ONE-PAGER   *Published March 30, 2015 · 4 minute read*

Executive Summary: Make Telehealth an Easy Way for Patients to Get Care

David Kendall
Senior Fellow for Health and Fiscal Policy
🐦 @DavidBKendall

Purva Rawal, PhD

Feeling sick doesn't restrict itself to regular office hours. Why should health care? Under stress, and often after regular business hours, patients experiencing acute symptoms make snap decisions to go to the ER because they are fearful and have few other choices. Or they may delay needed care until "normal business hours." This results in exorbitantly high medical costs for patients who actually only needed non-emergent care.

What if people could get care anytime from the comfort of home? Available 24 hours a day, 7 days a week, personalized "telehealth" sessions allow patients to connect to providers via phone or a webcam and discuss their current conditions. Through these virtual sessions, a nurse or physician evaluates the patient using real-time audio and video tools and determines the next steps for care that can range from monitoring symptoms to issuing a prescription or, in some cases, referring the patient for follow up care. In addition to increasing patient satisfaction, expanding use of telehealth would also save money by shifting care from high cost settings like emergency rooms to the much lower cost of

telehealth services. But persistent barriers remain in states and throughout Medicare and Medicaid that prevent telehealth from keeping the promise of better health and better cost.

This idea brief is one of a series of Third Way proposals that cuts waste in health care by removing obstacles to quality patient care. This approach directly improves the patient experience—when patients stay healthy, or get better quicker, they need less care. Our proposals come from innovative ideas pioneered by health care professionals and organizations, and show how to scale successful pilots from red and blue states. Together, they make cutting waste a policy agenda instead of a mere slogan.

What Is Stopping Patients From Getting Quality Care?

The problem is straightforward: telehealth adoption has lagged behind its promise due to regulatory and payment barriers that haven't caught up to new technologies and payment methods. No two states define or regulate telehealth in the same way, and inconsistencies often exist within states. Medicaid policies defining and paying for telehealth differ across states, and federal law, including Medicare, has multiple definitions of telehealth that severely restrict its use and reimbursement. Finally, private plans do not consistently reimburse for telehealth across state lines.

Where Are Innovations Happening?

Telehealth innovations complement traditional, provider-centric health care services and help to create a patient-centric delivery system by extending outside of provider offices. Successful examples include:

- **LiveHealth Online** connects patients with physicians and providers at times when appointments may not be available. Anthem health plans are offering LiveHealth Online services to members as an alternative to emergency room and urgent care, which cost more. Enrollees can contact providers via live audio/video and chat in the convenience of their homes or workplaces. Typical telehealth encounters through LiveHealth Online are for colds and related viruses, allergies, infections, and wellness questions. The telehealth encounter may be shared (with patient permission) with a patient's primary care doctors to facilitate care coordination.

- **Project ECHO (Extension for Community Healthcare Outcomes)** started at the University of New Mexico in 2003, and has since expanded national and globally, to manage numerous, complex chronic conditions by linking primary care practices to specialty treatment so that front-line providers have the necessary knowledge and support to manage complex conditions. Today, the program is used to treat numerous conditions including diabetes, asthma, rheumatoid arthritis, behavioral health, and chronic pain.

- **Arkansas e-Link** started in 2003 as a support mechanism for high-risk pregnancy consultations. Today, the program covers multiple medical specialties and patient populations with the primary aim of providing interactive video medical consultations for patients, local providers, and remote specialists.

- **The Veterans Administration (VA)** provided nearly 1.5 million telehealth episodes of care in Fiscal Year 2012, with 35% of veterans enrolled in home telehealth services, such as monitoring and managing diseases in home and with the use of mobile devices for acute and chronic care management as well as health promotion and disease prevention.

How Can We Bring Solutions To Scale?

Federal policymakers, state governments, and private health plans all have a role to play in increasing access to telehealth services throughout the nation by:

- Eliminating restrictive state policies, which could significantly increase the use of telehealth—especially at a time when providers are seeking high-value ways to coordinate care for patients across settings.

- Modernizing Medicare and Medicaid payment policy for telehealth.

- Authorizing the use of telehealth for populations served under value-based payments, which could accelerate the adoption of technologies that engage patients in their care to avoid the use of intensive, often costly, services.

Potential Savings

A growing body of evidence finds cost savings from the use of telehealth programs that move care to more appropriate and lower cost settings, especially for individuals with chronic conditions. One study estimates $45 in savings for each Medicare telehealth visit and $126 for each commercial insurance telehealth visit. Health Buddy, which uses a telehealth tool to provide care management to patients at home, saves Medicare 8 to 13% per beneficiary per quarter (or $312 to $542 per beneficiary per quarter).

TOPICS

MEDICARE/MEDICAID 53