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Health Information Compliance Alert

Does Convenience Trump Utilization Cost in Telehealth?

As the delivery of virtual care increases, a study ponders whether it's worth the cost.

Telehealth is ramping up to be a major player in the quality care game as new technologies allow for increased patient access and revenue. But a new Health Affairs study suggests that though it's touted as a cost-saving service, hidden expenses can arise and impact implementation.

The investigation led by a RAND Corporation policy researcher and a Harvard professor found that "increased convenience may tap into unmet demand for healthcare, and new utilization may increase overall healthcare spending," according to the study's abstract. See the abstract here: http://content.healthaffairs.org/content/36/3/485.abstract?=right.

Stats: The researchers examined over 300,000 patients from 2011 to 2013, using commercial data on telehealth services for acute respiratory illnesses to see if the convenience of the service was equal to the cost of the implementation. "Twelve percent of direct-to-consumer telehealth visits replaced visits to other providers, and 88 percent represented new utilization," the abstract said. However, "net annual spending on acute respiratory illness increased $45 per telehealth user."

Reminder: Make sure you know your payer's policy on telemedicine and HIPAA guidelines before you report any telemedicine codes. Keep in mind that each states' Medicaid guidelines for telemedicine will be unique from each other and different from Medicare national guidelines, so check your specific state's Medicaid guidelines as well. As practices begin to use telemedicine more commonly, many regulators are pushing for tighter telemedicine guidelines and this may impact the cost to you as well.