

## COVID-19 Illuminates Telehealth's Opportunities for Rural Healthcare

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**R**ural hospitals and health systems are increasingly using telehealth to expand access, enhance quality, and improve the patient experience. Telehealth has been proven to help minimize barriers to care for those who live far away from specialists or have transportation or mobility issues, provide an alternative way for doctors to monitor patients' chronic conditions, and even help with emergency care, among other benefits.

Currently, 25 percent of U.S. rural hospitals are at a high risk of closing unless their financial situations improve. These hospitals represent more than 222,350 annual discharges, 51,800 employees, and 8.3 billion in total patient revenue.<sup>1</sup> Rural hospitals need to be thinking of creative solutions to keep their doors open and telehealth is one way to deliver more cost-effective care.

Increasing access to telehealth has become a priority in the recent healthcare environment. Starting this year, Medicare Advantage plans now have the option of

<sup>1</sup> David Mosley, Daniel DeBehnke, Sarah Gaskell, and Alven Weil, *2020 Rural Hospital Sustainability Index*, Guidehouse, April 8, 2020.

### Key Board Takeaways

Rural hospital and health system boards should consider the following:

- As a result of COVID-19, the federal government is working to ease regulatory barriers to broad telehealth adoption suggesting the pandemic may be the tipping point to telehealth at scale. How is your hospital/health system using telehealth during the COVID-19 crisis? How might this help expand access and improve patient perceptions of telehealth post-pandemic? What would be required to make this the new normal?
- Despite mounting evidence to support the efficacy of telehealth, both cumbersome regulatory requirements and concerns regarding reimbursement have contributed to physician hesitancy. COVID-19 provided a unique opportunity to offer physicians real-time training. Did your organization provide broad training to physicians on telehealth modalities?
- CMS has significantly relaxed telehealth requirements such as waiving the requirement of a "prior relationship" to initiate virtual visits. How has your organization leveraged the new rules? Virtual visits are not only cheaper and faster, in some populations such as behavioral health, pediatrics, and chronic disease, telehealth represents the only option in rural markets. What services and departments could benefit the most from increased use of telehealth at your hospital/health system?

paying for additional telehealth benefits for at-home patients. And with the current COVID-19 crisis, regulations are being relaxed as telehealth becomes a critical avenue to provide care outside the four walls of the hospital. This could be a game-changer for telehealth in rural communities. More patients are utilizing telehealth than ever before, which may lead to more people being comfortable using this technology post-pandemic. The CARES Act, the Coronavirus Aid,

Relief, and Economic Security Act, is also providing \$50 million for healthcare IT, with HHS noting that telehealth investments do qualify for federal relief under the CARES Act.

Boards and senior leaders should keep informed of the changes to telehealth regulations, how the technology is currently being used in their hospital/health system, and what opportunities telehealth could provide in the future. This article focuses on the role and challenges

of telehealth and provides recommendations for getting more people in rural communities to increase adoption.

## The Role and Challenges of Telehealth

Telehealth is critical in improving healthcare access, convenience, affordability, and overall care management for Americans as part of U.S. healthcare’s broader “new front door” revolution. However, despite a maturing industry and ever-widening access, consumer adoption of telehealth has remained low. The reasons behind telehealth adoption challenges are varied, and we believe a multi-faceted approach will address these barriers.

Despite telehealth’s promise, the industry still faces challenges:

- 1. Confusion regarding telehealth’s definition:** Unfortunately, there’s still confusion on what

- Only 10 percent of individuals in 2018 reported using telehealth in the past year.
- However, many expressed willingness to use telehealth for a variety of healthcare needs: 26 percent would be willing to use it for a minor medical event, 25 percent for management of a chronic condition, and 40 percent for general wellness advice.
- This varied heavily by generation:
  - » 31 percent of millennials vs. 26 percent of boomers would use telehealth for a minor medical event
  - » 30 percent of millennials vs. 23 percent of boomers would use telehealth to manage a chronic condition
  - » 48 percent of millennials vs. 37 percent of boomers would use it for general wellness advice

Source: 2018 Oliver Wyman Consumer Survey of U.S. Healthcare.

constitutes telehealth. Many healthcare organizations have amorphous definitions of telehealth. Yet others limit it to tele-visits alone. This causes confusion around telehealth ownership and the extent of services offered by each organization, which has a trickle-

down effect on coverage and reimbursement.

