



Advising the Congress on Medicare issues

Mandated report: Coverage of telehealth services under commercial insurance plans

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October 5, 2017

MedPAC report mandated by Congress in the 21st Century Cures Act of 2016

By March 15, 2018, MedPAC shall provide information to the committees of jurisdiction that identifies:

1. The telehealth services for which payment can be made, under the fee-for-service program under Medicare Parts A and B; (September)
2. The telehealth services for which payment can be made under private health insurance plans; (October)
3. Ways in which telehealth services covered under private insurance plans might be incorporated into the Medicare fee-for-service program (including any recommendations for ways to accomplish this incorporation). (November)

Presentation outline

- Research methods
- Coverage
- Rationale
- Utilization and outcomes
- Next steps
- Discussion

Research methods: Two phases of analysis

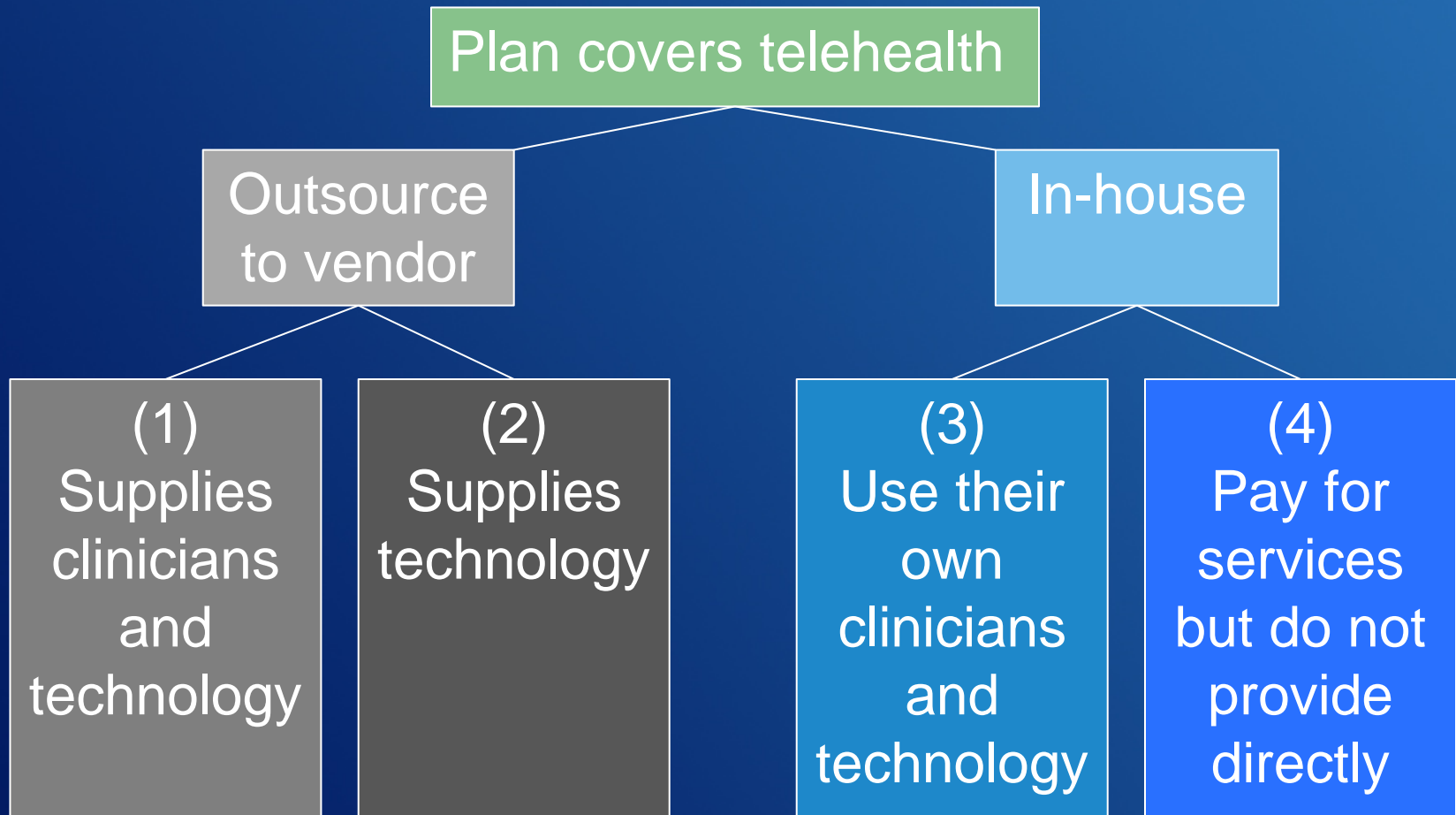
Review of 2017 commercial plan coverage documentation

