

Carnahan Group Special Topics Review

How has Covid-19 affected the telehealth landscape?

September 2021

Background

The US Department of Health and Human Services (“HHS”) declared that a Public Health Emergency (“PHE”) existed since January 27, 2020 due to the outbreak of COVID-19. In response to the outbreak governmental agencies and healthcare entities scrambled to adjust to the new landscape. Facilities witnessed a dramatic drop in volumes as elective procedures were cancelled or delayed, helping to reduce the spread. Existing government policy on approved telehealth services limited the scope of services that could be offered to patients. Therefore, to provide continued access to care, healthcare facilities and governmental agencies adapted their policies and procedures to facilitate the provision of remote care.

Governmental policy changes are expected to stay in place until at least the end of the PHE, which HHS declared would likely stay in place for the entirety of 2021. There is uncertainty around what changes will remain permanent, however, the following is a summary of what policies have been put in place.

Governmental Policy Changes to Telehealth During the Pandemic

- Medicare began to reimburse approved telemedicine services at the same rate as in-office visits.
- Medicare rules allowed approved providers to perform telehealth visits from their house, which previously caused claims issues. In addition, they allowed providers to provide care to patients in other states.
- Facility serving as the originating site can charge an additional facility fee.
- Medicare increased the number of approved codes from 110 to 248 (some codes were added as a temporary addition, while others are good until end of the PHE).
- Medicare expanded approved modalities to include audio only (telephone) on certain codes.
- HIPPA rules were relaxed to increase methods of connection.
- New billing guidelines were released to ensure proper documentation and reimbursement of telehealth visits.

How This Has Affected Facilities and Healthcare Providers

The Medical Group Management Association (“MGMA”) recently issued a report describing various observations of how the PHE impacted providers and our general health care system. Below are some of the report’s key findings along with some from other sources.

Telehealth Landscape

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- MGMA's report "Optimizing Telehealth During Covid 19 and Beyond" indicated that 97% of healthcare leaders reported expanding telehealth access amid COVID-19 and some facilities witnessed patient volumes fall to 60% of normal.
- Physicians are adapting to changes to their workflow, updating marketing to show their ability to provide telehealth care, preparing patients to utilize telehealth, and increasing access to appropriate internet speeds for indigent and rural populations.
- Facilities face uncertainty regarding how much of the telehealth changes will be permanent or if the pendulum will swing back to how care was provided pre-pandemic.
- Facilities and providers continue to learn appropriate billing protocols, preparing patients to receive telehealth care, and training regarding best practices.
- Continued investment in telehealth infrastructure is difficult because of the uncertainty with how the telehealth environment will normalize once the pandemic is over.
- McKinsey & Company research indicated that telehealth volumes had increased 38X since the start of the pandemic¹

Telehealth's Unique Advantage

The COVID-19 pandemic has accelerated the trend towards telehealth-based care. Physicians can better access patient issues and triage whether a hospital visit is warranted. Advantages include better continuity of care, increased patient and medical provider interactions, reduction in traveling, and increased access to care. Rural and small critical access facilities have found telehealth coverage particularly useful in that it allows the facility to maintain specialty on-call coverage. Examples of this include psychiatry and neurology coverage because consults can be performed remotely by a physician in another locality. Some notable benefits include the reduction of costly patient transfers and the ability of patients to receive advanced care in their local communities.

Moving Forward

While the pandemic significantly accelerated telehealth utilization, uncertainty remains regarding rule changes, reimbursement for services, and how the amount of demand for telehealth will normalize post-pandemic. Although commercial payors typically follow Medicare's lead, it is unclear whether they will match HHS policies. Similarly state regulation of telehealth varies affecting reimbursement as well as exposure to professional liability.

Despite the uncertainties, telehealth's future is promising. Increasing provider and patient acceptance of remote care and continuing technological developments are expected to enhance its adoption. Accordingly, there are many new providers and vendors of telehealth services seeking to partner with physicians, hospitals, and health systems. Although there is at least temporary flexibility concerning its utilization and reimbursement, any related provider relationships must continue to comply with Stark and Anti-kickback requirements.

Have questions regarding telehealth contracts and compliance? Please contact Carnahan Group for additional information or a focused analysis of your facility's telehealth arrangements.

Prepared by Dan Fraser and Dan Stech

¹ <https://www.mckinsey.com/industries/healthcare-systems-and-services/our-insights/telehealth-a-quarter-trillion-dollar-post-covid-19-reality>