



COVID-19

+ stay informed

No-regrets tactics for telehealth reimbursement during COVID-19

By Eileen Russo, PhD, Revenue Cycle Services, Optum Advisory Services, and Rob Linnander, Revenue Cycle Services, Optum Advisory Services

As health care providers look to alternative solutions to safely provide their communities with options for urgent and routine medical care, telehealth services are emerging as a preferred option. Scaling telehealth rapidly is a complicated undertaking, raising important questions about accelerating [technical deployment](#), organizing a [human capital strategy](#), and navigating coding and reimbursement requirements.

Many private health plans have long offered telehealth services to subscribers as part of the benefit design, finding telehealth an effective way to reduce costs and prevent avoidable, higher-cost utilization. Now, many insurers are expanding telehealth coverage policies, but questions remain about the long-term remuneration policies and their impact on revenue integrity and cash flow. These policies will continue to evolve, but it's important to understand where the market is now and what providers can and should do now to lay a solid foundation for optimizing telehealth reimbursement going forward.

Telehealth reimbursement policy changing rapidly during the crisis

On April 6, 2020, CMS released an Interim Final Rule, retroactive to March 1, 2020, codifying Medicare coverage

for COVID-19 and telehealth services and allowing clinicians to be paid for a wider range of telehealth services provided to beneficiaries in various settings.¹ This synthesizes and helps clarify the various types of telehealth guidance released by CMS throughout the month of March.

Today, and through the end of this public health crisis, Medicare will cover telehealth services conducted “in any health care facility including a physician’s office, hospital, nursing home, or rural health clinic, as well as from home.”² Previously, Medicare would reimburse for a limited scope of telehealth services, such as certain routine care visits, and only if beneficiaries met certain geographical requirements and received the services at a local medical facility.

Most commercial payers have adopted or signaled similar measures by expanding coverage for telehealth. A preliminary sampling indicates that nearly 60% of commercial payers already have committed to partially or fully waiving telehealth copays for the duration of the COVID-19 health crisis.³ Most payers have already updated pricing, benefit plans and reimbursement rules to align with CARES Act guidance for COVID-19 patients, all of which will impact telehealth reimbursement. In addition, some plans have also begun updating telehealth benefits, whether COVID-19-related or not.

It's important to remember that in some cases, requirements have only officially been temporarily relaxed by governing entities and health plans. There is also widespread variability across federal, state and private plans. For example, some health plans only cover audio and visual virtual care connections, while others permit telephonic interactions. Medicare Advantage plans aren't required to provide these more expansive telehealth services; they are only required to provide what is covered by fee-for-service.⁴

Much is still unknown as to how telehealth regulations and health plan guidance will continue to evolve both during and after the crisis. Providers will need to stay apprised of new changes and adapt their revenue cycle processes and protocols to keep up.

Immediate steps to align your revenue cycle for evolving telehealth coverage

Despite the uncertainty about the nuances of future telehealth reimbursement, there are several areas of improvement that will be relevant — and important — in any future scenario. In a practical sense, these improvements lay the groundwork for fully integrating telehealth care into the patient experience and the revenue cycle.

1 Factor telehealth into a seamless patient experience

Within the normal course of an episode of care, patients have multiple points of interaction with the health system — from the time they schedule appointments through the payment process. Each of those interaction points should be adapted for virtual delivery. Revenue cycle leaders should consider how patient scheduling, education, consent processes, insurance verification and payment processes should be changed to align with telehealth care delivery, with just as much precision as an in-person visit. For example, scheduling scripts that include information on how the telehealth visit will be conducted will ease patient concerns and reinforce critical steps, like informed consent, that impact revenue capture.

2 Educate stakeholders about telehealth documentation and coding requirements

As telehealth regulations evolve, appropriate and accurate documentation and coding are paramount, directly impacting revenue capture and cash flow. Care delivered via telehealth will need to be documented and coded just as meticulously as any in-person encounter — particularly given implications to risk adjustment for certain services. Revenue cycle leaders should engage counterparts across the organization to

ensure all parties, from clinicians to coding and billing partners, are educated on concepts that are important to include in each different type of telehealth encounter, such as location codes and modifiers that apply to virtual care. It's also important for the health system to practice self-audits to ensure documentation and coding are within compliance.

