NC

Telehealth in North Carolina

Joint Legislative Committee on Access to Health Care and Medicaid Expansion

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About Blue Cross NC

HISTORY

Concerned about the dire state of health care in NC led George Watts Hill, businessman, and Dr. W.C. Davison, dean of Duke University School of Medicine, founded the Hospital Care Association in Durham in 1933.

In 1934, Graham Davis of the Duke Endowment and Dr. I.H. Manning, former dean of UNC-Chapel Hill's School of Medicine, founded the Hospital Saving Association. The two combined in 1968 to become North Carolina Blue Cross and Blue Shield.

ABOUT

Blue Cross and Blue Shield of North Carolina is an independent licensee of the Blue Cross and Blue Shield Association.

Blue Cross NC, a single state Blues plan, is a fully taxed, not-for-profit company.

Headquartered in Durham, with operations in Winston-Salem and employees working remotely across the state, we employ over 4,800 people.

REGULATION

Blue Cross NC is highly regulated, with statutory reserve requirements, limitations and regulatory oversight on mergers and acquisitions, and MLR requirements limiting what we can spend on administration.

We don't have shareholders and our rates must be approved each year by the NC Department of Insurance.

Blue Cross NC's Impact in North Carolina

- **Our purpose**: *"To improve the health and well-being of our customers and communities – we won't stop until health care is better for all."*

- Blue Cross NC provides health insurance for over 4 million North Carolinians through large and small employer groups, to individuals through the ACA market, Medicaid, Medicare and as the third-party administrator for the State Health Plan.

- During the pandemic, Blue Cross NC provided $800M of financial support to North Carolinians, including *Accelerate to Value,* which helped 513 local primary care practices weather financial challenges during the pandemic.

- We are finding innovative ways to improve health in NC:
  - Blue Premier, our industry-leading value-based care program, generated $197 million in cost savings and quality improvements in 2020.
  - Extra Miles Tour

What is telehealth?

Definition

- It depends when you ask – due to persistent advances in technology, the definition is in constant flux.

- Generally, however, telehealth is the distribution of health-related services and information via electronic information and telecommunication technologies.

Types of Telehealth

1. **Live Video**: Real-time interaction between patient and provider over audio & video – computer, cell phone . . .

2. **Asynchronous/Store and Forward**: Method by which providers share patient medical information with another provider at another location for assessment offline . . . think MRI.

3. **Audio Only**: Real-time interaction only through audio (like a phone).

4. **Remote Patient Monitoring**: Method that allows health care professionals to track patient vital signs/activities at a distance, like blood pressure monitors, glucometers and medication adherence.

5. **Text/Email/Other**: Provision of health services through writing, like a text message, email or MyChart message.

Blue Cross NC's Telehealth Commitment

Since its inception, Blue Cross NC has been committed to covering appropriate telehealth services for our members.

- For more than two decades, Blue Cross NC has covered telehealth to lower costs, increase access and improve health for our members. From its inception through COVID-19, this innovative tool has proven to be a vital part of medical workflow, ensuring patients receive the care they need.

- Covered services include evaluations for common health concerns, behavioral health services, diabetic counseling, genetic counseling, inpatient/outpatient counseling, and provider-to-provider consultations when the member is present.

- Telehealth isn't limited to a specific medical specialty. Any health care provider who participates in Blue Cross NC's networks, and meets our telehealth policy criteria, is eligible for payment of these services.

- From the start of the pandemic, Blue Cross NC stepped up to cover all services provided via telehealth at both coverage and payment parity to meet the needs of all North Carolinians during this challenging time. That policy is still in place today.

Spotlight: Behavioral Health & Telehealth

Blue Cross NC is committed to telehealth for all appropriate areas, and the behavioral health (BH) space is a focus for our members.

➢ Blue Cross NC is developing contracts with other BH telehealth providers signaling a large organizational investment in driving behavioral health access via telehealth.

➢ Funded the addition of a psychiatrist serving students via telehealth at Elizabeth City State University.

