

SUPPORT

Memorandum

March 15, 2021

TO: Senate Majority Leader Andrea Stewart-Cousins
Assembly Speaker Carl Heastie
Senate Health Committee Chair Gustavo Rivera
Assembly Health Committee Chair Richard Gottfried
Members, Long Island Delegation of the New York State Legislature
Members, Hudson Valley Delegation of the New York State Legislature

FROM: Wendy Darwell, President and CEO

RE: A.6256 (Woerner) – in Assembly Insurance Committee
S.5505 (Rivera) – on 3/16/21 Senate Health Committee Agenda

The Suburban Hospital Alliance of New York State, representing hospitals and health systems on Long Island and in the Hudson Valley, supports A.6256/S.5505, legislation that would amend the Public Health Law to ensure health care providers are adequately reimbursed for telehealth services and patients are afforded appropriate telehealth-related consumer protections. These protections include safeguarding the patient's right to receive telehealth services from the covered provider of their choice and preserving their right to choose whether they receive services in-person or via telehealth.

Ensure providers are adequately reimbursed for telehealth services

Telehealth increases access to healthcare services for patients who face challenges in accessing in-person care, whether due to geographic limitations in underserved areas, provider shortages, or restricted patient mobility. Telehealth utilization also generates cost savings for both patients and the healthcare system, and is associated with greater patient satisfaction and convenience.

In 2014, New York enacted its telehealth coverage parity statute to allow insured individuals to access covered services via telehealth. Unfortunately, New York's laws continue to ignore telehealth reimbursement, leading to providers being shortchanged after delivering telehealth services and ultimately preventing widespread telehealth adoption across the State. This bill recognizes the important role telehealth plays in our healthcare delivery system by enacting telehealth payment parity, a policy that requires reimbursement for telehealth services to be equal to rates paid for comparable in-person services. A payment parity policy ensures adequate levels of reimbursement for telehealth services, incentivizing providers to offer more services via telehealth. The downstream benefits are recognized by 14 other states that recently enacted telehealth payment parity, including populous states such as California and Texas.

During the height of the COVID-19 pandemic, FAIRHealth reported a substantial increase in the number of telehealth claims in the Northeast region of the United States. To meet the growing demand for telehealth during the emergency, providers across the state invested scarce resources into telehealth service delivery models, equipment, and staff training to ensure their patients could continue to receive a wide variety of

services safely and without risk of exposure. Prior to the emergency, telehealth visits represented roughly 1 percent of total medical claims in the Northeast region of the U.S. In April 2020, the region's share of telehealth visits increased to nearly 20 percent of all medical claims. The rise in telehealth utilization during the pandemic was met with overwhelming consumer satisfaction among patients who utilized the service. According to a survey conducted by McKinsey & Company, 76 percent of consumers are now interested in using telehealth moving forward, despite only 11 percent of those respondents utilizing telehealth in 2019. Although telehealth claims have subsided since the height of the pandemic, many providers continue to see increased use of telehealth services as patients choose telehealth as their preferred model of care delivery.

Unfortunately, reimbursement for telehealth services remains largely a fraction of what providers receive for delivering in-person care. A common misconception is that provider overhead costs are substantially lower when delivering telehealth services, therefore justifying a decrease in reimbursement. However, in many cases, practitioners deliver, and patients receive, certain telehealth services while in the facility setting (e.g., hospital) with appropriate medical equipment accessible to both patients and staff. Telehealth services are commonly used in the facility setting to extend access to specialty care that may not be easily accessible due to physician specialty shortages, patient immobility, or geographic limitations.

Telehealth streamlines access to appropriate care and competes with the “convenience” or accessibility typically associated with more costly settings, such as the emergency department. As a result, countless studies have linked telehealth utilization to decreases in healthcare costs resulting from reductions in both unnecessary utilization and bed stays. For example, the Veterans Health Administration uses multiple types of telehealth interventions that provide routine care and targeted care management services to veterans. In a 2014 study, the VHA found that telehealth was associated with a 25 percent reduction in the total number of bed days and a 19 percent reduction in hospital admissions across all VHA patients utilizing telehealth.

Protect patient rights and remove barriers to telehealth care

As our health system continues to incorporate telehealth services into care delivery models, consumer protections are needed to remove unnecessary barriers to telehealth and ensure the patient's provider and setting choice prevails when seeking care.

Health plans often limit telehealth coverage to a certain subset of telehealth providers, preventing patients from utilizing the service provider of their choice (e.g. primary care physician). Patients also may be required to see the provider in person prior to qualifying for telehealth services, a barrier that undermines a core benefit of telehealth. Requiring initial in-person visits or steering the patient to certain telehealth providers may otherwise limit a patient from receiving needed care altogether. This legislation would prohibit “patient steering” by allowing patients to choose the covered telehealth provider of their choice and allow patients to qualify for telehealth services without having an initial in-person visit, unless the provider determines the in-person visit to be clinically necessary.

For these reasons, the Suburban Health Alliance of New York State supports this legislation and urges you to pass A.6256/S.5505.