



AMERICAN BENEFITS

COUNCIL

WRITTEN STATEMENT

FOR THE HEARING OF THE
U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON ENERGY AND COMMERCE,
SUBCOMMITTEE ON HEALTH

ENTITLED

HEARING ON THE FUTURE OF TELEHEALTH:
HOW COVID-19 IS CHANGING THE
DELIVERY OF VIRTUAL CARE

MARCH 2, 2021

The American Benefits Council (“the Council”) thanks the U.S. House of Representatives Energy and Commerce Committee Health Subcommittee for its efforts to address the COVID-19 pandemic. We commend the subcommittee for holding a hearing focusing on telehealth and how the COVID-19 pandemic is changing the delivery of virtual care. The pandemic has transformed telehealth from an innovative option for delivering services into a vital lifeline to care for millions of patients. Even after the immediate crisis passes, telehealth and its role in the health care system will be forever changed.

The Council is a Washington, D.C.-based employee benefits public policy organization. The Council advocates for employers dedicated to the achievement of best-in-class solutions that protect and encourage the health and financial well-being of their workers, retirees and families. Council members include over 220 of the world’s largest corporations and collectively either directly sponsor or administer health and retirement benefits for virtually all Americans covered by employer-sponsored plans.

At the onset, it is important to note the spectrum of services encompassed by the term “virtual care.” These services range from traditional telemedicine for episodic care to virtual visits with the patient’s primary care doctor or specialist and telehealth using communication platforms that perform artificial intelligence. A report from McKinsey¹ identified five models for virtual or virtually- enabled non-acute care:

- On-demand virtual urgent care
- Virtual office visits with an established provider, including for primary care, behavioral health and management of chronic conditions
- Near virtual office visits with “near home” sites for testing and immunizations, such as worksite clinics or retail clinics
- Virtual home health services
- Tech-enabled home medication administration

Across the spectrum of virtual care are opportunities for employers to bring more value-driven, accessible and socially distant health care to employees.

In the years before the pandemic, a growing number of employers were turning to telemedicine to improve access to value-driven care for employees and their families. A 2018 study from the Council in partnership with Mercer, [Leading the Way: Employer Innovations in Health Coverage](#), is a playbook of innovative employer strategies for reducing health care costs. The report also serves as a testament to the critical role employers play in transforming health care in America to a more value-driven system – and foretells of the profound way in which telehealth is now transforming health care

¹ McKinsey Report, *Telehealth: A quarter-trillion dollar post-COVID-19 reality?* May 29,2020. <https://www.mckinsey.com/industries/healthcare-systems-and-services/our-insights/telehealth-a-quarter-trillion-dollar-post-covid-19-reality>

delivery. In describing how employers were embracing change to pioneer strategies for reducing the cost and improving the quality of health care, the report noted that:

Rapid advances in technology, along with changing consumer preferences and higher expectations, have led to an explosion of new entrants to the healthcare system. Embracing disruption means leveraging constant changes in the system — with internal stakeholders and external partners — to the best advantage of your employees and your organization. ... New technologies and the rapidly increasing adoption of telemedicine services by health plans are affecting how care is delivered.

At the time of the report, the number of employers with 500 or more employees offering telemedicine services had grown from 18% in 2014 to 71% in 2017.²

By 2019 that figure grew to 89% of employers,³ confirming that, even before the COVID-19 crisis, telemedicine was becoming widely available. Utilization of telemedicine by employees, however, was rising more slowly. Employers with active telemedicine programs in place in 2019 reported an average utilization rate of 9%, up from 8% the prior year and 7% the year before that.⁴

With COVID-19, what may have been a slower march toward telehealth use became a sprint. The onset of the crisis sparked a dramatic rise in the utilization of telehealth services. According to the FAIR Health monthly regional telehealth tracker, traditional telehealth utilization increased 8,336% year over year as of April 2020.⁵ The McKinsey details the massive acceleration in the use of telehealth in the wake of COVID-19 and the opportunity thereby created for modernizing the care delivery system. Consumer adoption has increased from 11% of U.S. consumers using telehealth in 2019 to 46% of consumers now using telehealth to replace cancelled health care visits. Providers have rapidly scaled offerings and are seeing 50 to 175 times the number of patients via telehealth than they did before, with 57% noting that they now view telehealth more favorably.

