

Policy Tip Sheet

POLICY ANALYSIS FROM
THE HEARTLAND INSTITUTE

Telehealth Provides Affordable and Accessible Care

Problem

Telehealth—the use of information technology to remotely diagnose, treat, or monitor patients—can transform health care by making it more affordable and available. Unfortunately, government regulations (such as strict licensing standards) and inability to properly reimburse doctors providing telehealth services are preventing telehealth from becoming widely available.

Policy Solution

States should reduce regulatory barriers to telehealth providers. Some reforms lawmakers should consider include allowing practitioner-patient relationships to be established remotely and requiring health care payers, such as insurance companies, to provide reimbursements for telehealth services at the same rates as comparable in-person services.

In Georgia, two new laws provide good models for other states trying to implement telehealth services. Both laws address many of the uncertainties and concerns telehealth providers typically experience.

The first new law, introduced as [Senate Bill 115](#), allows health care providers in other states to treat Georgia patients if these providers meet all applicable state telehealth laws. The reforms also limit providers to telemedicine and do not allow them to provide in-person care. Although some are concerned doctors from states with lower licensing standards would provide lower quality care, competition will quickly weed out bad actors and most patients receive quality care.

Indeed, [a study from the American Journal of Managed Care](#) found telehealth patients score lower for depression, anxiety, and stress, and have 38 percent fewer hospital admissions. A 2018 study from the Agency for Healthcare Research and Quality also found telehealth is clinically effective.

The second reform, [Senate Bill 118](#), clarifies how the state defines telehealth and sets new guidelines for how telehealth providers are paid. S.B. 118 establishes telehealth as occurring in the state where the patient is located for licensing purposes. It also defines remote monitoring as telemedicine and widens the scope of telehealth technologies to a wide array of communications mediums; ensuring future developments will be included.

The new law also addresses the important issue of payment parity, S.B. 118 requires payers to cover telehealth services “on the same basis and at least at the

rate that the insurer is responsible for coverage for the provision of the same service through in-person consultation or contact.” It also bans annual or lifetime caps on reimbursement and any insurer from requiring telehealth over in-person care.

Several states have passed or considered legislation unleashing the telehealth market so providers can employ this technology. In 2017, New Jersey and Vermont passed laws providing telemedicine payment parity. In Texas, rules were passed in 2017 that enable Texas practitioners to use telehealth services.

Policy Message

Point 1: Currently, 200 telemedicine networks with 3,500 service sites are in operation across the United States, and the number of telehealth providers is only expected to grow.

Point 2: Telehealth is popular with patients. For example, among telehealth patients receiving services on a mobile app, 80 percent preferred telehealth compared to a traditional in-office encounter, a [2016 study by West Monroe Partners](#) reveals.

Point 3: The U.S. Department of Veterans Affairs (VA) was able to reduce “the number of bed days of care by 25% and the number of in-hospital admissions by 19% using home-based video visits,” as noted in a recent VA study.

Point 4: Over the past year, the Centers for Medicare and Medicaid Services have increased the use of telehealth for Medicaid patients.

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For more information, contact The Heartland Institute at 312/377-4000 or by email at governmentrelations@heartland.org, or you can visit our website at www.heartland.org.