either audio-only or audiovisual delivery, and allowed three telephonic only codes (99441, 99442, and 99443) to indicate audio-only (telephone) office visits. Texas Medicaid discontinued the use of these three telephonic codes when the PHE ended. Therefore, aside from service utilization designated by the three telephonic codes, all other telemedicine and telehealth services provided prior to September 2022 are collectively remote delivery services and are not individually distinguishable by audio-only or audiovisual. Since September 2022, in Texas Medicaid, modifier 93 designates non-behavioral health audio-only services, while modifier FQ designates behavioral health audio-only services. Modifier 95 continues to distinguish audiovisual delivered services for both behavioral health and non-behavioral health.

****Note:** The data includes Fee-For-Service and managed care programs. Managed care health plans are paid on a capitation basis. Texas does not reimburse individual providers under contract with the health plans. Expenditures reflect client services only and do not include administrative, capitations, supplemental payments, disproportionate share hospital, or upper-payment limit dollars. CHIP and Fee-For-Service long term services and supports data are excluded from the analysis. All client and provider counts are distinct (based on distinct Patient Control Number and base Texas Provider Identifier and are not additive across the different categories as a client or provider may fit in more than one.

Appendix D. Telemedicine, Telehealth, and Home Telemonitoring Services Providers by Metropolitan Statistical Area

Table 26: Telemedicine, Telehealth, and Home Telemonitoring Services Providers by MSA, Fiscal Years 2022-2023

MSA	Telemedicine FY 2022	Telemedicine FY 2023	Telehealth FY 2022	Telehealth FY 2023	Tele- monitoring FY 2022	Tele- monitoring FY 2023	Telephonic FY 2022	Telephonic FY2023
Abilene	46	44	44	37	5	5	11	13
Amarillo	55	44	65	61	4	9	20	15
Austin- Round Rock- San Marcos	381	378	334	292	6	9	79	105
Beaumont- Port Arthur	119	96	57	43	6	10	35	35
Brownsville- Harlingen	175	150	90	76	45	42	52	60
College Station- Bryan	41	41	23	24	4	5	13	16
Corpus Christi	131	113	57	44	3	4	26	32
Dallas-Fort Worth- Arlington	1,500	1,439	677	664	190	208	376	399
Eagle Pass	21	19	3	3	5	6	6	6
El Paso	301	285	157	136	28	23	61	74
Houston- Pasadena- The Woodlands	1,623	1,487	713	646	190	190	346	333
Killeen- Temple	52	62	113	109	2	1	11	18
Laredo	93	81	32	29	32	21	24	32
Longview	59	62	33	32	5	4	11	19

MSA	Telemedicine FY 2022	Telemedicine FY 2023	Telehealth FY 2022	Telehealth FY 2023	Tele- monitoring FY 2022	Tele- monitoring FY 2023	Telephonic FY 2022	Telephonic FY2023
Lubbock	81	80	77	69	2	6	20	17
McAllen- Edinburg- Mission	407	347	308	272	102	101	103	122
Midland	32	22	10	11	4	2	7	6
Odessa	39	34	9	5	1	1	9	10
San Angelo	13	19	18	14	0	2	3	1
San Antonio- New Braunfels	634	550	384	323	44	34	140	128
Sherman- Denison	62	59	21	12	14	9	20	19
Texarkana	27	23	19	10	1	4	8	6
Tyler	49	48	38	39	4	3	20	17
Victoria	37	31	31	21	3	2	7	7
Waco	57	56	61	52	4	4	11	18
Wichita Falls	38	35	39	33	4	3	22	28
Non-Metro County	636	558	399	353	56	54	162	154
Unknown	82	190	28	49	5	13	16	24
Texas Total	6,516	5,860	3,746	3,344	760	751	1,567	1,627

Appendix E. Telemedicine, Telehealth, and Home Telemonitoring Services Procedure Codes

Table 27: Telemedicine Services, Fiscal Year, 2022

Procedure Code	Description	Instances Reimbursed
99213	Office/outpatient visit – established client, 20-29 minutes	859,550
99214	Office/outpatient visit – established client, 30-39 minutes	569,568
T1015	Office/outpatient visit	235,576
99212	Office/outpatient visit – established client, 10-19 minutes	194,636
90837	Psychotherapy, 60 minutes	115,018
Other	Other procedure codes reimbursed at least once	856,436