- Documents: statement of benefits, evidence of coverage, and coverage policy memoranda
- Sample: 48 commercial plans
- All 50 states (includes multi-state)
- Managed care plans, not FFS
- FEHBP and non-FEHBP
- For profit and non-profit
- Large, medium, and small
- Some integrated delivery systems

Interviews with managed care organizations (MCO) to identify rationale, use, outcomes

- Semi-structured interviews
- 12 MCOs (covered telehealth)
- 4 multi-state MCOs
- 8 single-state MCOs (8 states)
- States with/without parity laws
- For profit and non-profit
- Large, medium, and small
- Total enrollment of ~28 million
- Includes some integrated delivery systems
- 2 MCOs (no telehealth)

Coverage: Four telehealth delivery pathways



Coverage: Services covered by our sample of 48 plans in 2017

- 94 percent of sample covered some telehealth (45 plans)
- Synchronous more than asynchronous (38 vs 14 plans)
- Most commonly covered services
 - Basic evaluation and management physician visits (26 plans)
 - Mental health services (22 plans)
 - Pharmacological management (21 plans)
- Least commonly covered services
 - Provider-initiated emails (4 plans)
 - Remote patient monitoring (8 plans)
- Few plans covered several types of telehealth services
 - 7 plans covered 6 or more services, 23 plans covered 1 or 2

Coverage: MCOs discussed direct-to-consumer (DTC) and provider-to-provider (PTP) telehealth

- DTC:
 - Patient initiated visits
 - Clinicians available to at any time and from anywhere
 - Intended to triage acute routine illness
- All 12 MCOs used DTC to cover basic physician visits
 - Some outsourced to a vendor (7 MCOs)
 - Others used their own employed clinicians (5 MCOs)
- PTP: Clinician and patient connecting to specialists
 - 9 of the 12 MCOs we interviewed covered PTP
 - Used for mental health, telestroke, other specialties
 - Not outsourced to a vendor
 - Insurers covering PTP located in states with parity laws

Coverage: Originating sites, providers, and enrollees

- Originating sites permitted by plans:
 - Most cover urban
 - Half cover the patient home (or residence)
 - Plans outsourcing to a vendor always permit urban and home
 - Some limit to facilities for specialty care or non-vendor services
- Providers permitted by plans:
 - Most allow physicians and other clinicians to bill
 - Some only permit vendor-based clinicians to bill, and exclude in-network primary-care clinicians from billing
- Enrollees: Typically available to all enrollees

Coverage: Cost-sharing and utilization control policies

- Cost-sharing levels vary by plan and type of service
 - Document analysis: Half of plans set telehealth cost-sharing equal to in-person cost-sharing
 - Interviews: Cost-sharing varies by type of service
 - DTC: Levels vary across MCOs
 - Above in-person services (4 MCOs)
 - Equal to in-person services (5 MCOs)
 - Lower than in-person services (3 MCOs)
 - PTP: Equal to in-person services
- Utilization control policies uncommon
 - Mostly the same as in-person policies
 - A few require patients to obtain prior authorization, clinicians to register as telehealth providers, or conduct claims audits

Coverage: Pilot programs

- Several MCOs use pilot programs to test telehealth services
- Current pilot programs tested several concepts:
 - Remote patient monitoring
 - Specialty physician visits (i.e., mental health)
 - Vendor-based DTC or PTP services
 - Online live chat technology
- Pilot programs tested subsets of enrollees by geographic area (market) or chronic condition

Rationales reported by MCOs for covering telehealth

- Primary rationales:
 - Employers demand convenience for their employees
 - Competition with other insurers
- Secondary rationales:
 - Convenience for enrollees
 - Access in rural areas and quality improvement
 - Mandated by state telehealth parity laws
 - Cost reduction
- None of the MCOs reported cost reduction as a primary rationale

Utilization and outcomes

- Utilization in 2017 was consistent across MCOs
 - Most reported <1 percent of enrollees used any telehealth service
 - Highest reported use was “less than 5 percent of enrollees”
 - Concentrated in basic E&M physician visits and mental health
 - Women
 - Enrollees under age 40
 - Normal business hours as well as afterhours and weekends
- Outcomes observed by MCOs
 - None reported evidence of cost reductions
 - Believe convenience and access have improved
 - Believe greater use will lead to cost reductions

Summary: Commercial plan coverage of telehealth varied

- Most covered some telehealth, few comprehensively
- Covered basic physician visits using DTC (vendor or employed-clinicians)
- Urban originating sites permitted, patients' homes less so
- Cost-sharing levels varied among plans and services
- Pilot programs commonly used to test telehealth
- Rationale: employers and competition, not cost savings
- Use: low, <1 percent of enrollees
- Outcomes: increased convenience and access, no evidence of cost savings

Discussion and next steps

- Today: Questions about commercial plan coverage and utilization?
- November: Discussion of potentially incorporating elements of commercial plan telehealth coverage into Medicare
- January: Discussion of the full report

