An Update on the Telehealth Policy Landscape

In Missouri, telehealth is defined as “the delivery of health care services by means of information and communication technologies which facilitate the assessment, diagnosis, consultation, treatment, education, care management, and self-management of a patient’s health care while such patient is at the originating site and the health care provider is at the distant site.”

Telehealth has the potential to address gaps in health care for underserved communities and individuals with high health care needs, including rural Missourians. Health care providers’ use of telehealth is impacted by related payment policies, which have often limited reimbursement compared to services provided in person. Recent policy changes at both the state and federal levels have made the policy environment in Missouri more conducive for providers to expand the use of telehealth services and improve access to health care as a result.

The Need for Telehealth

More than 36 percent of Missourians live in rural areas, but only 9 percent of the state’s physicians practice there. Consequently, almost all rural counties are classified as Health Professional Shortage Areas (HPSAs) for primary and mental health care. Specialty health care such as cardiology and oncology is even more difficult to access in rural Missouri. Additionally, since 2014, four hospitals in rural communities have closed.

Due to the scarcity of health care resources, rural Missourians have to travel twice as far for care compared to individuals living in other parts of the state. These consumers often experience longer wait times, have difficulty completing follow-up care and assessments, and are more likely to miss scheduled appointments. When considering the age distribution and chronic disease rates of rural areas, the consumers who face these barriers are also likely to have high health care needs.

1 See MFH publication “Health Care Transformation – Telemedicine: Implications for Missouri” for more background on telehealth models and reimbursement.
2 Analysis uses the Federal Office of Rural Health Policy’s classification where 81 of 115 counties are considered rural.
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Rural Missourians experience significantly higher rates of chronic disease, which is associated with increased health care utilization and higher health care costs. Additionally, older adults make up a greater percentage of the population in rural areas compared to urban areas in Missouri. In 2015, older Missourians accounted for approximately 18 percent of rural residents whereas just 15 percent of the urban population. This is noteworthy because as individuals age, they use more non-recurring medical care such as outpatient services, inpatient hospitalizations, and post-acute care. Therefore, since the population of rural areas is often older and has higher rates of chronic disease, these communities are likely to require frequent health care services despite having limited access.

Telehealth can help alleviate the challenges that high-need consumers in rural areas face in accessing health care. Data suggests that many have started using telehealth, although there is room to increase utilization. Throughout the United States, Medicaid enrollees who live in rural areas are 17 times more likely to use telehealth than beneficiaries who live elsewhere. Older adults and individuals with disabilities who are enrolled in Medicaid are also more likely to use telehealth than other beneficiaries. Between 2014 and 2016, telehealth utilization in Medicare increased but was concentrated among a small group of enrollees and clinicians. Beneficiaries most likely to use telehealth had a disability, lived in rural areas, had multiple chronic and mental health conditions, and were dually eligible for Medicare and Medicaid.

Research on the effectiveness of telehealth’s ability to produce better health care outcomes is mixed. Study results vary depending on the target population, measured outcome, and type of intervention. Some telehealth programs have reduced emergency room visits, inpatient hospitalizations, and nursing facility stays. Promising interventions for high-need populations include remote patient monitoring, caregiver support, behavioral health care, and chronic disease management. These programs could improve access to health care for individuals who are homebound and also allow older adults to live in their homes and communities longer.

Policy Environment

Providers’ uptake of telehealth and consumers’ realization of these benefits has been challenged by policies that limit reimbursement. There have been few federal regulations pertaining to how telehealth is administered in states’ Medicaid programs, and Medicare reimbursement for

telehealth has been limited. Thus, the policy landscape for telehealth varies drastically by state. In 2018, there were policy developments in Missouri and at the federal level that expanded reimbursement for telehealth.

**Federal Level**

Medicare has traditionally covered a limited set of telehealth services in rural areas. Services must occur in real-time, eliminating asynchronous telehealth. Telehealth also had to be provided at a qualifying health care facility (physician’s office, hospital, rural health clinic, etc.) that is located in a HPSA or outside of a Metropolitan Statistical Area.

On February 9, 2018, Congress passed the Creating High-Quality Results and Outcomes Necessary to Improve Chronic Care Act (CHRONIC) Care Act. The CHRONIC Care Act aims to better coordinate care for individuals with one or more comorbid and medically complex conditions who are at risk of hospitalization or other adverse health outcomes. Several provisions expand use of telehealth reimbursement as a mechanism to help achieve the desired delivery system coordination.

Starting in 2020, the CHRONIC Care Act will allow telehealth services to qualify as supplemental benefits for chronically ill beneficiaries who are enrolled in Medicare Advantage (Medicare’s program for private health plans) or a Medicare Accountable Care Organization (ACO). ACOs are groups of providers such as hospitals and physicians who share financial accountability for the cost and quality of care delivered to patients. In 2017, 19 million beneficiaries were enrolled in Medicare Advantage and 12 million participated in an ACO. Telehealth services for individuals in these programs will not be subject to geographic restrictions nor required to be administered in a qualifying facility.

