



*Advising the Congress on Medicare issues*

# Mandated report: Coverage of telehealth services under commercial insurance plans

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# MedPAC report mandated by Congress in the 21<sup>st</sup> Century Cures Act of 2016

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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

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

# Research methods: Two phases of analysis

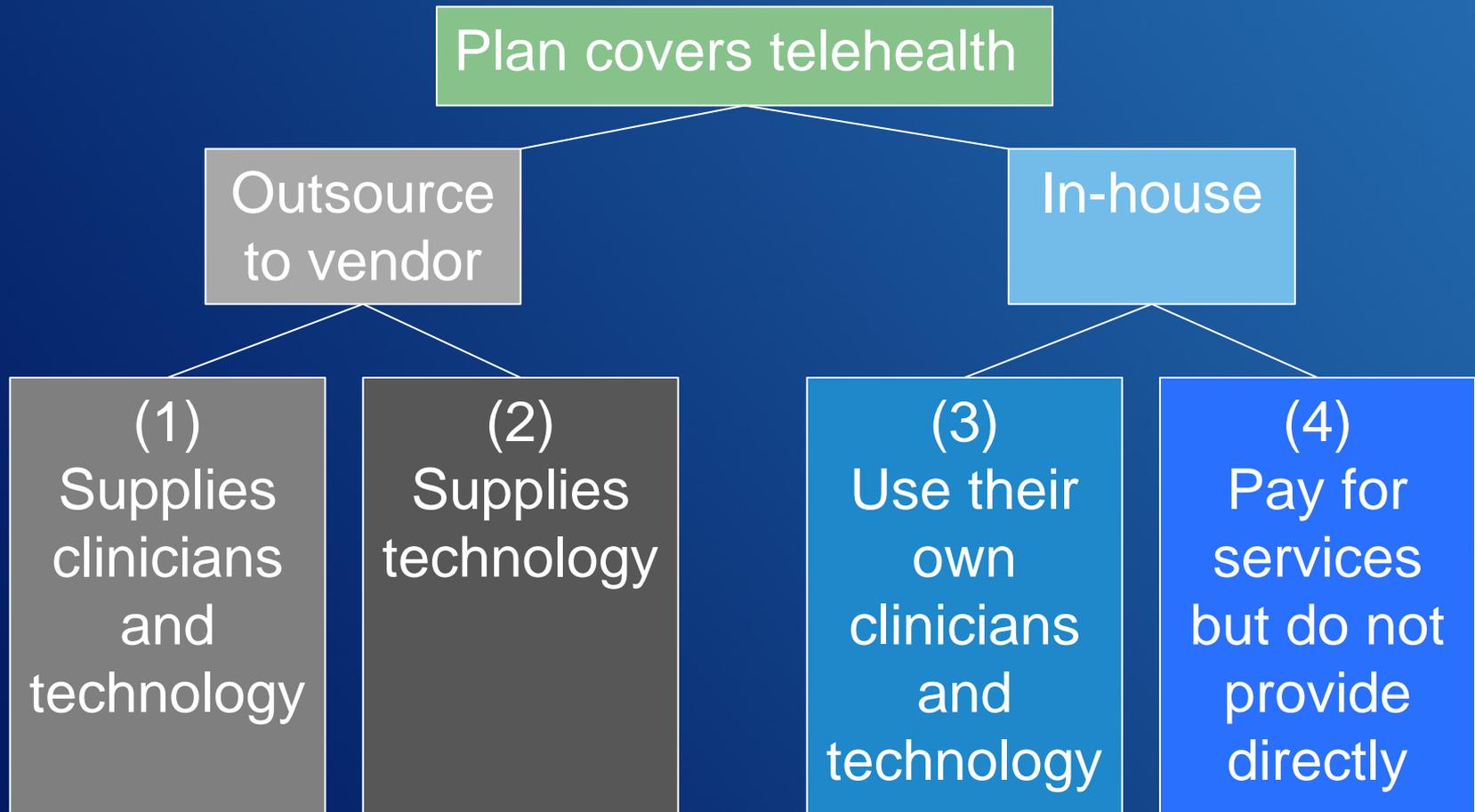
## Review of 2017 commercial plan coverage documentation

- 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

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- 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

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- 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

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- 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

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- 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

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- 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

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- 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

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- 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

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- 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

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- 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

