

INSIGHTS FROM THE BDO CENTER FOR HEALTHCARE EXCELLENCE & INNOVATION

THE TELEHEALTH TAX CHECKLIST



Your telehealth tax questions, answered

Healthcare practices implementing telehealth often focus their efforts on the marketing, technology, security and logistics of providing healthcare services to their patients and occasionally overlook tax and state regulatory considerations. The very nature of telehealth, which allows for patient care delivery across state lines, requires a careful analysis of Federal and state tax compliance obligations. Fortunately, BDO has resources that can help.

Whether you are the owner of a small startup or the tax director of a large healthcare enterprise, BDO's telehealth tax checklist highlights information that should be gathered and common issues to consider when assessing telehealth Federal and state tax obligations. Using your knowledge in conjunction with this checklist will help identify gaps in your telehealth tax planning regardless of the stage of implementation.





1 / Before you implement telehealth...

- If you are a tax-exempt healthcare provider, have you analyzed whether telehealth revenues could result in Unrelated Business Income Tax?
- Have you properly assessed and addressed HIPAA, HITECH and other security risks?
- Do you have records detailing where all your equipment and employees are located?
- Where are your patients who will be accessing telehealth services located?
- Do you know where your providers are licensed to practice?
- Are you up to date on state-level corporate practice of medicine laws?
- Do you have the resources to address telehealth tax compliance in-house?
- Are you working with an attorney and tax advisor with telehealth expertise?
- Have you conducted a state-by-state analysis to determine where your company should be registered to do business?



2 / While you're implementing telehealth...

- Does your practice management and billing software maintain documentation on where your patient is located to ensure you allocate revenue properly?
- Are you using billing codes consistently and accurately for the telehealth services you perform?
- Are you tracking patient outcomes to understand at what point your performance obligations have been fulfilled?
- Do you have one centralized, easy-to-use dashboard to aggregate all data related to telehealth visits and outcomes?
- Have you addressed potential sales and use tax obligations of providing telehealth technology in various jurisdictions?
- With employees in various states and local jurisdictions, have payroll tax and withholding obligations been addressed?



3 / After you've implemented telehealth...

- Have you recently conducted a nexus review for your organization?
- Do you have a list of all states in which you may have generated revenue via telehealth visits?
- Are you staying up to date on new telehealth tax compliance rules as states look for ways to increase revenues?
- Are you confident that you are accurately recognizing revenue for your telehealth visits?
- Have you received any tax notices or letters from either the IRS or any states?
- Have you complied with all state and local tax obligations in each state in which you are providing telehealth services?

NEED MORE TELEHEALTH HELP? BDO HAS GOT YOU COVERED.

Here are some of our top telehealth resources to help you effectively implement and manage your telehealth program:



Understanding the Taxation of Telehealth



Capitalizing on Telehealth's Potential



Challenges to Recognizing Revenue for Telehealth Visits



People who know Healthcare, know BDO.

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Still have questions?

Contact us for more telehealth insights and solutions.

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