➢ Blue Cross NC is contracted with Quartet, a behavioral health and substance abuse treatment integration platform that supports connections to behavioral health care irrespective of their payer.
  ➢ A third-party evaluation of integrated BH services powered by Quartet found a 4.8% reduction in total cost of care for our members who engaged with Quartet to link primary care and BH services. It is in Blue Cross NC members' best interest to continue to promote behavioral health services for its membership.

What are the benefits of telehealth?

Generally

- Telehealth is an efficient, cost-effective, and sometimes more convenient means for delivering and accessing health care services.

- Telehealth is a tool that is a vital part of medical practice, and in appropriate situations can be a substitute for in-person care.

Specific Benefits

Cost: Telehealth has the potential to reduce health care spending through decreased cost, care in less expensive settings and better care management.

Convenience: Telehealth can extend hours when care is available, eliminate travel, and enable patients to get care from anywhere from the doctor they know.

Access: Telehealth can remove proximity barriers, allow for care at home, and boost coverage in rural areas that have adequate internet.

Overcoming Perception: Especially in behavioral health, telehealth may encourage access for those who are concerned about stigmas related to those services.

Telehealth is Evolving

Excitement about the possibilities for telehealth is warranted, but this is only the beginning.

- A workgroup of American Medical Association (AMA) members put out a list for 2021 of Current Procedural Terminology (CPT) codes appropriate for synchronous audio/video telehealth coverage. That list contains a fraction of over 10,000 codes.

- Telehealth is evolving – providers and patients are still adapting and learning as to what services are effective through virtual mediums – and both providers and payers are trying to figure out how to value it.

- Telehealth is a mechanism for delivery of care – but it isn't appropriate for all care at this time.
  - **Telehealth claims submitted to Blue Cross NC during pandemic included excision of malignant lesion, anesthesia for knee surgery, maternal delivery and drug screening.**

Different from In-Person Care

Substitute or Supplement?

When is telehealth a substitute for in-person care, and when is it a supplement to provide more comprehensive care?

Beyond the Providers You Know

Out-of-state telehealth companies focused on profit are coming to NC - are they accountable enough for North Carolinians?

Differing Modalities of Care

Telehealth is more than just live video interaction – what are the benefits of new tech like remote monitoring for NC?

Quality, Limitations, and Value

Telehealth presents unique challenges that differentiate it from traditional patient care.

- ❑ **Quality**
  - ❑ Telehealth is an effective tool to supplement care and assist in care delivery, but a hands-on interaction with your doctor is often irreplaceable.

- ❑ **Limitations**
  - ❑ No physical exam, poor connection/technology, less personal interaction, inaccurate dosing, personal health data security.

- ❑ **Value**
  - ❑ Telehealth is audio-visual, phone calls, remote monitoring, questionnaires, and more. What should it cost? Is charging a facility fee for a *virtual* visit providing value?

Policy Challenges of Telehealth

Telehealth has undergone exponential growth – policy can supplement but shouldn't interfere with the free market.
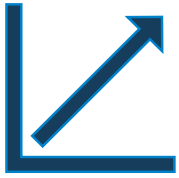
- ❑ **Broadband Access**: The NCGA should continue the excellent work it has been doing to increase access and uptake of high-speed internet so telehealth can continue to grow, with a focus on continuing to boost rural areas.

- ❑ **Booming Industry**: Telehealth is growing expansively without government intervention. It is expected to be an almost **$800B industry** by 2028. Patient protections for this online service need to be considered.

- ❑ **Perpetuating Old Payment Models**: Medicaid transformed to a capitated system and commercial markets are moving to value-based care. Parity laws take us back towards fee-for-service models that are no longer financially sustainable.

- ❑ **Practice Across State Lines and Licensing**: Complex issues that implicate continuity of care and accountability concerns.

Impact of a Legislative Mandate

Telehealth needs to save money, improve access, and provide quality care – a one-size-fits-all mandate does the opposite.

COST
Forces coverage of unwanted or clinically inappropriate services across the board and undercuts value discussion.