Table 28: Telemedicine Services, Fiscal Year, 2023

Procedure Code	Description	Instances Reimbursed
99213	Office/outpatient visit – established client, 20-29 minutes	580,412
99214	Office/outpatient visit – established client, 30-39 minutes	481,650
T1015	Office/outpatient visit	167,054
99212	Office/outpatient visit – established client, 10-19 minutes	112,716
90837	Psychotherapy, 60 minutes	108,190
Other	Other procedure codes reimbursed at least once	701,491

Table 29: Telehealth Services, Fiscal Year, 2022

Procedure Code	Description	Instances Reimbursed
92507	Speech/language therapy, individual	630,920
T1017	Targeted case management, 15 minutes	176,051
90837	Psychotherapy, 60 minutes	134,018
97530	Therapeutic activities, 15 minutes	128,617
H2014	Skills training, 15 minutes	99,484
Other	Other procedure codes reimbursed at least once	400,844

Table 30: Telehealth Services, Fiscal Year, 2023

Procedure Code	Description	Instances Reimbursed
92507	Speech/language therapy, individual	504,886

Procedure Code	Description	Instances Reimbursed
90837	Psychotherapy, 60 minutes	119,019
T1017	Targeted case management, 15 minutes	102,708
97530	Therapeutic activities, 15 minutes	82,323
H2014	Skills training, 15 minutes	66,407
Other	Other procedure codes reimbursed at least once	260,304

Table 31: Home Telemonitoring Services, Fiscal Year, 2022

Procedure Code	Description	Instances Reimbursed
S9110	Home telemonitoring of patient, including equipment	112,642
99457	Remote physiologic monitoring treatment management, first 20 minutes	31,496
99091	Collection and interpretation of patient data	24,983
99458	Remote physiologic monitoring treatment management, each additional 20 minutes	19,036
99454	Remote monitoring of physiologic parameters, each 30 days	18,011
Other*	Other procedure codes reimbursed at least once	23,504

Note: This category includes Medicare procedure codes that are not Texas benefits but are being billed and paid by Medicaid.

Table 32: Home Telemonitoring Services, Fiscal Year, 2023

Procedure Code	Description	Instances Reimbursed
S9110	Home telemonitoring of patient, including equipment	127,954
99091	Collection and interpretation of patient data	31,001
99457	Remote physiologic monitoring treatment management, first 20 minutes	27,607
99458	Remote physiologic monitoring treatment management, each additional 20 minutes	18,416
99454	Remote monitoring of physiologic parameters, each 30 days	14,783
Other*	Other procedure codes reimbursed at least once	14,308

Note: This category includes Medicare procedure codes that are not Texas benefits but are being billed and paid by Medicaid.

Table 33: Telephonic (Audio-only) Services, Fiscal Year, 2022

Procedure Code	Description	Instances Reimbursed
99442	Office/outpatient visit	33,411
99441	Office/outpatient visit	22,375
99443	Office/outpatient visit	17,769
Other*	Other procedure codes reimbursed at least once, with modifier FQ or 93	5,942

Table 34: Telephonic (Audio-only) Services, Fiscal Year, 2023

Procedure Code	Description	Instances Reimbursed
99442	Office/outpatient visit	21,813
99441	Office/outpatient visit	18,686
99443	Office/outpatient visit	11,195
Other*	Other procedure codes reimbursed at least once, with modifier FQ or 93	118,016

Note: Full procedure code descriptions are withheld due to American Medical Association copyright.

Data Sources: Analytical Data Store Database, HHSC; Provider Database HHSC; Texas Urban Suburban Rural Counties Update (4-23-24), HHSC.