The American Benefits Council recently partnered with Mercer and the Catalyst for Payment Reform on the white paper entitled [Telemedicine in the Post-COVID-19 World \[infographic\]](#). The purpose of the report is to raise awareness of how telemedicine has evolved and to offer considerations for both employers and

² 2017 Mercer National Survey of Employer-Sponsored Health Plans. *See news release at* <https://www.mercer.com/newsroom/mercer-national-health-survey-employers-finding-new-ways-tohold-the-line-on-health-benefit-cost-growth.html>

³ 2019 Mercer National Survey of Employer-Sponsored Health Plans. *See news release at* <https://www.mercer.com/our-thinking/national-survey-of-employer-sponsored-health-plans.html>

⁴ <https://www.americanbenefitscouncil.org/pub/?ID=FDD5BCEA-1866-DAAC-99FB-73ABA53755E5>

⁵ Fair Health Monthly Telehealth Regional Tracker, April 2020. <https://s3.amazonaws.com/media2.fairhealth.org/infographic/telehealth/apr-2020-national-telehealth.pdf>.

policymakers on how to best leverage telemedicine to support employer-sponsored health program strategies that support roughly half of the people in the United States.

Employers recognize the important role of telehealth in caring for patients during the COVID-19 crisis. Although the visit itself to the health care provider may not relate to COVID-19, the ability of employees and their families to abide by social distancing is essential to containment of the pandemic. Many employers have made and are continuing to make, efforts to expand access to telehealth during the COVID-19 crisis in order to protect the public health and safety of their employees while ensuring that they still receive the care they need, including those with chronic disease. Indeed, 95% of employers are satisfied with their telemedicine provider's response time and member service during the pandemic.

Telemedicine utilization has increased more in a few months than was expected in five years. As we look beyond the pandemic, employers see virtual healthcare as essential to improving health care quality and efficiency and it is important they have a voice in policy decisions that will shape its future. As the report "Telemedicine in the Post-COVID-19 World" noted:

Employers believe telemedicine can increase access to primary care and help build a stronger, more resilient health care system – but only if all stakeholders treat it as a means to drive greater efficiency and value.

We applaud Congress and the regulatory agencies for taking initial action to expand access to telehealth services offered by employers during the pandemic. We ask Congress to build on these actions to bring greater access and value to employees both during the pandemic and beyond.

The provision allowing Health Saving Account (HSA)-eligible high-deductible health plans to cover telehealth services without cost-sharing under the Coronavirus Aid, Relief and Economic Security (CARES) Act is an important positive step in expanding access to telehealth services during the pandemic. This provision is effective March 27, 2020, and applies to plan years beginning on or before December 31, 2021.

Also helpful is guidance from the U.S. departments of Labor, Treasury and Health and Human Services (the "tri-agencies") providing for non-enforcement of Summary of Benefits and Coverage (SBC) advanced notice requirements during the COVID-19 public health emergency or national emergency for situations where a plan or issuer adds benefits or reduces or eliminates cost sharing for telehealth and other remote care services.

However, further action is needed to more fully support the efforts of employers to expand telehealth coverage, in the interest of employees and the public health. Helpful

guidance from the tri-agencies provided temporary flexibility for employers during the pandemic who wish to provide stand-alone telehealth services to employees who are not benefits eligible without running afoul of the Affordable Care Act (ACA) market reforms. The Council requests codification and expansion of this relief to ensure that an employer's more robust offer of telehealth services is an excepted benefit and, thus, does not result in a violation of the ACA's market reforms to the extent the benefits provided give rise to an ongoing administrative scheme (i.e., an ERISA plan) and provide significant benefits in the nature of medical care.

In addition, to expand access to telehealth services Congress should take immediate action to remove state barriers to telehealth care, such as removing the requirement that patients have a pre-existing relationship with the provider and allowing licensed providers to provide services to patients in other states via telehealth. Access to telehealth should not be stopped at state lines. Although some states have temporarily modified licensure requirements in limited circumstances, state-by-state variability of these waivers and gaps in waiver availability have led to uncertainty, complexity and lack of prompt access to care.

