

## REGULATORY INTELLIGENCE

## Regulatory relief and insurers' adoption of telehealth key to keeping momentum in U.S.

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The U.S. healthcare sector appears to have reached a point of no return from telehealth usage, due to the COVID-19 pandemic, and is pushing to maintain the growth momentum. More regulatory accommodation and a stronger endorsement by health insurers of virtual care are key to achieving that goal.

Health insurers have largely supported reimbursing for telehealth services since the start of the pandemic. However, they have expressed concerns on issues like overutilization, the application to value-based payments models, and state jurisdictional questions. They are urging lawmakers to include provisions for insurers to better incorporate telehealth services in their plans.

The administration of President Donald Trump eliminated several roadblocks to help providers and insurers embrace telehealth during the public health emergency. The Centers for Medicare and Medicaid Services is also working on making some of the changes permanent.

Congressional action, however, is needed to allow patients to receive healthcare services in their homes and other sites of care. Healthcare and policy experts say the magnitude of the opportunity offered by virtual healthcare must be recognized and lawmakers need to act soon to allow providers and insurers to unlock all the benefits offered by telehealth.

"The increased uptake of telehealth is certainly understandable... from the standpoint of patient care, from the standpoint of institutional viability and from the standpoint of the fiscal viability of the U.S. federal government," said Philip Auerwald, associate professor at George Mason University. "Telehealth presents a larger opportunity to move the entire health service delivery system away from the institutional setting and toward home healthcare, wherever practical," he said.

"The regulatory structure we have currently strongly favors care delivered in an institutional setting. Where the different elements of healthcare to the home have been reimbursed, [they] have strongly tended to be under highly constrained requirements and unfavorable financial structures," he added.

Prior to the COVID-19 public health emergency, patients had to travel to "originating sites" such as hospitals, health clinics, or physician's offices to be eligible for reimbursement. The Centers for Medicare and Medicaid Services has made some exceptions in very few cases, such as for end-stage renal disorder patients.

More data on the efficacy of telehealth and more customer satisfaction from receiving virtual care could change the regulatory bias towards care provided in an institutional setting, Auerwald added.

"Telehealth can bring healthcare into the 21st century," Kyle Zebley, Director of public policy at the American Telehealth Association (ATA) said. "Preventative care, value-based care, home-based care, aging in place - these are all things we can not get to without fuller utilization or interoperability of telehealth and medical devices in remote monitoring."

The ATA is calling on Congress to remove the arbitrary originating-site restriction and allow patients to receive services in the home and other sites of care. Congress should also allow CMS to determine practitioners appropriate to practice telehealth, according to the ATA. CMS has currently allowed all providers to be eligible to bill Medicare for telehealth services during the course of the COVID-19 emergency.

Health insurers have called for policy revision that would enable healthcare delivery across state lines. The ATA proposes that states could set up licensure compacts or groups in which physicians with a license in one state will be automatically eligible to practice in other member states.

Insurers have also sought regulatory provisions to use technology to manage any overutilization of telehealth services. Proponents of telehealth, however, call that concern unfounded, saying a timely telehealth consultation may put off a potentially more cost-intensive treatment.

While the pandemic led to patients shifting almost completely to virtual care, most agree that a healthy mix of in-person and virtual care needs to be determined in order to sustain telehealth integration into routine healthcare.

Insurers and healthcare providers also must find a way to integrate telehealth services into the value-based care payment model, in which insurers reimburse providers based on the overall health outcome of the patient rather than the number of health services



rendered to them. Telehealth is currently reimbursed on a fee-for-service basis, a payment model that insurers have been trying to move away from.

"The private sector will likely drive the innovation and solutions while regulators have to create a path for patients to access this new healthcare environment," Zebley said. "The ATA is working to ensure regulatory roadblocks are not put back up once the public health emergency comes to an end," he said.

"Telehealth is healthcare and the care received from a telehealth visit when clinically appropriate is just as good and high quality, if not better than the care you would receive in person," Zebley said.

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