

A decorative graphic on the left side of the page. It features a stethoscope in shades of blue and green, overlaid on a background of binary code (0s and 1s) and a grid pattern. A thick, dark blue curved line separates this graphic from the white text area.

Impact of Telehealth Policy and Reimbursement Changes in Response to COVID-19

The CARES Act and Beyond

April 8, 2020

Executive Summary

On March 27, Congress passed the \$2 trillion [federal stimulus package](#) – the **“Coronavirus Aid, Relief, and Economic Security Act” (or “CARES Act”)** – which was signed into law by the President. Although the most notable part of the legislation for provider organizations (especially in the near-term) is [the \\$100 billion in relief funding](#), the **CARES Act also includes provisions aimed at encouraging use of – and reducing barriers to – telehealth.**

Specifically, the CARES Act **eases some of the reimbursement requirements for telehealth services provided to Medicare patients and expands the authority of the HHS Secretary to waive certain other telehealth restrictions during the crisis.** The Act also allows high-deductible health plans with an HSA to **cover virtual or remote services before the deductible is reached** – and **appropriates funding that the federal government can use** to invest in efforts to improve telehealth access and infrastructure. (For a complete list of telehealth-related provisions in the CARES Act, we recommend [this summary from the American Telemedicine Association.](#))

Additionally, the [FCC recently announced plans to use \\$200 million from the economic stimulus package to help organizations across the country expand telehealth services during this crisis.](#) The program will fully fund provider purchases of telecommunications, information services, and connected medical devices to provide remote services. This program is available to non-profit organizations at this time with an emphasis on those that help low-income Americans and veterans.

With such a rapidly evolving crisis though, **it is important to note that the CARES Act passed by Congress is only one of the vehicles driving telehealth policy and reimbursement changes.** The Centers for Medicare & Medicaid Services (CMS), individual states, and some private payors are *also* implementing important telehealth changes to respond to the COVID-19 pandemic – many of which were enacted weeks before the CARES Act was signed into law. See chart below.

Recent Telehealth Policy / Reimbursement Changes in Response to the COVID-19 Pandemic

Congress	States
<ul style="list-style-type: none"> Passed the \$2 trillion CARES Act (click here for a list of telehealth-specific provisions) Future legislation is possible to provide additional relief during the emergency period 	<ul style="list-style-type: none"> Expansion of Medicaid coverage for telehealth services continues to be at the state level Many states are broadening Medicaid telehealth reimbursement to cover uninsured patients for COVID-19 testing, treatment, and recovery

CMS (Medicare changes)

- Nationwide reimbursement for telehealth services including services into the home
- Prescribing ability for controlled substances via telehealth without a prior in-person evaluation
- Relaxed HIPAA regulations to ease access to deliver telehealth services (i.e., allows use of everyday video conferencing solutions like FaceTime, Zoom, etc.)
- Provider medical licensing and practicing across state lines is now allowed, but state laws also govern so providers need to verify state regulations

Private Payors

- Commercial payors are increasing telehealth coverage and will likely follow Medicare
- Some states are working on legislation to facilitate or mandate private payor reimbursement for telehealth services

Impact Advisors' Point of View

Telehealth has rapidly become a first line of response against the pandemic and a vital tool for remote care delivery while preventing human exposures. Providers, patients, and payors alike have all had to get comfortable with brand new telehealth use cases in an *extremely* short period of time (and without any preparation). **Near-term, the variety of policy and reimbursement changes being enacted by Congress, federal agencies like CMS, individual states, and some private payors will at least help providers receive standard “in-person” payment rates for a broader scope of services delivered virtually during the crisis.**

More telehealth policy and reimbursement changes have occurred in the last few weeks than the last 10 years and new changes will continue to be announced as this crisis continues. Additionally, some state laws may supersede new CMS policies, so understanding and navigating the federal and state regulatory impacts to reimbursement can be an on-going challenge for organizations. **Organizations should identify a resource that can focus on these on-going policy and regulatory changes and the impacts to their organization to fully maximize reimbursement opportunities.**

Longer term, there is no way of predicting what the “new normal” will look like for health delivery *after* COVID-19. **This pandemic is certainly shifting the paradigm of *where* care is delivered – which will have a lasting impact on the telehealth regulations currently being enacted at the federal, state, and private payor level.** While most of those telehealth policy and reimbursement changes technically only apply for the duration of the emergency period, it is possible – perhaps even likely – that many will ultimately be extended *beyond* COVID-19, fueled by a greater understanding of the value of virtual care in the wake of an unprecedented public health crisis. As such, **having a clear understanding of the rapidly evolving telehealth policies at the federal, state, and private payor level will not only help providers navigate reimbursement *during* the COVID-19 pandemic, it will also be critical for the transition into a sustainable future after this crisis eventually subsides.**

About Impact Advisors

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