3 Aggressively update claims management processes

During this time, health systems may be in danger of low cash flow as they work to stand up their ability to deliver care remotely and experience lower elective surgery volumes. It is more important than ever for revenue cycle leaders to hone their coding, billing and follow-up processes to reduce denials and ultimately remain solvent through and beyond the crisis. This requires updating claims editors and billing systems to track the requirements of each payer, even as some providers have paused claims submissions until the technical systems to adjudicate and incorporate retroactive guidance have caught up. Revenue cycle teams should inventory the type and duration of billing rule changes, and ensure they have strong communications with payers and editors to quickly submit claims for payment. This payer inventory is critical to tracking which requirements will revert after the public health emergency and as private health plans return to some form of pre-crisis claim processing.

Committing to these preparations now can have a large positive impact on the financial health of provider organizations in the future, while ignoring them puts health systems in an even more difficult financial situation.

The future of telehealth reimbursement

Our hope is that the health care field will emerge from this crisis with a new appreciation for how telehealth can extend our ability to care for our communities like never before. The possibilities are many. Telehealth may allow providers to see more patients in a day. It could decrease the cost of care by guiding more patients to physician services instead of acute care settings. And most importantly for the patient, it will be more convenient and affordable.

As we look ahead, we predict continuing demand for telehealth and other digital health tools, such as symptom checkers, digital triage assistants, wearable technology and remote patient monitoring. Telehealth may also play a pivotal role in returning to safe on-site ambulatory operations after the crisis. For now, we can only speculate as to what normalized virtual care volume may look like.

We also caution that reimbursement may revert to a much lower rate schedule, with differential reimbursement for

No-regrets tactics for telehealth reimbursement during COVID-19

telehealth and in-person visits. Both CMS and private health plans have signaled end dates for their relaxed telehealth rules, with re-evaluations on coverage set to occur after the crisis subsides.

As payers and providers grapple with countless new challenges around COVID-19, we need to remember that the work we're all doing to stand up telehealth as a permanent part of care delivery is complicated, and we need a comprehensive strategy to set a foundation to get this right for the future.

Our mission is to provide support and resources to help provider organizations care for their patients in the best way possible. The COVID-19 crisis provides us with a unique opportunity to drastically accelerate the adoption of telehealth and other valuable digital health technologies and to improve the patient experience permanently.



Meet our experts



Eileen Russo
VP, Revenue Cycle Services
Optum Advisory Services



Rob Linnander
VP, Revenue Cycle Services
Optum Advisory Services

Sources:

1. [federalregister.gov/documents/2020/04/06/2020-06990/medicare-and-medicaid-programs-policy-and-regulatory-revisions-in-response-to-the-covid-19-public](https://www.federalregister.gov/documents/2020/04/06/2020-06990/medicare-and-medicaid-programs-policy-and-regulatory-revisions-in-response-to-the-covid-19-public). Accessed April 20, 2020.
2. [cms.gov/newsroom/press-releases/president-trump-expands-telehealth-benefits-medicare-beneficiaries-during-covid-19-outbreak](https://www.cms.gov/newsroom/press-releases/president-trump-expands-telehealth-benefits-medicare-beneficiaries-during-covid-19-outbreak). Accessed April 20, 2020.
3. Optum Advisory Services analysis.
4. Department of Health and Human Services. Information Related to Coronavirus Disease 2019 – COVID-19. March 10, 2020. [cms.gov/files/document/hpms-memo-covid-information-plans.pdf](https://www.cms.gov/files/document/hpms-memo-covid-information-plans.pdf).



11000 Optum Circle, Eden Prairie, MN 55344

Optum® is a registered trademark of Optum, Inc. in the U.S. and other jurisdictions. All other brand or product names are the property of their respective owners. Because we are continuously improving our products and services, Optum reserves the right to change specifications without prior notice. Optum is an equal opportunity employer.

© 2020 Optum, Inc. All rights reserved. WF2288113 05/20