

# AMA issue brief: Supporting equitable payment for telehealth

## Advocacy Resource Center

**Issue:** Since the pandemic, the use of telehealth has become embedded in the practice of medicine with patients and physicians alike overwhelmingly supportive of care via telehealth. Many physicians have found telehealth has increased both the quality of care and access to care for their patients. Many physicians have also fully implemented telehealth into their practices, moving toward a hybrid model in which they can provide both in-person and virtual care. In addition, patients have indicated strong support for telehealth with 73% expecting to continue receiving health care services virtually beyond the pandemic. However, continued access to care via telehealth is at risk if strong payment policies are not in place. This is why the American Medical Association supports fair and equitable payment for services whether the service is performed in-person or via telehealth, including audio-only and two-way video.

**Description:** There is a lack of robust data as to whether telehealth services cost more or less to deliver than the equivalent in-person service. This lack of data has made it challenging for policymakers, regulators and payors to set appropriate reimbursement rates for telehealth services. In the absence of robust data, many states have implemented “payment parity” for telehealth which generally require payors to reimburse for telehealth services at the same rate as the equivalent in-person service.

### The need for fair and equitable payment for telehealth

Patient benefits associated with improved access to telehealth are well documented. Some of these benefits include reductions in travel, time off work and the overall ease of obtaining care via telehealth—all of which likely enhance patient satisfaction. Similarly, physicians have embraced telehealth, recognizing, when clinically appropriate, telehealth is just one way in which they can provide care to their patients. As a result, many physicians have fully implemented telehealth in their practice. These changes have been made possible by state laws requiring coverage and payment of care on the same basis as comparable in-person services. While coverage parity has been widely adopted by state laws and regulations, many states are still considering how to appropriately pay for telehealth. Given the many benefits and potential cost savings associated with telehealth, the AMA believes lawmakers should support fair and equitable payment for telehealth to ensure continued physician investment in telehealth as one modality in which they provide care to patients. To better understand the need for fair and equitable payment regardless of modality, we encourage lawmakers to consider the following:

- Several studies have shown that over the past two years, telehealth has been largely substitutive, rather than additive, for in-person care. Many physicians who have implemented telehealth in their practices continue to provide care in-person. Moving toward a hybrid practice allows physicians to meet the needs of their patients by ensuring patients have access to the right care at the right time with the right modality based on each patient’s clinical needs at that time.
- Certain telehealth services may require more time to deliver care for certain diagnoses or patient populations than the equivalent in-person service (e.g., a provider needs to spend more time asking a patient to demonstrate range of motion of a shoulder rather than being able to manipulate the shoulder directly), while other telehealth services may require less time than the equivalent in-person service.
- Physicians may need to employ additional technology support staff or digital navigators to ensure that all patients are able to access and use telehealth services.

- Telehealth likely requires the same clinical effort as in-person care.
- Telehealth often utilizes the same or similar clinical and nonclinical staff to prepare a patient for their virtual visit including “rooming patient,” obtaining clinical history, making appointments, etc.
- The vast majority of telehealth services will be provided by physicians who also deliver in-person services. For these “hybrid physicians,” delivering services via telehealth may increase certain overhead costs, such as additional technical staff, cost of telehealth platforms, or additional costs for data privacy and security.

### What are states requiring?

- Prior to the COVID-19 PHE, only 10 states had laws requiring payors to reimburse telehealth services at parity with in-person care (i.e., payment parity).
- As of May 2023, 28 states have passed laws requiring payors to implement payment parity.<sup>1</sup>
  - Twenty-one states require payment parity for all telehealth services on a permanent basis.
  - Seven states require payment parity with caveats (e.g., for behavioral health services, only; for established patients, only; for a time-limited basis)
- In states without a payment parity requirement, some commercial insurers are reducing telehealth reimbursement rates to some percentage of in-person rates determined by the plan.<sup>2</sup>
- CMS currently pays for Medicare telehealth services at the same rate as the equivalent in-person service, a policy implemented during the PHE, and one which CMS has said it will continue through the end of 2023.

### AMA perspective

- The AMA is supportive of fair and equitable reimbursement rates for telehealth services. As stakeholders promote and expect access to care via telehealth, payment should be fair and equitable regardless of whether the service is performed via audio-only, two-way audio-video, or in-person.
- There is currently insufficient evidence regarding the impact of telehealth on overall health care costs to make a definitive statement regarding payment parity; however, the AMA understands that states and payors are extending payment parity as more data are collected to inform policy-making.
- The AMA supports fair and equitable payment requirements that are applied in a uniform manner across clinical services and does not support policies that apply different payment levels for select services (e.g., only behavioral health, primary care, etc.).
- The AMA is concerned that if states and payors do not offer fair and equitable payment for telehealth, physicians may no longer offer telehealth services, and patients could lose access to care.

Digital version of this resource available here.



1. J. Augenstein and J. D. Marks, “Executive Summary: Tracking Telehealth Changes State-by-State in Response to COVID-19,” Manatt Health. June 9, 2023. Available here: [www.manatt.com/insights/newsletters/covid-19-update/executive-summary-tracking-telehealth-changes-stat](http://www.manatt.com/insights/newsletters/covid-19-update/executive-summary-tracking-telehealth-changes-stat)

2. J Bartlett, “Telehealth reimbursement rules pit insurers against doctors,” Boston Globe, April 11, 2022. Available here: [www.bostonglobe.com/2022/04/11/metro/telehealth-reimbursement-rules-pit-insurers-against-doctors/](http://www.bostonglobe.com/2022/04/11/metro/telehealth-reimbursement-rules-pit-insurers-against-doctors/)