- 2. Lack of a seamless solution for consumers, providers, and health plans:** While new solutions are entering the market, a truly seamless, easy-to-use solution is yet to be designed. Consumers want

### Exhibit 1: Five Challenges behind Telehealth Adoption

**A CONFUSING DEFINITION** with vague descriptions of ownership, services, and limitations that affect coverage and reimbursement



**NO SEAMLESS SOLUTION** where consumers access info in one click or tap

**CONSUMERS ARE SKEPTICAL** and lack trust in doctors on screen



**ONEROUS LICENSING AND REGULATORY REQUIREMENTS** that vary by state and provider site level

**LACK OF TRAINING** on how and when telehealth can be most effective, and for what



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something simple they can access at the click of a button or tap of an app. Most existing solutions, however, require patients to enter a significant amount of data prior to their first visit, do not share information with other platforms (like provider electronic health record systems), and can be confusing to navigate.

3. **Consumer skepticism:** Focus groups conducted by Oliver Wyman have demonstrated consumers continue to question telehealth's value. Some don't trust a doctor on the screen, while others view it as a burdensome extra step in the process (believing that the doctor will just need to see them physically anyway). These attitudes have significantly impacted adoption, which has hovered at 10 percent.<sup>2</sup> Adoption for Medicare beneficiaries is significantly worse, at less than 0.3 percent.<sup>3</sup>
4. **Onerous licensing and regulatory requirements:** While significant progress has been made regarding telehealth licensing in recent years, licensing requirements can still vary state-to-state, and many hospitals are required to credential providers on a site-level basis. Given how cumbersome the process can be, some providers shy away from practicing telemedicine, further impacting access and adoption.
5. **Lack of training on how to use telehealth:** Even if providers have access to telehealth, there is a general lack of training on how and when telehealth can

be deployed most effectively, and for what conditions. Care must be taken to ensure telemedicine is being balanced with the human touch that medical care requires to avoid cases where physicians could deliver sensitive news through telehealth channels.<sup>4</sup>

Overcoming these challenges will require a coordinated, consistent effort from all stakeholders within the healthcare system. Support in the form of the right regulations, government grants, and other such federal and state assistance can play an important role in clearing these barriers and putting telehealth on equal footing as a critical area of healthcare innovation.

## Six Recommendations for Securing Better Adoption

1. **Invest in adoption in addition to access.** While many Americans now have access to some form of telehealth, adoption has still been low. These low adoption rates are driven by a variety of factors, including lack of awareness of telehealth options, discomfort with not seeing a doctor in person, and an experience that often requires consumers to download an app, remember their login information, and enter medical history information.

Despite these challenges, our research shows consumers are starting to see telehealth's benefits. In our most recent national survey of consumers, 35 percent of respondents said they would be willing to try telehealth, an increase of 12 percent from when we asked the same question back

in 2015.<sup>5</sup> Our research also shows once a consumer has experienced telehealth services for the first time, comfort level grows significantly and there is a much higher willingness and desire to use those services again. This could lead to increased usage of telehealth in the future, especially since more and more patients are being encouraged to utilize telehealth due to the current COVID-19 pandemic.

Importantly, consumers will not default to telehealth for everything. There are certain use cases where consumers feel telehealth is a non-starter because it implies a sacrifice in the level or quality of care, like high-acuity conditions.

The development of policies and funding programs that promote innovation in the telehealth experience can help secure adoption. These could take many forms, including innovation challenges, higher federal reimbursement for telehealth services that meet certain requirements for being consumer-friendly, or investment in public awareness campaigns regarding telehealth.

2. **Reduce the risk for health plans and health systems in aggressively deploying telehealth.** Over three-quarters of hospitals are currently using or implementing telehealth, according to the American Hospital Association. This rapid increase in utilization in acute settings is in part attributed to telemedicine's capacity for improved quality of care, patient outcomes, and cost efficiencies. Despite its advantages, telemedicine comes with liability risks. As telemedicine continues to push new healthcare boundaries at an impressive rate, more and more information emerges about specific legal risks when using virtual

2 John Rudoy et al., *Waiting for Consumers*, The Oliver Wyman 2018 Consumer Survey of U.S. Healthcare.

3 Jacqueline LaPointe, "Medicare Reimbursement Rules Limit Telehealth Adoption," *RevCycleIntelligence*, November 26, 2018.

4 Julia Jacobs, "Doctor on Video Screen Told a Man He Was Near Death, Leaving Relatives Aghast," *The New York Times*, March 9, 2019.

5 Rudoy et al., *The Oliver Wyman 2018 Consumer Survey of U.S. Healthcare*.

care: like privacy, security, patient confidentiality, credentialing, and professional licensure portability. Appropriate policy measures and funding for certification and training programs can help mitigate these liability issues to encourage further adoption of telehealth.