QUALITY
A mandate removes needed oversight of untested services without proper guardrails to ensure patient safety.

REACH
State mandates apply only to fully-insured plans, putting the cost burden on small businesses and families

INNOVATION
Mandates can slow innovation and reduce the impact in areas where it is needed the most.

FRAUD, WASTE, ABUSE
Telehealth is different care delivery needing different oversight and management than in-person care.

COST, AGAIN
In 2020, DHHS identified **$4.5 billion** in losses in 2020 alone across the country related to telehealth scams.

Three Areas to Examine Where to Go from here on Telehealth in NC

LESSONS FROM COVID-19

NC'S TELEHEALTH NEEDS

CONSUMER PROTECTIONS

Insights from the Pandemic

COVID-19 created a natural data experiment that provided insight into what patients will actually utilize when it comes to telehealth.

- Providers were able to quickly stand-up telehealth options to meet the needs of patients and have even built business models around it.

- During 2020, with Blue Cross NC covering telehealth at both payment and coverage parity, our internal data shows that **just 20 CPT codes accounted for 97% of all our telehealth claims:**

  - 47% of all BH visits
  - 9% of primary care visits
  - 4% of OB/Gyn visits
  - 10% of family medicine visits
  - 7% of pediatric visits
  - 2% of specialist visits

- ***Greater than 92% of telehealth visits were for behavioral health and primary care, out of <u>2,738,224 visits</u>.***

- **During 2020, private insurers nationwide saw a 4,347% increase in claims for telehealth year-over-year. In a market where there were no mandates, Blue Cross NC saw telehealth grow by more than 7,500%.**

INCREASE IN TELEHEALTH CLAIMS DURING COVID-19

4,347% PRIVATE INSURERS NATIONWIDE

7,500% BLUE CROSS NC

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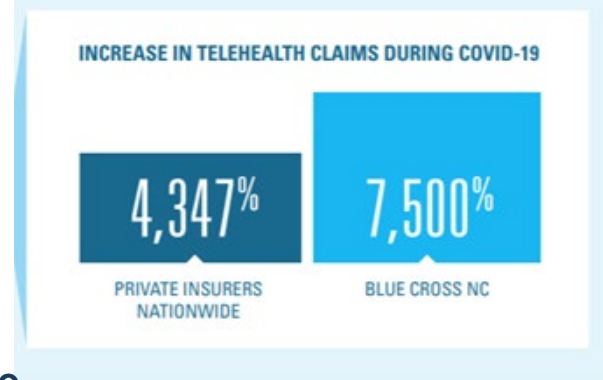
How to Protect Consumers of Telehealth

As telehealth use expands, it is critical to ensure safe and transparent practice. Any proposals should address the following consumer protections.

1. INFORMED CONSENT
Confirm identity of patient & provider, verify patient history, identify risks, explain limitations, obtain consent.

2. TREATMENT TRANSPARENCY
Customers should know the provider's network status and the service(s) being provided.

3. COST TRANSPARENCY
Patients receive an estimate pre-visit and understand if there will be facility fees or other fees to share e-records.

4. CUSTOMER SERVICE
Maintain customer service phone line with live persons during hours when telehealth services are provided.

5. CONTINUITY & PRIVACY
E-document and store patient medical records; record visits; align with all applicable privacy laws.

6. NO SURPISE BILLS
No one seeking care via telehealth should ever have to worry about receiving a surprise bill.

Policy Considerations for Health Care Access

Here's what policy-makers can do to improve access.

1. Address the rising cost of health care. Cost **_IS_** a health care access issue. High health care costs create a barrier to access, and cost impacts should always be top of mind.

2. Consider the entire supply chain and the impacts of regulation/unintended consequences.

3. Health care is more dynamic than ever – innovation and disruption are occurring at breakneck speed – government regulations get in the way.

4. Two thirds of customers are small businesses, families, and individuals. These are the customers whose insurance is subject to the health care regulations you pass, not self-funded large employers which make up ~60% of the market. Increasing pressures on the fully insured population is causing hardships for individuals, families and small businesses.

Thank You!