

The Barriers Are Coming Down

by Capella Healthcare



WHAT'S COVERED

In this lesson, you will learn about barriers related to telehealth. Specifically, this lesson will cover:

1. Telehealth Barriers
2. Physician Reluctance
3. Reimbursement and Regulatory Restrictions
4. Technology Maturity
5. Awareness and Accessibility
6. Virtual Care Macro Forces

1. Telehealth Barriers

According to the American Hospital Association (AHA) in 2019, even though Medicare has made incremental improvements in coverage and reimbursement, these measures are not sufficient. In addition, they see limited access to broadband services, cross-state licensure, online prescribing, privacy and security, and fraud and abuse as challenges to the widespread use of telehealth delivered services. However, since then, COVID-19 has changed some of the landscape and addressed some other challenges as well.

COVID-19 has raised virtual care to a “must-have” strategic priority for providers to provide safe access to care. Virtual care was projected to grow to a \$55 billion global business by 2025, with 17% compound annual growth rates from 2020-2025. COVID-19 will only amplify that growth as historical barriers to widespread telehealth adoption begin to crumble.

These barriers include:

- Physician reluctance
- Reimbursement and regulatory restrictions
- Technology maturity
- Awareness and accessibility
- Virtual care macro forces

2. Physician Reluctance

Historically, many physicians resisted widespread adoption of virtual care for fear their services would be diminished or replaced. There was also a notion that telehealth may only be appropriate for minor conditions but not for the regular patient panel. They were concerned about medical errors, privacy and security of personal health information (PHI), and lack of integration with workflows. As more physicians and patients are forced to try telehealth, resistance is waning.



DID YOU KNOW

Telehealth visits are on pace to exceed one billion in the U.S. in 2020: 900 million virtual visits for coronavirus-related issues and 200 million for general medical care.

3. Reimbursement and Regulatory Restrictions

Pre-COVID, uncertainty around insurance coverage and reimbursement for telehealth slowed adoption. Similarly, the red tape and other regulatory barriers have been daunting, including requirements for provider licensing and credentialing and privileging.

During COVID, the Centers for Medicare & Medicaid Services (CMS) in the U.S. moved quickly to give healthcare providers more flexibility in implementing telehealth. More than 80 additional services were approved for delivery, with CMS matching payment rates for virtual visits with in-person appointments.

The administrative burden on cross-state licensure and credentialing requirements has been reduced as well. CMS is reviewing whether these loosened requirements will remain in the future.

4. Technology Maturity

Pre-COVID, more healthcare leaders were designating virtual care technologies as a means to optimize workforce potential, expand access to care, and improve customer experience. Concurrently, niche and fragmented virtual technology offerings were becoming more relevant to providers. The pandemic has pushed hospitals and healthcare systems to hardwire telehealth as the new future. Consumers are demanding convenience, access, and affordability that will define the new future of healthcare.

5. Awareness and Accessibility

Pre-COVID, a survey in 2019 found that only one in ten consumers had used telehealth-based services and that nearly 75% of respondents lacked access to or were unaware of telehealth options. Since COVID, consumers are more apt to try virtual care. A survey in March 2020 reported that 73% of respondents said they would consider using a telehealth service to be screened for COVID-19, while 60% said the pandemic has increased their willingness to try virtual care.

6. Virtual Care Macro Forces

Market drivers and emerging trends within the U.S. create a ripe environment for maturing and expanding

virtual care (Kammer & Antush, 2020). These include:

- *Economic*: At 17% of GDP, health spending continues to strain federal budgets with growing financial responsibility shifting to the consumer.
- *Regulatory requirements*: Regulatory and reimbursement barriers are declining
- *Workforce trends*: Physician density (2.55/1000 overall) continues to stretch health systems with a shortage forecast of 10,000 intensivists, most acutely impacting rural markets.
- *Demographics*: Growth of aging population projected at a 45% increase, with an increase of 23 million seniors projected from 2017 to 2030.
- *Consumerism*: 86% of consumers express openness to consulting a doctor via video.
- *Technology advances*: Technology advances continue to accelerate with a shift from hardware-centric to platform-centric models intensifying competition.

It is going to be incumbent on the healthcare professionals to keep abreast of the legal and regulatory requirements in addition to reimbursement and coverage by payers. It is rapidly changing and some of the relaxations in the regulations due to COVID-19 are currently being reviewed to determine what will become permanent. The Center for Connected Health Policy tracks current developments in national and state laws and regulations.

The AHA supports the expansion of telehealth services and advocates for the following:

- Expansion of Medicare coverage with adequate reimbursement that takes into consideration the nursing and other costs incurred at the site where the patient is located (originating site). The Centers for Medicare & Medicaid Services (CMS) also should include telehealth waivers in all of its demonstrations and adopt a more flexible approach to adding new telehealth services to Medicare.
- Resolution of legal and regulatory challenges that hinder the provision of telehealth services.
- Additional federal research on the cost benefits of telehealth.
- Improved access to broadband technology for rural areas by improving the Federal Communications Commission (FCC) Rural Health Care Program (Telehealth Fact Sheet: AHA, 2019).

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Support

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