

A Capitol Hill Briefing: Telehealth—A Digital Communication Approach to Improving Health

Moderator

Cori Uccello, Senior Health Fellow

Presenters

Mick Diede, member, Telehealth Work Group

Susan Pantely, member, Telehealth Work Group



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What Is Telehealth?

- Telecommunication technologies connecting the patient with the provider
 - Live two-way interaction between provider and patient
 - Store-and-forward
 - Remote patient monitoring
 - Varies by payer
- Traditional Medicare (Fee-For-Service)
 - Live two-way interaction only
 - Originating and distant site limitations
 - Location limitation



What Is Telehealth? (cont.)

- More flexibility available under other Medicare programs
 - Medicare Next Generation Accountable Care Organization (ACO) initiative
 - Waives originating site restrictions
 - Medicare Advantage Value-Based Insurance Design Model
 - Can use telehealth to meet provider network rules
- State Medicaid Alternative Payment Models
- Commercial insurance



What Are the Goals of Telehealth?

- Improve access
 - Rural areas, specialty shortage
- Improve quality/outcomes
 - Prevent exacerbations of a condition
- Lower costs
 - Prevent expensive emergency room (ER) visits
 - Shift treatment to lower-cost sites of care



How Is Telehealth Currently Used?

- Traditional Medicare
 - According to the Centers for Medicare and Medicaid Services (CMS), 90,000 beneficiaries (0.25%) received telehealth services in 2016
- Medicaid, varies by state
- Large employer
 - Coverage increasing
 - Usage increasing, but still low (<1% of visits)
- Types of visits are covered
 - Radiologists, psychiatrists, cardiologists
- Provider adoption
 - According to the American Medical Association, 15% of physicians worked in practices using telemedicine in 2016
 - Use varies by physician specialty



How Is Telehealth Paid For?

- Varies by state and line of business
- A key question is whether telehealth is a covered benefit
 - Traditional Medicare – coverage only for remote/underserved areas
 - Medicare Advantage – varies by health plan, but generally broader
 - Medicaid – significant variation from state to state
 - Commercial Large Group – plan sponsor decision, but nearly 75% offer coverage, usually broad-based
 - Commercial Small Group and Individual – health plan decision, but less prevalent than large group



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How Is Telehealth Paid For? (cont.)

- If Covered:
 - Member cost share defined by plan design – usually copay or coinsurance
 - Provider Payment
 - Traditional Medicare – Medicare fee schedule
 - Medicare Advantage and Commercial – defined by contract with health plan
 - Fee for service (using established CPT*-4 codes)
 - Capitation (aka subscription)
- If Not Covered:
 - Typically paid fee for service, entirely by patients



What Are the Effects of Telehealth?

- Effect on access to care
 - Positive overall
 - Particularly good in rural/underserved regions
- Effect on quality and health care outcomes
 - Indeterminate at present
 - So far, so good
- Effect on costs
 - Indeterminate at present
 - Clearly some increase in utilization, possibly offset by unit cost reduction
 - Likely to vary by specialty



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What Are the Barriers to Further Adoption?

- Current definition of telehealth under Traditional Medicare
- Insurance coverage and insured awareness
- Licensure requirements
- Prescribing limitations
- Uncertain legal environment
- Other
 - Development costs
 - Unresolved cost-saving questions



Questions?



Additional Information

David Linn
Senior Health Policy Analyst
American Academy of Actuaries

Linn@actuary.org

202-785-6931

