

Telemedicine in Texas: Access, Convenience & Cost-Savings

Overview

Health care costs in Texas and across the country are soaring at unsustainable rates. As it stands, one-sixth of the national economy is devoted to health care spending (\$3.1 trillion in 2014 alone). Experts agree that as much as 30 percent of health care spending is wasteful, inefficient or redundant. For every \$6 spent, \$1 is on health care; by 2024, every \$1 out of \$5 will be spent on health care.

The health insurance industry in Texas is focused on managing these rising costs, keeping health care affordable for consumers, and ensuring access to high-quality care. One of the most important tools available is the use of telemedicine to improve the patient experience, offer substantial cost savings, and increase access to care.

Greater use of primary telemedicine for simple, uncomplicated health care needs provides health plans with the opportunity to see that patients receive quality care at their convenience in a way that saves money for consumers and their employers.



Health Insurance Trends in Telemedicine

Health insurance plans, such as Cigna, Aetna, United, and the new startup Oscar Health, have been increasingly incorporating telemedicine in recent years because of its success in improving access, reducing costs, and enhancing patient satisfaction.

Telemedicine provides more convenience and greater access to consumers, which increases their satisfaction, improves their health, and eliminates unnecessary high-cost visits to more expensive medical facilities, such as the emergency room. Consumers are increasingly seeking out telemedicine services. It has been projected that telehealth services will rise from 19.7 million visits in 2014 to 158.4 million by 2020.

As many as 15 million people in the United States used telehealth services in 2014, up 50 percent from 2013, according to the American Telemedicine Association. Currently, hundreds of thousands of Texans have access to telehealth through their health plans. One of the nation's largest insurers, United, began offering telemedicine visits in 47 states in 2016, expecting to offer these services to more than 20 million customers. Oscar, a new health insurance company selling product in Dallas, is offering unlimited access to telehealth with no co-pays or deductibles for all of their enrollees.

Employers are seeing the benefits of telemedicine as well. In 2016, it is expected that more than 75 percent of large employers intend to include telemedicine in their health coverage to employees.

There are a number of factors that make Texas a likely and strong market for telemedicine. Access to care is a crucial problem, with Texas leading the nation in the number of uninsured and consistently achieving low marks for doctors per capita. The Texas Medical Association reports that there are about 186 physicians for every 100,000 residents, falling far below the national average of 236 per 100,000.

Telemedicine creates efficiencies that allow Texas-licensed physicians to treat more patients. It expands the reach of physicians into every corner of our vast and diverse state. Unfortunately, the State of Texas has not been quick to embrace and expand the use of telemedicine. These hindrances come at a time when many Texans are forced to travel long distances or wait days or weeks to see a physician. Texas' critical physician shortage is not just limited to rural areas; urban areas across the state are also experiencing shortages and seeing long waits to see primary and specialty care providers.

Health plans are looking for ways to expand, not limit, the use of telemedicine in Texas and so are the employers they serve. On the national level, powerful economic, social, and competitive forces have fueled the quick market adoption of telemedicine, including, most notably, the growing consumer demand for more affordable and accessible care. Telemedicine brings increased access, choice, and convenience to consumers. As a result, consumers are increasingly using and seeking out these services, and employers and health plans are rapidly adopting and expanding access to these services. The private market is working to ensure consumers have access to telemedicine. The Texas Association of Health Plans does not support limiting access to or stifling the growth of telemedicine through overly restrictive regulations or benefit/rate mandates that encourage inappropriate utilization and increase premium costs for individuals and employers.

Benefits of Telemedicine to Health Plans and Enrollees

Expanded Access

- Independent studies have shown that 34 percent of the visits for one large provider of telemedicine services occur on weekends and holidays.
- 21 percent of visits to the same provider were made by patients who had not used health care in the prior year and were not connected to other providers.

Effective, Quality Care

- Independent studies have shown that in the 30 days following a diagnosis and treatment through a telemedicine visit rather than at an ER, a patient is 34 percent less likely to require additional care for the same condition at a "brick and mortar" office, and 68 percent less likely to seek treatment at an ER.
- Only 6 percent of telehealth visits resulted in a follow-up visit, indicating low levels of misdiagnosis or treatment failure.

Reduced Use of Emergency Care

- The Center for Disease Control has calculated that almost 80 percent of ER visits are due to the lack of access to other health care providers.
- Data released by the University of Rochester Medical Center found that telemedicine eliminated nearly 1 in 5 emergency room visits.

