The quest to improve the quality of healthcare delivered in the US while reducing costs and improving the patient experience requires a rethinking of traditional models.

That’s where telehealth, once called telemedicine, comes in. While not new (nursing hot lines were one of the first telehealth approaches), improved technology, innovative reimbursement models that reward quality, and a growing need for more patient-centered approaches are rapidly injecting an approach that was once reserved for rural areas with provider shortages into mainstream medicine.

Mobile technologies that can feed data into the electronic health record and remote monitoring to reduce hospital readmissions also contribute to the potential value of telehealth. Indeed, the 2018 National Business Group on Health annual survey of 170 large employers representing 13 million workers and 19 million covered lives found that 65% expected virtual care to become a significant or very significant factor in healthcare delivery.1

Telehealth defined: “A collection of means or methods for enhancing health care, public health, and health education delivery and support using telecommunication technologies.”3 — Center for Connected Health Policy

REAPING THE REWARDS
Measuring Return on Investment for Telehealth: In 2017, the National Quality Forum (NQF) released a framework for measuring the quality and impact of telehealth services. The goal, according to the NQF, is to identify high priority areas for measurement, and support the development of measures that can be incorporated into a telehealth environment as part of an iterative development process. The 17 measures focus on patient access to care, financial impact on patients and providers, patient and clinician experience, and effectiveness of clinical and operational systems.8

Numerous studies find cost and resource savings when payers and providers implement telehealth. For instance, patients seen in virtual visits require fewer follow-up visits than those seen in the physician office or emergency department (ED) for the same conditions (Figure 1); telehealth intensive care units demonstrate cost savings, shorter lengths of stay, and decreased mortality; and patients with chronic obstructive pulmonary disorder monitored at home experienced fewer ED visits, inpatient admissions, and shorter lengths of stay, resulting in significant cost savings.9-11 Studies also find telehealth can reduce hospital admissions from nursing homes and inter-hospital transfers.12

One of the best examples is the Veteran’s Healthcare Administration (VHA). The agency has been using some form of telehealth since the 1990s. Today, about 12% of veterans use telehealth for a variety of conditions, including pain management, behavioral health services, and chronic disease management.5

A 2012 analysis of the telehealth program found it cost about $1,600 per patient per year, and that those using telehealth had a 19% reduction in hospital admissions and 20% fewer inpatient days. The agency estimated annual savings of $6,500 for each participating patient that year, equating to nearly $1 billion in savings system-wide.6

Fast forward to today, where large public hospital systems such as Geisinger Health System in Pennsylvania, and Tallahassee Memorial Hospital in Florida, are also reporting significant savings from their telehealth and telemonitoring approaches.7,13 Tallahassee, for instance, saves more than $1 million a year with its video telehealth program, even though it can’t bill for it.13 Eliminating just one full-time radiologist by using radiology telehealth could save a rural hospital $100,000 or more.14

Patient satisfaction is also high. In one study of online primary care consultations, 95% of the 1,700 patients surveyed were highly satisfied with the care received, with a third saying they’d prefer a telehealth consult to an in-person visit.15

Figure 1 Follow-Up Visits Required for Similar Conditions


OVERCOMING BARRIER TO TELEHEALTH ADOPTION
Despite the clear benefits of telehealth, several barriers present challenges to its greater adoption.
**Reimbursement**

The Center for Connected Health Policy lists reimbursement for telehealth as one of the largest barriers to widespread adoption. Different payers have different policies, as shown below:³

- Medicare. Reimbursable telehealth services under Medicare have been limited by law to professional consultations, office visits, and office psychiatry services. Other restrictions include the technology used (typically live video) and the location in which the services are provided (federally-designed rural areas. Thus, less than 1% of beneficiaries use telehealth compared to 12% in the VHA.⁴ This is finally changing. The 2019 fiscal year physician fee schedule from the Centers for Medicare & Medicaid (CMS) relaxes a few of those restrictions thanks to changes in the law. In addition, CMS recently finalized a rule that will pay doctors for virtual visits and includes new CPT codes for billing. This includes reimbursement for:
  
  - Brief communications, such as checking in with a patient more than seven days after a professional consultation.
  - Remote evaluation of patient-transmitted information provided asynchronously, such as store-and-forward video or image technology.
  - Interprofessional telehealth consultations, including by phone, Internet, or the electronic health record.
  - End-stage renal disease clinical assessments provided in all renal dialysis facilities and an individual’s home.
  - Telehealth treatment of acute stroke.
  - Remote psychologic monitoring.

Some advocates say, however, that proposed reimbursement rates may still be too low to encourage widespread adoption.⁵ They also point to the lack of reimbursement for most services provided in the patient’s home and requirements that services be delivered in federally designated rural areas.⁵ However, CMS is currently testing several less restrictive telehealth pilot programs.

- Medicaid. While most Medicaid plans reimburse for telehealth, they tend to limit which services are eligible for reimbursement and reimburse only services provided in health facilities and “live” interactions versus asynchronous.⁶

- Private payers.³ States and the District of Columbia have enacted telehealth private payer laws that require payers to treat telehealth services the same as in-person medical services. However, the specifics vary widely from state to state and from payer to payer.

Reimbursement is typically contingent on the type of technology used and the services for which reimbursement is provided.⁷

**Cross-State Licensure**

As recently as 2014, most state medical boards required that physicians be licensed in the state in which they “see” the patient, whether in-person or virtually, creating one of the biggest barriers to telehealth utilization.⁸ The Interstate Medical Licensure Compact Commission offers a relatively new option to overcome this barrier. The Commission developed an expedited process that allows physicians with a license in one state to practice in all states belonging to the Compact. To date, 24 states and Guam have passed legislation adopting the Compact.⁹

**Technology**

Another barrier to adoption is technology. Industry experts are pushing for a national rollout of 5G wireless networks, which provide the “lightning-fast speed” they say is required for real-time examinations and diagnosis.¹⁰

And, in July 2018, the Federal Communications Commission (FCC) announced the $100 million Connected Care Pilot Program to increase telehealth connectivity. The program is designed to support telehealth for low-income individuals, particularly veterans and those living in rural areas.² In addition, a bill pending in Congress would speed development of the 5G infrastructure.

**Healthcare Providers and Consumers**

Most payers and Medicaid systems report low utilization of telehealth. One reason is a lack of consumer awareness. Provider barriers include the need for training, concern over the quality of the service, and fear of losing business to third-party companies. Payers, including state Medicaid systems, also cite confusion over how to bill for the services and high start-up costs.¹⁷

Telehealth holds significant promise as a tool to improve the delivery and quality of healthcare in this country while reducing cost. However, several barriers remain to its widespread adoption, particularly reimbursement. Until those barriers are addressed, the potential benefits of telehealth to employers, patients, and the US healthcare system overall will remain unrealized.

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