Additionally, effective in 2019, the CHRONIC Care Act will allow reimbursement for certain telehealth services in traditional Medicare, which covers the majority of beneficiaries (57 million). Providers may administer clinical assessments using telehealth for beneficiaries who receive home dialysis treatment. In addition, telestroke services will no longer be restricted by geographic location.

**State Level**

Telehealth reimbursement in Missouri’s Medicaid program (MO HealthNet) has historically been fairly restrictive based on the type of services, patient location, and health care provider. MO HealthNet only reimbursed telehealth services that were provided by specific clinicians (physicians, advanced practice registered nurses, dentists, psychologists, etc.) at certain clinical settings (hospital, clinics, mental health centers, long-term care facilities, etc.). MO HealthNet also only covered interactive audio-video.

Legislation passed in the 2018 General Assembly (HB1617) that expanded telehealth in MO HealthNet. The statute establishes that “any licensed health care provider shall be authorized to

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provide telehealth services if such services are within the scope of practice [...] and are provided with the same standard of care as services provided in person.”

The bill largely removes restrictions based on where telehealth services are provided and designations about which providers can administer the services. Providers are now eligible for reimbursement of telehealth services that are provided in non-clinical settings, such as homes and schools, as long it meets providers’ standard of care. Additionally, MO HealthNet now allows “asynchronous store-and-forward,” the electronic transfer of patient records (including digital files such as photos, documents, videos, etc.) from one provider to another without the providers accessing the data simultaneously.

Future Implications
Despite recent policy developments, challenges to telehealth expansion remain. Some of the same challenges to providing in-person health care in rural areas also impact the provision of telehealth services. While the CHRONIC Care Act encourages broad use of telehealth in Medicare Advantage and ACOs, these programs often do not reach rural beneficiaries. In 2017, 24 percent of rural beneficiaries were enrolled in a Medicare Advantage plan compared to 36 percent of urban beneficiaries. In 2016, 19 percent of rural Medicare beneficiaries participated in an ACO compared to 24 percent of urban beneficiaries. Therefore, it is necessary to also expand the scope of reimbursable telehealth services in traditional Medicare in order to reach the majority of underserved older adults. Other challenges to providing telehealth in rural areas include provider shortages and lack of broadband availability.

Estimates show that 20 percent of the state’s population does not have access to high-speed internet (25mpbs/3mbps). Rural residents and older adults are less likely to have broadband in their homes. Previous broadband efforts through the MOBroadbandNow initiative used 19 separate regional planning commissions to develop strategic plans. Going forward, the new Missouri Broadband Office will need to create a statewide structure for collaboration across state agencies, community representatives, and industry stakeholders. The 2018 General Assembly passed legislation to create a broadband grant program (HB1872). The Federal Communications Commission (FCC) also awarded more than $250 million to develop broadband networks in Missouri. It will be crucial to have a centralized place for coordination of these efforts with representation from the health and social service sectors for perspective on the impact to telehealth expansion.

Physicians must be licensed in each state where they provide care. Providers may be discouraged from fully leveraging telehealth capabilities due to the administrative burden of submitting applications to multiple states and waiting months for approvals. To streamline the process, the Missouri General Assembly could adopt legislation to join the Interstate Medical Licensure Compact (IMLC). The IMLC aims to expedite licensing approvals and reduce paperwork for physicians in its member states. In 2015, the Missouri Board of Healing Arts’ General Counsel expressed concern about the compact’s governance, the state’s loss of autonomy in making licensing decisions, and the potential startup costs. In the past few years, more states have joined the compact and its governance has become more solidified.

Subsequently, the 2018 General Assembly’s legislation (HB1617) updated the statute, and MO HealthNet issued an updated provider bulletin (Vol. 41 no 20) in October 2018 and withdrew all previously restrictive rules.
Additionally, other IMLC member states estimate that the increased physician applications and associated fees will recoup initial costs of joining the IMLC. Participation could incentivize more out-of-state providers to make telehealth services available to Missourians. The IMLC could also increase patient volume for providers located in Missouri. This may be particularly beneficial for rural providers who often have low patient volumes that make it financially challenging to operate.

Conclusion
Compared to urban areas, rural communities have an older population and higher rates of chronic disease. Both factors are associated with increased health care needs, but these areas also have limited access to care. Telehealth has the potential to overcome the challenges in accessing health care; however, narrow reimbursement has not incentivized providers to expand their use of telehealth and has also prevented many underserved Missourians from experiencing the technology’s benefits.

Policymakers recently improved the landscape for telehealth expansion by allowing telehealth in certain types of Medicare plans and removing MO HealthNet restrictions on reimbursement. State policymakers have the opportunity to leverage this progress to improve access to health care for high-need patients and underserved communities in the state. In order to achieve this objective, though, policymakers must not lose sight of a broader issue – the lack of infrastructure in rural areas – and recognize its associated health impacts. Further improvements will be needed for telehealth to reach the people who are most in need of care.

References


