

MedPAC Report Recommends Cautionary Approach to Telehealth Expansion for Medicare

The Medicare Payment Advisory Commission (MedPAC) is an independent congressional agency that advises Congress on issues involving Medicare. Although telehealth has received nods by the government of late (for instance, provisions in the Bipartisan Budget Act that expand telehealth coverage, and Medicare's revision on reimbursement for remote patient monitoring), a report released by the Commission this spring includes a chapter on telehealth that might stir concern in healthcare industry professionals hoping for a more enthusiastic embracing of telemedicine by the Centers for Medicare & Medicaid Services (CMS).

The 21st Century Cures Act of 2016 required MedPAC to furnish Congress with information that addresses the coverage telehealth is afforded under Medicare and under commercial insurers, as well as the ways that policies covering telehealth might be included in Medicare plans. This directive was the impetus behind MedPAC studying telehealth more broadly, in the commercial sector of healthcare.

The chapter of the MedPAC report devoted to telehealth begins with some statistical broad strokes: in 2016, the roughly 300,000 telehealth visits (responsible for \$27 million in physician fee reimbursement) were attended by 108,000 Medicare beneficiaries. The majority of those visits fell under the basic physician office and mental health services umbrellas. Furthermore, the Commission noted that the typical Medicare enrollee availing him/herself of the telehealth platform is also eligible for Medicaid, is under age 65, and is said "to disproportionately have chronic mental health conditions."

MedPAC looking for balance of cost, access, and quality of care

The 563-page report dedicated 30 pages to a discussion of telehealth. The Commission categorized telehealth services in three major ways: those services with clear evidence of balancing cost, access, and quality of care, less clear evidence, and unclear evidence.

Telestroke was used as an example of services exhibiting clear evidence; the MedPAC report said that an increase in CMS costs for telestroke services would be warranted since patients would benefit from access and quality. Also in the clear evidence category were telehealth services for enrollees with medical conditions that require chronic or intensive treatment (for instance, end stage renal disease), or conditions that result in physically debilitating symptoms (such as Parkinson's disease).

In the "less clear" camp were mental health services, despite the large proportion of mental health telehealth services receiving reimbursement for 2016. The Commission saw those telehealth services as having the potential to considerably increase CMS costs, yet the question of "whether the quality of care beneficiaries receive would improve" would still be at issue, even though MedPAC acknowledged that mental health services delivered via telehealth might also offer patients greater accessibility to care.

And finally, those telehealth services viewed by the Commission as having unclear evidence of affording the balance of cost, access, and quality of care were remote patient monitoring, nursing home-based services, and direct-to-consumer (DTC) virtual visits. The report stated that these types of services (and these were just examples; the list is not exhaustive) may expand care access, but would at the same time increase costs, perhaps substantially, without clear evidence that convinced the Commission that a corresponding improvement in care would result.

Overall, telehealth still not broadly utilized

The Commission noted that less than one percent of Medicare beneficiaries enrolled in commercial plans used telehealth in 2016, and also, that the reimbursed telehealth coverage under Medicare when looked at through the lens of all Medicare



reimbursed services is a tiny fraction of the whole. Still, MedPAC had a recommendation for the CMS within the report: that Medicare only consider telehealth services that have been shown to balance cost with access and quality of care. And it is this cautious mindset that may concern telehealth advocates working for deeper expansion into Medicare.

Source: [Medpac.gov](https://www.medpac.gov)

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