

Differences in Telehealth Utilization by: State and Type of Parity Law



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Background

- Obtaining timely healthcare services can be extremely challenging for patients who reside in rural or medically underserved communities.¹⁻²
- Telehealth is a promising approach to improving healthcare access and quality, while controlling costs.¹⁻²
- Reimbursement as one of the most significant barriers to telehealth utilization.
- Medicare began reimbursing for telehealth services in 1997.⁴⁻⁵
 - Over half of Americans are covered through private health insurance.⁶
- Telehealth parity is a critical health policy issue as the Public Health Emergency (PHE) ends.



Background-Telehealth Parity

- Prior studies found that states with telehealth parity policies experienced greater use of telehealth services.
- A major limitation is that all parity laws were treated as equal, which they are not.



What is telehealth parity?⁸

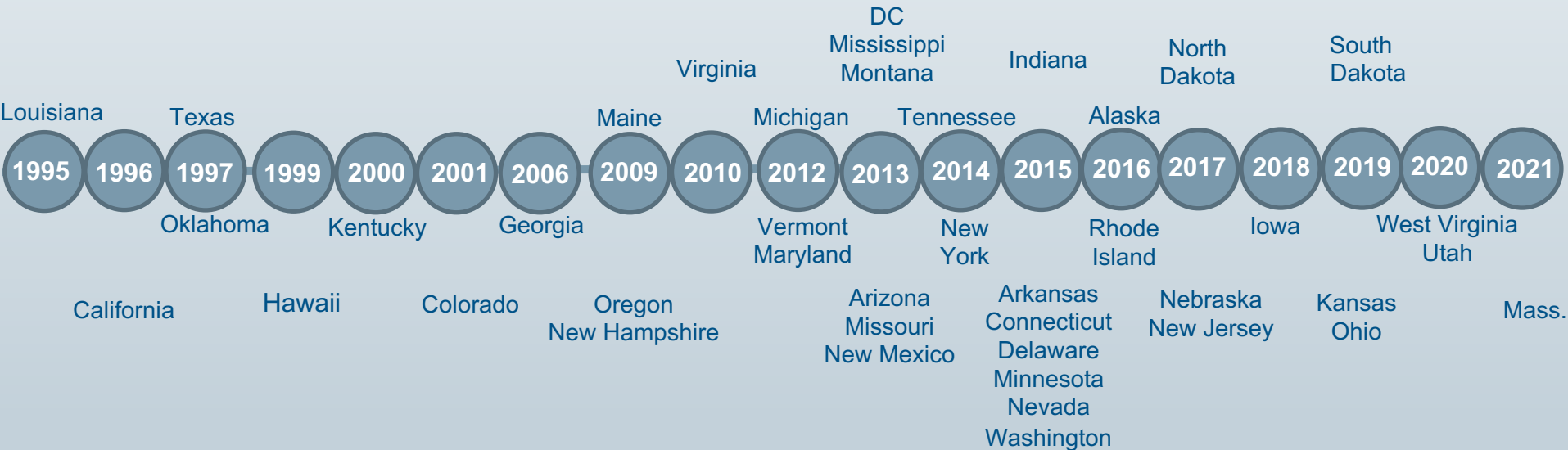
- Telehealth parity laws require private insurance companies to reimburse telemedicine services similar to in-person healthcare visits.
 - Coverage or Service Parity: Requires insurance to cover the telehealth visit
 - Payment Parity: Requires insurers to pay for telehealth and in-person at the same rate.

Source:
<https://www.cchpca.org/topic/parity/>



Timeline of State Telehealth: Initial Private Insurance Parity⁷⁻⁸

Coverage Parity



Coverage & Payment Parity

Research Questions

- How does telehealth utilization vary across states with and without parity?
- Is there a difference in utilization among different levels of telehealth parity (coverage vs payment)?
- Are there any differences in monthly visit rate trends among different levels of telehealth parity?
- Do Public Health Emergency measures impact the monthly visit rate trends in states with different parity levels?



Methods

Data Source

- 2020-2021 Truven® MarketScan Commercial Claims dataset
- The Truven® MarketScan database includes patient-level claims data on utilization, expenditures, and prescriptions drugs.
- The dataset includes private insurance claims from approximately 100 payers (e.g. large employers, health plans, and government organizations).

Variables

- Our outcome of interest, is the occurrence of a patient-level telehealth claim.
 - Telehealth visit definition: uses the Current Procedural Terminology (CPT)/Healthcare Common Procedure Coding System (HCPCS) Codes, procedure code modifiers (ProcMod), and Place of Service (POS) to identify televisits.
- We examined state telehealth legislation and telehealth parity policy reports to categorize each state into one of the following categories:
 - no parity;
 - coverage parity only; or
 - coverage and payment parity.
- We also collected the years that telehealth parity legislations were first enacted.



