

Telehealth connects patients to vital health care services through videoconferencing, remote monitoring, electronic consults and wireless communications. By increasing access to physicians and specialists, telehealth can help ensure patients receive the right care, at the right place, at the right time.

Currently, more than half of U.S. hospitals connect with patients and consulting practitioners at a distance through the use of video and other technology. Almost every state Medicaid program has some form of coverage for telehealth services and private payers are embracing coverage for telehealth services. However, there are barriers to wide adoption of telehealth. For example, Medicare limits coverage and payment for telehealth services, lagging behind other payers. In addition, limited access to adequate broadband services hampers the ability of some rural facilities to deploy telehealth. The challenge of cross-state licensure looms as a major issue. Other policy and operational issues include credentialing and privileging; online prescribing; privacy and security; and fraud and abuse. These issues are discussed in more detail below.

Limited Medicare coverage impedes the expansion of telehealth services. Current statute restricts telehealth services to patients located in rural areas and in specific settings (such as a hospital or physician office), covers only a limited number of services, and allows only real-time, two-way video conference capabilities. Changes needed include: eliminating geographic and setting locations requirements so patients outside of rural areas can benefit from telehealth; expanding the types of technology that can be used, including remote monitoring; and covering all services that are safe to provide, rather than a small list of approved services.

Significant federal and state legal and regulatory issues will determine whether and how providers can offer specific telehealth services. In general, the provision of telehealth services requires compliance with an array of federal and state rules. Legal and regulatory challenges abound in the following areas:

- Coverage and payment;
- Health professional licensure;
- Credentialing and privileging;
- Online prescribing;
- Medical malpractice and professional liability insurance;
- Privacy and security; and
- Fraud and abuse.

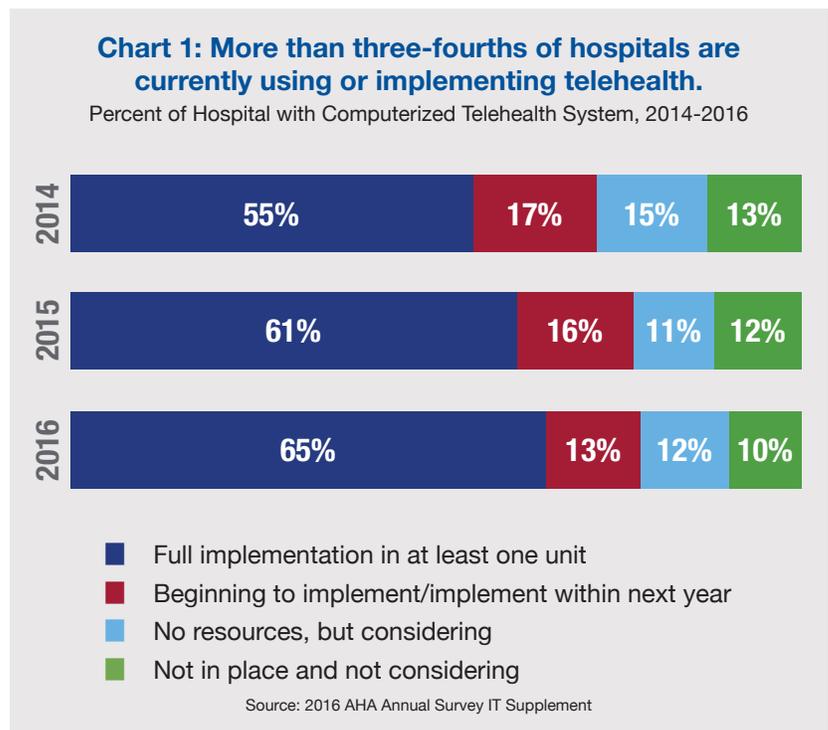
Additional research is needed to evaluate telehealth. Research and experience under the Medicare program suggest that policymakers’ concerns about increased access to telehealth leading to increased spending may be overstated, particularly when weighed against the potential benefits in quality, patient experience and efficiency. However, there are insufficient studies on the cost-benefits of telehealth outside of certain services, such as telestroke. More and better research is needed for other conditions and newer technologies, such as remote monitoring of patients.