The federal government acted decisively to expand access to telehealth services for Medicare beneficiaries during the pandemic by removing state licensing barriers. However, for all too many patients covered by private insurance, state licensing barriers remain. This comes at a time when access to care, including behavioral health care service, is more important than ever. During this mental health crisis exacerbated by the ongoing pandemic, telehealth can bring much needed mental health services to underserved communities and vulnerable populations.

We urge Congress to take action now to ensure that patients in private plans, wherever they live, are able to turn to telehealth to access the care they need. We call on Congress to pass the Temporary Reciprocity to Ensure Access to Treatment (TREAT) Act (S. 168/H.R. 708), which would provide temporary state licensing reciprocity for all licensed and certified practitioners or professionals (those who treat physical and mental health conditions) in all states for all types of services (in-person and telehealth) during the COVID-19 Public Health Emergency.

We also request Congress to look beyond the pandemic era and make permanent the CARES Act provision allowing HSA-eligible high-deductible health plans to cover telehealth services on a pre-deductible basis. The benefits of telehealth will extend beyond the pandemic and so must the ability of HSA-eligible high deductible health plans to cover telehealth without cost-sharing.

With the acceleration of consumer and provider adoption of telehealth and extension of telehealth beyond virtual urgent care, the McKinsey report estimates that up to \$250 billion – or 20% – of current U.S. health care spend could potentially be

virtualized. "The current crisis has demonstrated the relevance of telehealth and created an opening to modernize the care delivery system," the report states. "Actions taken by healthcare leaders today will determine if the full potential of telehealth is realized after the crisis has passed."

Embedding telehealth within the health care delivery system does more than protect public health for the duration of the pandemic. As the report notes, it can increase access to care where critical shortages exist, such as behavioral health, improve the patient experience, improve health outcomes, better manage chronic care and make health care more efficient. Telehealth solutions deployed for chronically ill populations were shown to improve total cost of care by 2% to 3%, with the potential for greater savings, according to the report. The pandemic has shined a light on health disparities and the disproportional impact on COVID-19 on people of color. By improving access to care and outcomes for minorities and underserved communities, telehealth can help address these disparities.

Employers, already at the forefront of innovative strategies to pay for value, drive to quality and harness technology, will play a key role in realizing the full potential of telehealth. The McKinsey report lays out a set of recommendation for payers to consider to shape this opportunity. Among the recommendations is for payers to define a "value-backed virtual health road map" and to "optimize provider networks and accelerate value-based contracting to incentivize telehealth."

We also caution Congress against imposing any mandates relating to telehealth that would impede employers' flexibility to innovate and pursue value-based care. The Healthcare at Home Act would do just that by requiring group health plans and health insurance issuers to provide coverage for services furnished via telehealth if such services would be covered if furnished in-person during the COVID-19 emergency and requiring plans and issuers to pay the same amount for those services. Such "parity" requirements fail to acknowledge the broad spectrum of services encompassed by the term "telehealth" - from virtual visits with a patient's existing provider to telemedicine services by unknown providers. Furthermore, payment parity requirements ignore the value equation in using telehealth to drive higher-quality, lower-cost care. We urge Congress to reject this approach.

[Telemedicine in the Post-COVID-19 World](#) identifies virtual care as the next wave in health care. "Visionaries see a hybrid model - more virtual care, balanced with the appropriate level of in-person care - leading to better outcomes, lower costs and improved patient monitoring. This would generate greater value to both the plan sponsor and to the end user." To realize this vision, we urge Congress to pursue policies that enable employers to leverage the power of virtual care to improve health care access, equity and value.

We commend you for your efforts to address the COVID-19 pandemic and look ahead to how telehealth can shape the post-COVID-19 health care system. Thank you for your consideration of our comments. Please let me know how the Council can further assist in your important efforts.

Sincerely,

Ilyse Schuman

A handwritten signature in black ink that reads "Ilyse Schuman". The signature is written in a cursive style with a large initial "I" and a long, sweeping underline.

Senior Vice President
Health Policy