



CONNECTICUT ASSOCIATION OF HEALTH PLANS

STATEMENT REGARDING

TELEMEDICINE

SPECIAL SESSION PROPOSED LEGISLATION

TELEMEDICINE

Since the inception of the COVID pandemic, our members (Aetna, Anthem, Cigna, ConnectiCare, Harvard Pilgrim, and UnitedHealthcare) have gone above and beyond what's been required by the Governor's executive orders. With respect to telemedicine, carriers have voluntarily reimbursed providers for virtual visits the same amount as they would if the patient visit were in-person. Providers call this "parity." Likewise, carriers have voluntarily waived various cost-sharing provisions temporarily as well. Evaluation of whether to extend such policies is continuously under review within the context of the pandemic.

While the carriers recognize the incredible value of telehealth services and were, in fact, at the forefront of promoting it as a means of care delivery, we cannot support adoption of "parity" standards in statute. Telemedicine is critically valuable, but it is not always the ideal treatment modality and parity of payment does not necessarily equal parity of treatment.

Impact on Quality and Health Care Costs

1. It is too early to evaluate the cost and quality impact associated with the skyrocketing use of telehealth services. There is anecdotal information to suggest that there are both benefits and drawbacks to the current prevalence of telehealth. We do know, for instance, that vaccination rates are down as a result of a lower number of in-patient visits. We also know that we need to encourage people to get a flu shot in the coming months. We must be careful not to align financial incentives in a way that discourages people from utilizing in-patient treatment all together. Ultimately, consumers will determine whether they value the service or would prefer to be seen in-person.



Quality is Our Bottom Line

2. It's unclear whether telehealth services will be additive or serve as a substitute for in-person care. In other words, will a person subject to a deductible (or a carrier subject to claims) and be charged twice for essentially the same service if a telehealth visit translates to the need for an in-person visit as well?
3. While parity will help providers financially, it may hurt consumers both in terms of their cost-sharing requirements and in terms of premium increases. Premiums are a reflection of health care costs. Mandates, whether short-term or long-term, cost money and change behavior.
4. Carriers are in the middle of a rate-year. Health insurers are the only members of the delivery system subject to rate review and approval and they are filing their rates this week with the Department of Insurance. If new mandates go into effect for this fiscal year, the carriers will need to restructure, reprice, and resubmit their filings which will impact both the commercial market and the Exchange.
5. The Exchange operates according to a strict actuarial value standard in accordance with federal law. A mandate of this nature could render the benefit designs non-compliant with the ACA and jeopardize federal subsidy dollars that go directly to the benefit of Connecticut consumers to offset premium costs. With the number of layoffs that have resulted due to COVID, it's critical that the Exchange remain a viable option for those in need of health insurance coverage.
6. Whether a mandate of this nature would trigger the ACA provision requiring that a state pick-up any differential costs associated with the provision is currently unknown, but certainly possible.
7. Connecticut has been focused on establishing cost-growth benchmarks to stem the escalating costs of health care. These provisions run contrary to those goals.
8. Connecticut has also been focused on investing in value-based care whereby providers are paid global-rates encompassing a range of treatment modalities. Mandating parity payment undermines these efforts and reinforces the negative aspects of fee-for-service medicine that rewards episodic care over prevention measures.



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9. Any mandate passed would only apply to the fully-insured market which is roughly 35% of those individuals with commercial insurance in Connecticut and those that are typically most price sensitive. Self-insured providers (including the state) would have to affirmatively adopt the new standard and be willing to absorb any associated costs.
10. Provider reimbursement today is determined by virtue of contracts entered into by two private parties. Telemedicine should be no different.
11. Consumers benefit from insurance carrier flexibility in negotiating reimbursement levels.

Recommendation: Carriers have shown considerable good faith in adopting payment parity voluntarily. There is no need to codify the practice in statute. At the very least, we would respectfully request that the legislature move the sunset date from June 30, 2021 to December 30, 2020.

Thank you for your consideration.