Value-based care requires telehealth. The health care field is quickly moving from fee-for-service to a value-based delivery system. Success in new payment models, such as bundling, accountable care organizations, and new physician payment models, will require flexibility to deploy telehealth, particularly as part of care management programs. CMS has shown some willingness to provide waivers, but only in limited circumstances.

Federal programs to expand broadband need to be simplified. According to the FCC, 34 million Americans still lack access to adequate broadband. And, there is a large digital divide, with almost 40 percent of those living in rural areas lacking access. The FCC’s Rural Health Care Program supports broadband adoption, but it is administratively burdensome and provides an insufficient level of subsidy for remote health care providers. Changes to the program would ensure it meets its goal of ensuring that all rural communities have the broadband access they need.

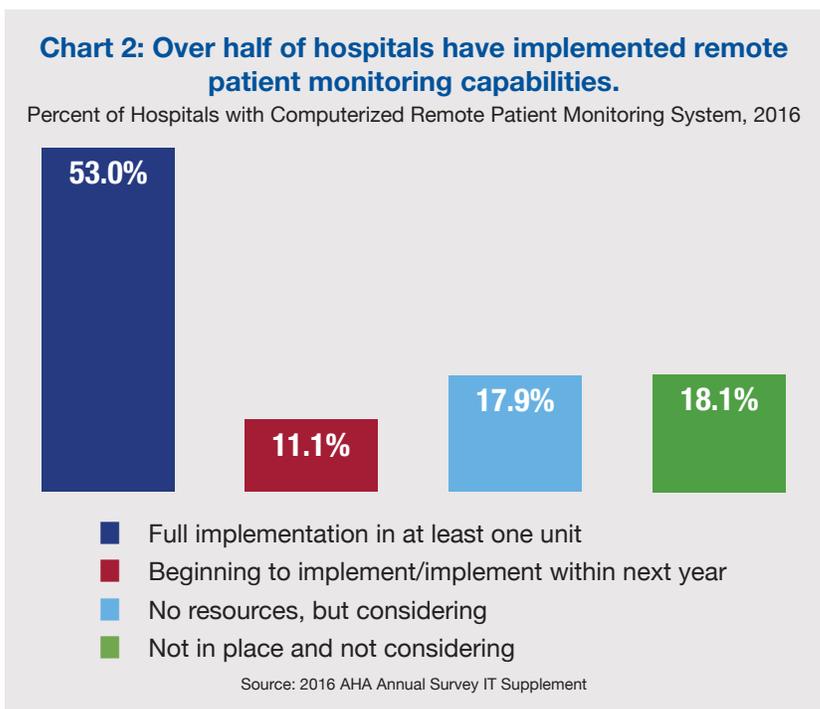
Key Facts

- State policymakers are increasingly focusing their attention on telehealth. Today, 29 states and the District of Columbia have enacted “parity” laws, which generally require health insurers to cover and pay for services provided via telehealth the same way they would pay for services provided in person.
- Medicare reimbursement for telehealth services does not provide adequate compensation to all sites of care. The professional



providing the service, who is at a distant site, is paid under the Medicare fee schedule; however, the facility where the patient is located (originating site) is paid a small “originating” fee of about \$30. While the Medicare statute does not specify which facilities may serve as distant sites, CMS has excluded rural health clinics and federally qualified health centers.

- Hospitals are increasingly using telehealth as shown on Charts 1 and 2.



Board Discussion Questions

1. To what extent is our hospital/health system currently providing telehealth services, including the capability to remotely monitor patients?
2. What benefits do or could our patients, clinicians and organization as a whole experience from the provision of telehealth services? (Sample benefits might include: enhanced care quality, better access to care, greater satisfaction with the patient care experience, lower costs, etc.)
3. How might our capability to provide telehealth services affect our organization’s ability to continue to deliver quality, cost-effective, accessible care for patients?
4. What are the key risks and challenges that affect our organization’s provision of telehealth services and how are we addressing them? (Issues might include: coverage/payment limitations; professional licensure and credentialing issues; online prescribing requirements; malpractice and professional liability insurance coverage; privacy, security and fraud and abuse issues; access to broadband technology, etc.)

For more resources on telehealth, including case studies and research reports, visit www.aha.org/telehealth.