Providers Cite Payment Obstacles as Reason for Telehealth Underuse with Medicare

Although telehealth may be the newest darling child in the world of patient care (it is widely recognized as a convenient, effective complement to traditional forms of medical delivery), there is new data demonstrating that it has not been as expansively used as its convenience reflects, at least within government-funded care.

Providers agree telehealth can improve quality of care

The U.S. Government Accountability Office (GAO) released a report earlier this month showing that less than 12% of the following were treated via telemedicine between 2014 and 2016: Medicare and Medicaid beneficiaries, and patients seen at th Veterans Administration and the U.S. Department of Defense. Additionally, less than one percent of Medicare enrollees used telehealth services during that time period.

The GAO's report was culled from surveys taken by healthcare providers, including comments that pointed to "cost increases inadequate payment and coverage restrictions" as reasons for not implementing telemedicine platforms in their practices. This despite labeling telehealth and remote patient monitoring as "a significant factor" in the effort to "improve or maintain quality o care."

Is restricted coverage restricting telehealth implementation?

The study was carried out under the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA). The bottom-line issu that seemed to get in the way most frequently for providers when considering telehealth: "Medicare's restrictions on the types services covered by the [telehealth] program have prohibited its broader use. Regarding remote patient monitoring, officials fr another provider association stated that Medicare's valuation methodology for services results in low payment rates for remot patient monitoring, which these officials said remains a principal barrier to the use of these services."

The GAO study found that one of the "coverage restrictions" providers referenced as interfering with widespread use of telehe include the requirement for an "originating site," Medicare's prohibition against telemedicine services rendered in an urban are or in a residence. Currently Medicare will cover remote healthcare services provided in rural areas only.

Tens of thousands claims missing originating site info

The Medicare Payment Advisory Commission (MedPAC) released a report last year revealing that a little over half of the 175, telehealth claims covered in 2014 failed to include an originating site. That omission on its own does not necessarily mean the

claim payments will be reversed (though the Centers for Medicare & Medicaid Services [CMS] is presently reviewing the MedPAC findings), but nearly half of those claims "were associated with beneficiaries living in urban areas," and further, one o the providers heavily using telemedicine (around 2,000 visits in just that year) exclusively saw patients residing in urban settin

However, the rural-exclusivity may not be a fixed thing in Medicare's future. The report states: "While Medicare currently uses telehealth primarily in rural areas or regions designated as having a shortage of health professionals, in the future emerging payment and delivery models may change the extent to which telehealth and remote patient monitoring are available and use Medicare beneficiaries and providers in other areas."

And yet, the CMS does not currently possess convincing projected data for urban expansion, at least with Medicare. The repo goes on to explain: "According to the Congressional Budget Office, the financial impact of expanding telehealth and remote patient monitoring in Medicare is difficult to predict—it may reduce federal spending if used in place of face-to-face visits, but i may increase federal spending if used in addition to these visits."

Telehealth not immune to pragmatic snags

Perhaps unsurprisingly, another frustrating piece getting in the way of providers choosing the telehealth option more often is t infrastructure foundation to any remote patient-provider connection: "access to sufficiently reliable broadband internet service

CMS's alternative payment models in progress should bolster telehealth

CMS is illustrating its commitment to telehealth adoption via modernized payment and service delivery approaches, such as Episode Payment Models, Bundled Payments for Care Improvement models, and Accountable Care Organizations (ACOs), a having the central goal of lowering expenses incurred in Medicare, Medicaid, and the Children's Health Insurance Program (CHIP).

This blog post is provided for educational purposes only and is not offered as, and should not be relied on as, legal advice. An individual or entity reading this information should consult an attorney for their particular situation. For more information/quest regarding any legal matters, please email info@nelsonhardiman.com or call 310.203.2800.