Cost-Effective Care

- A visit to one, well known telehealth provider is just 27 percent of the cost of a traditional primary care physician (PCP) visit and only 2 percent of the cost of going to an emergency room, based on national average visit costs estimated by the Agency for Healthcare Research and Quality.
- Telehealth cost savings for patients, employers, Medicare and Medicaid are substantial. Notably, 80% of emergency room visits are due to lack of access to PCPs. Telehealth improves emergency room access for true medical emergencies by reducing unnecessary visits.

The Future of Health Plans and Telemedicine in Texas

Telemedicine Should Be Acknowledged, But Not Mandated Under State Law

- Access to appropriate and timely health care services is essential to improving the quality of health care delivered to patients. Telemedicine is especially valuable in addressing provider shortages, whether in rural areas or where limitations on certain specialties create access challenges. The evolving use of this technology also increases access to providers within health plan networks, which addresses network adequacy in a way that is more convenient for patients.
- Telemedicine has the potential to be effective in a variety of settings, although focusing efforts where communities can most benefit should be considered. Mandating that all insurance policies provide telemedicine services is unnecessary and has the potential to increase costs for all customers. Telemedicine may take a variety of approaches, some that may involve significant investment and some that may utilize a patient's own home computer or smart phone. Mandating the use of such technology is not practical until health plans have incorporated the right type and scope of technology that makes sense for the health plan, the providers, and patients.
- Telemedicine may require technology investment and privacy standards by the originating site, the telemedicine service provider, and/or the distant site practitioner. An evaluation of the availability of existing telemedicine system capabilities and potential cost impacts on the health systems should be done prior to developing legislation or regulation.

- Health plans may include telemedicine services in a variety of ways within health plan networks. Health plans should have the ability to ensure telemedicine services meet each of their high internal quality standards for care given to enrollees. This is another important reason why mandating such services may not be prudent. Moreover, health plans may need to limit telemedicine services to contracted providers in order to provide high-quality services, through secure and private technology, rather than allowing any or all telemedicine providers to see health plan enrollees. This would also minimize fraud and abuse by allowing plans to conduct necessary oversight and ensure appropriate controls and safeguards are in place.

Texas Should Support Choice and Flexibility in Telemedicine Technology Use

- Telemedicine legislation should not be prescriptive regarding the technology that providers and patients must utilize. With telemedicine technology continually evolving, a state mandate for a particular type of technology for telemedicine services would limit the options available and those that are still evolving. These programs and policies are being designed around the needs of patients, providers, and health plans. They should not be limited by current standards, but rather should have the flexibility to evolve as newer modalities become available.
- All telemedicine services must ensure that the technology utilized complies with the Privacy and Security Rules of the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations (45 C.F.R. Parts 160 to 164) (HIPAA). Use of common mobile and/or web-based tools/applications (apps) to provide telemedicine services may put individuals' protected health information (PHI) at risk. The technology that such services are provided through must not compromise patient privacy and sound medical practice protocols.

Texas Should Remove Artificial Barriers to the Use of Telemedicine

- In-Person Visits: An in-person visit should not be required prior to the use of telemedicine services if it is determined that high quality of care can be maintained without it. There may be cases, however, where an initial in-person visit is necessary. For example, in the event that the patient's physician or a distant site practitioner determines that an in-person visit is needed prior to the use of telemedicine, then clinical decision-making should prevail.
- Mandating the Use of Clinical Origination Sites or Distant Site Practitioners: There may be times when a telemedicine service needs to be provided at an authorized clinical site, and there are also cases when the service modality can be used effectively in non-clinical settings. Therefore the use of clinical origination sites or distant site practitioners should not be mandated. In all cases, it is necessary to ensure patient safety and to provide high quality of care and to ensure that telemedicine technology protects patients' privacy according to HIPAA standards. Legislation should acknowledge the various types of telemedicine that are available and not require stringent location requirements that may hamper the ability for telemedicine to meet patient needs

Reimbursement Policies for Telemedicine Should Not Be Confused with Routine Patient Customer Service

- Reimbursement for telemedicine must be limited to actual clinical services and not for routine customer service needs. There are often times when patients will call or email a physician to ask follow-up questions. For example, patients or pharmacies will call providers to authorize additional refills for prescription drugs or ask a follow-up question on treatment that has been provided. These types of communications are part of a routine service provided to a patient that exists as part of ongoing care management. This is not considered telemedicine and is not appropriate for separate reimbursement.