Appendix F. Key Legislation Impacting Texas Medicaid Teleservices

Table 35: Key Legislation That Impacted Texas Medicaid Teleservices

Bill Number	Legislative Session	Mandate
H.B. 2386	75th Legislature, Regular Session, 1997	Required HHSC to provide reimbursement to physicians providing telemedicine services to Texas Medicaid clients. The telemedicine services benefit was implemented in October 1997.
H.B. 2017	75th Legislature, Regular Session, 1997	Required HHSC to establish reimbursement mechanisms for physicians providing telemedicine services to Texas Medicaid clients. The bill also required HHSC to encourage teaching hospitals, small rural hospitals, and FQHCs to provide telemedicine services.
S.B. 789	77th Legislature, Regular Session, 2001	Authorized HHSC to establish procedures to determine which telemedicine services should be reimbursed, to reimburse services at the same rate as in-person medical services, and to submit a report on the effects of telemedicine services on the Texas Medicaid program to the Legislature by December 1st of each even-numbered year.
H.B. 2700	77th Legislature, Regular Session, 2001	Authorized HHSC to create a Texas-Mexico border region telemedicine services pilot program, as well to establish a Telemedicine Advisory Committee.
S.B. 691	78th Legislature, Regular Session, 2003	Required HHSC to periodically review policies regarding the reimbursement of telemedicine services through the Texas Medicaid program. Specifically, HHSC was directed to identify variations between Texas Medicaid and Medicare reimbursement for telemedicine services and authorized to modify rules and procedures as appropriate.
S.B. 1340	79th Legislature, Regular Session, 2005	Authorized HHSC to develop, and the Texas Department of State Health Services to implement, a pilot program enabling Texas Medicaid clients in need of mental health care to receive these services via remote delivery.
S.B. 24	80th Legislature, Regular Session, 2007	Directed HHSC to add office visits as telemedicine medical services and to develop a reimbursement process for telemedicine service patient sites.
S.B. 293	82nd Legislature, Regular Session, 2011	Directed HHSC to provide reimbursement for new telehealth and home telemonitoring services benefits. The telehealth services benefit was implemented May 1, 2013, and the home telemonitoring services benefit was implemented October 1, 2013.

Bill Number	Legislative Session	Mandate
H.B. 1878	84th Legislature, Regular Session, 2015	Required managed care organizations to provide reimbursement to a physician who renders telemedicine services to children in primary or secondary school-based settings, even when the physician is not a child's primary care provider.
H.B. 3519	84th Legislature, Regular Session, 2015	Moved the sunset date for the Texas Medicaid home telemonitoring services benefit from September 1, 2015, to September 1, 2019.
S.B. 1107	85th Legislature, Regular Session, 2017	Established state scope-of-practice requirements and delivery modalities for telemedicine services and telehealth services.
S.B. 922	85th Legislature, Regular Session, 2017	Required that HHSC provide Texas Medicaid reimbursement to Licensed Clinical Social Workers, Occupational Therapists, Speech-Language Pathologists, Licensed Professional Counselors, Licensed Marriage and Family Therapists, and psychologists for telehealth services rendered to children in school-based settings.
S.B. 1697	85th Legislature, Regular Session, 2017	Established a new pediatric teleconnectivity resource program to help nonurban health care facilities obtain telemedicine services from pediatric specialist physicians.
S.B. 670	86th Legislature, Regular Session, 2019	Prohibited Medicaid health plans from denying reimbursement for telemedicine or telehealth services solely due to remote delivery, requiring consideration of clinical appropriateness and cost-effectiveness. Also authorized reimbursement for FQHCs.
H.B. 4	87th Legislature, Regular Session, 2021	Required HHSC to expand telemedicine and telehealth services in any program deemed cost-effective and clinically appropriate. Mandates implementation of audio-only benefits for behavioral health services and allows for audio-only benefits in other programs if appropriate. Authorizes reimbursement of teleservices for RHCs.
H.B. 2056	87th Legislature, Regular Session, 2021	Required HHSC to add teledentistry as a Texas Medicaid benefit.
H.B. 2727	85th Legislature, Regular Session, 2023	Requires HHSC to include FQHCs and RHCs as approved home telemonitoring provider types in Texas Medicaid and allows telemonitoring for conditions deemed cost-effective and clinically effective by HHSC. It also allows telemonitoring services and equipment on a temporary basis to high-risk pregnancy clients if deemed cost-effective and clinically effective.

Note: This is not an all-inclusive list of legislation related to teleservices.