**3. Move beyond coverage to genuine financial integration and reimbursement parity.**

Telehealth presents an opportunity for improved health for all Americans, regardless of their insurance coverage. That said, specific reimbursement and financial integration barriers exist for each payer type, and policy can play a role in eliminating those barriers:

- For **Medicare and Medicare Advantage**, certain preventative, diagnostic, and ongoing disease or chronic condition management should be encouraged and reimbursed accordingly for all consumers, no matter where they live (like in rural settings or metropolitan statistical areas). For appropriate conditions, education and

financial incentives within value-based arrangements should be encouraged to help direct consumers to these services. In addition, given the importance of risk adjustment in the Medicare Advantage program, CMS regulations should permit the clinical documentation and coding required for risk adjustment to be conducted based on telehealth visits rather than being restricted to in-person encounters. Similarly, reimbursement should permit Original Medicare beneficiaries to receive telehealth services in the home, rather than having to travel to a doctor's office.

- For **Medicaid**, standardization of telehealth benefits across states for select high-cost conditions (like high-risk pregnancies) and associated reimbursement should be accompanied by consumer education and reach into rural areas. In addition, given the role that Federally Qualified Health Centers (FQHCs) play in providing care for many Medicaid beneficiaries,

FQHCs should be permitted to bill for interprofessional Internet consultations that allow them to provide the highest-quality care possible.

- For **commercial populations**, employers and their healthcare partners (like insurers, wellness companies, and telehealth providers) are largely left on their own to provide incentives for the 180 million consumers covered by their employers to utilize telehealth. Appropriate federal policies could boost these incentives, including premium discounts, tax-advantaged premium rebates, shared savings on cost and outcomes improvements, and other tax-advantaged or financial incentives to employee and employers. Initial virtual preventative consultations should be part of the core benefit stack with no co-pay, co-insurance, or out-of-pocket expenses (for example, not being part of the deductible).

Exhibit 2: Today's Telehealth Opportunities



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#### 4. Recognize the role telehealth can play in the shift to value.

A major shortcoming of our health system today is the predominance of fee-for-service medicine, but the shift to value-based reimbursement is well underway. Telehealth can play a major role in this shift by providing an attractive, low-cost means of managing patients both efficiently and effectively. A well-planned telehealth visit can save clinicians time while still enabling a high-quality patient interaction that allows for management of chronic patients on a more regular basis. Adoption of a virtual model of care for (as an example) a motivated, well-managed diabetic patient could be a positive outcome for both the patient and the provider, encouraging the move away from high-cost, high-volume, transactional medicine. Similarly, the best value-based care involves multi-disciplinary care teams, yet reimbursement for virtual check-ins and remote evaluation often does not apply to non-physician clinicians (like RNs). Through reimbursement, care guidelines, and infrastructure support, public policy should promote telemedicine adoption as providers make the shift to value.

#### 5. Invest in clinician training:

HIMSS Analytics posited that 71 percent of healthcare providers use

telehealth and telemedicine tools.<sup>6</sup> While this may be true in the most general sense, we would counter that the majority of providers are not making full use of the tools that they have on hand, and that they are not trained on how and when to deploy telehealth. Appropriately training physicians could not only make them more efficient in their use of telehealth and its tools (like utilizing remote physicians to interpret lab results and X-rays), but also help ease both physician fear of liability and consumer discomfort with telehealth. Federal support for telehealth training—both through traditional residency-based training programs and through continuing clinician education—could go a long way towards improving the quality and quantity of care provided via telehealth.

**6. Support telehealth's role in addressing the nation's behavioral health crisis.** Behavioral health conditions lend themselves especially well to care via telehealth channels. Telehealth has proven to be an effective vehicle for care

providers to reach and communicate with suffering members, especially in the face of the extreme mental health provider shortage facing the country (more than 60 percent of U.S. counties do not have a single psychiatrist within their borders).<sup>7</sup> Telehealth options also reduce the stigma associated with going in for in-person counseling, and younger adults in particular are comfortable consulting with a behavioral health expert in a telehealth environment. Treating behavioral health conditions can have marked effects on overall healthcare costs, productivity, and employee turnover. Patients with depression, for instance, see their primary care physicians more than five times on average annually, versus fewer than three times for those without depression. For this reason, even though mental health costs appear to account for only 4 percent of claims against employer-sponsored insurance, in reality they represent almost a quarter.<sup>8</sup> Incentives from CMS and employers should be encouraged in this area, as appropriate.

6 "HIMSS Analytics Finds Opportunities and Challenges with Telemedicine Adoption in Inpatient and Outpatient Medical Facilities" (press release), HIMSS Analytics, April 26, 2017.

7 New American Economy, *The Silent Shortage*, October 2017.

8 Parie Garg and Sam Glick, "AI's Potential to Diagnose and Treat Mental Illness," *Harvard Business Review*, October 22, 2018.

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