

Expanding Access to Telehealth Services for Medicare Beneficiaries

Telehealth Removes Barriers to Accessing Healthcare Services

While Wisconsin families can take advantage of one of the best healthcare systems in the country, many Wisconsin communities struggle to retain access to healthcare services due to provider shortages or transportation barriers. Telehealth can help to improve access to healthcare services by allowing patients to receive care locally in their communities by connecting to existing providers in other locations. By enabling patients to connect to providers remotely, telehealth decreases the amount of time patients need to travel or otherwise be away from work and family. Recently, CMS estimated that its proposal to allow Medicare Advantage plans to offer additional telehealth benefits would save such enrollees up to \$540 million by 2029 in travel costs.ⁱ

Telehealth Can Reduce or Maintain Overall Healthcare Costs

By reducing avoidable healthcare utilization, including expensive emergency room visits and hospital admissions, the delivery of healthcare via telehealth can help to reduce or maintain overall Medicare expenditures. For example, one study reviewing research on the cost-efficiency of telehealth found that telehealth reduced or maintained the same level of costs across multiple clinical areas.ⁱⁱ Further, in May 2018, the Wisconsin Group Insurance Board, which establishes coverage for state employees, decided to cover telehealth services completely in 2019 state employee health plans and determined that such coverage would have an estimated cost of \$0.

CMS also recognizes that telehealth “will generally result in an aggregate reduction in use of emergency room visits and inpatient admissions because the relative increased ease of receiving healthcare services should improve health outcomes and reduce avoidable utilization that results from untreated conditions exacerbating illness.”ⁱⁱⁱ CMS further has observed that:

- Telehealth increases efficiency through better treatment plan management and medication therapy management^{iv};
- Application of telehealth to transitional care programs for discharged Medicare patients has been shown to save \$1,333 per beneficiary, half of which was due to reduced inpatient follow-up care^v; and
- After-hours telemonitoring of patients can reduce healthcare expenditures, with one study showing that such a program saved a skilled nursing facility \$5 for every \$1 spent implementing the program.^{vi}

Recent Efforts by Congress & CMS to Expand Medicare Access to Telehealth Services

Unfortunately, despite the ability of telehealth to improve healthcare access and reduce or maintain overall healthcare expenditures, **federal statute prohibits Medicare from paying for telehealth services if the patient is located in an urban area or at home.**^{vii} But recognizing the value of telehealth, Congress and CMS recently both have been taking important steps to remove these federal statutory barriers for specific telehealth services and otherwise to expand Medicare access to telehealth services. WHA supports such vital but incremental steps as the following:

- In the Bipartisan Budget Act of 2018, Congress provided that Medicare would pay for telestroke services for patients in urban areas and teledialysis services for patients in urban areas or at home. Congress also allowed Medicare Advantage plans to offer additional telehealth benefits as part of the enrollee’s basic benefit package.
- In its 2018 and 2019 Physician Fee Schedule rules, CMS decided to cover as Medicare benefits remote physiologic monitoring, chronic care remote physiologic monitoring, brief virtual check-in appointments, and remote evaluations of pre-recorded patient information. Critically, CMS determined that such new services were not subject to the federal statute prohibiting Medicare from paying for such services if the patient is located in an urban area or at home.

WHA Position

WHA asks Wisconsin’s Congressional delegation to continue its recent efforts to expand Medicare access to telehealth services by eliminating the statutory prohibition on Medicare paying for telehealth services if the patient is located in an urban area or at home.

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ⁱ 83 Fed. Reg. 54,982, 55,055.

ⁱⁱ Torre-Diaz, I., *et al.*, “Cost-Utility and Cost-Effectiveness Studies of Telemedicine, Electronic, and Mobile Health Systems in the Literature: A Systematic Review,” *Telemedicine Journal and e-Health* (Feb. 2015).

ⁱⁱⁱ 83 Fed. Reg. at 55,056.

^{iv} *Id.*

^v *Id.* at 55,057.

^{vi} *Id.*

^{vii} Under 42 U.S.C. § 1395m(m)(4)(C), Medicare may pay for telehealth services only if the patient is located (1) in a rural Health Professional Shortage Area or in a county that is not included in a Metropolitan Statistical Area and (2) in one of eight facility types that generally does not include the patient’s home.