Analysis

- Employed a quasi-experimental weighted difference-in-differences (DID) model with two-way fixed effects to examine:
 - 1) the differences in monthly trends of tele visit rates, defined as tele visits per 100 enrollees in states with no parity, coverage parity only, and coverage and payment parity; and
 - 2) the impact of the interaction between the COVID-19 measures since March 2020 and state laws with coverage and payment parity compared to no parity and coverage parity only.
- All models adjusted for state unemployment rates. Standard errors were clustered at the state level.



Results

State Characteristics

Characteristics (n=1224)				
	25 States with both Coverage and Payment Parity in the entire period	13 States and DC with Service Parity in the entire period*	8 States with no Parity Law in the entire period	4 states with both Coverage and Payment Parity since COVID-19
Televisit Rates				
Mean (SD)	8.05 (4.57)	5.71 (4.13)	5.03 (3.17)	9.40 (8.00)
Covered Months				
No. (%)	602 (49.18)	334 (27.29)	192 (15.69)	96 (7.84)
Unemployment Rate				
Mean (SD)	6.38 (3.41)	5.89 (2.84)	5.59 (2.65)	6.42 (3.47)
State Population				
Mean(SD)	5,203,004 (6,282,439)	4,387,744 (5,576,242)	6,385,811 (5,265,117)	4,936,684 (3,397,918)

*Oklahoma had both coverage and payment parity since Nov.2021



Telehealth Utilization by State and Parity Coverage

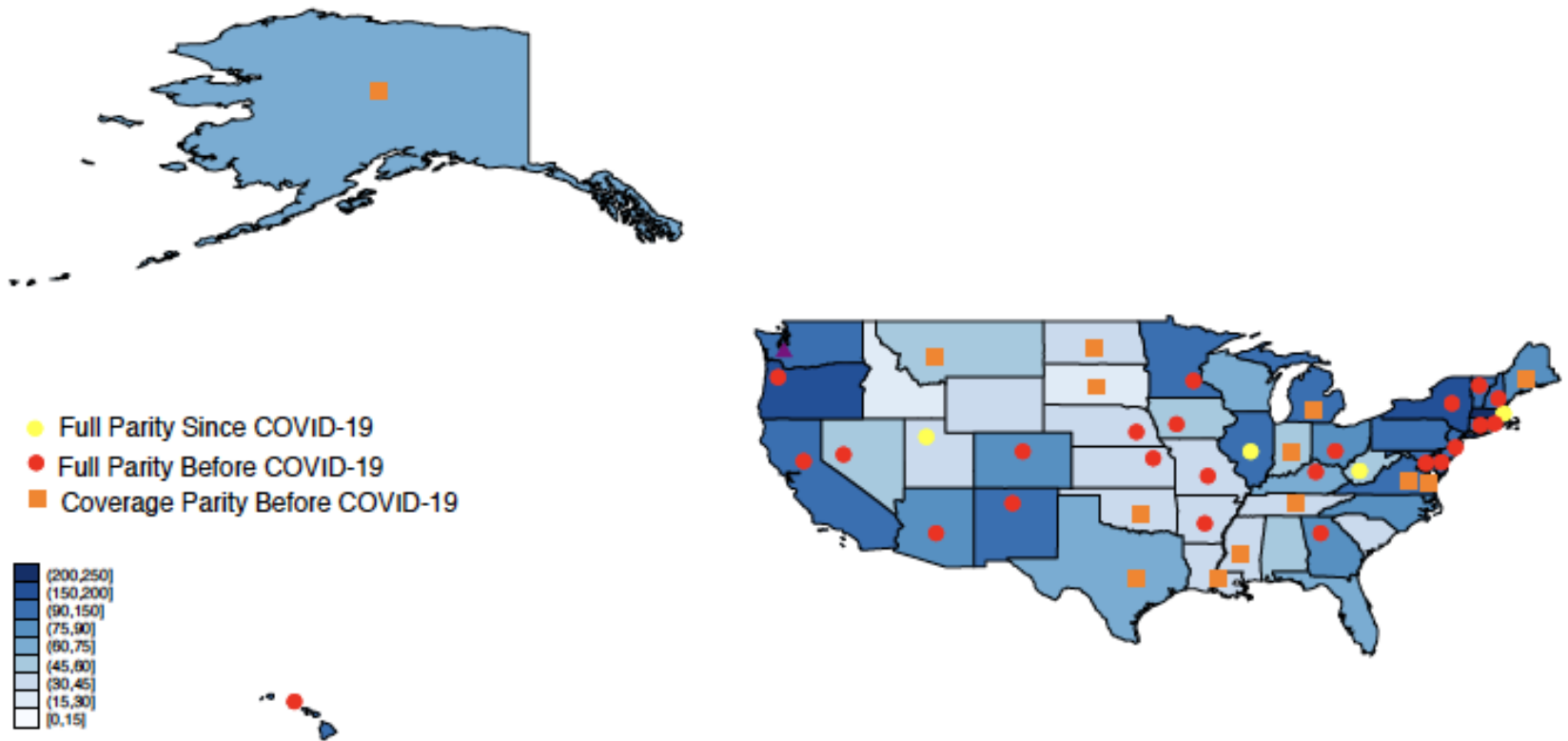
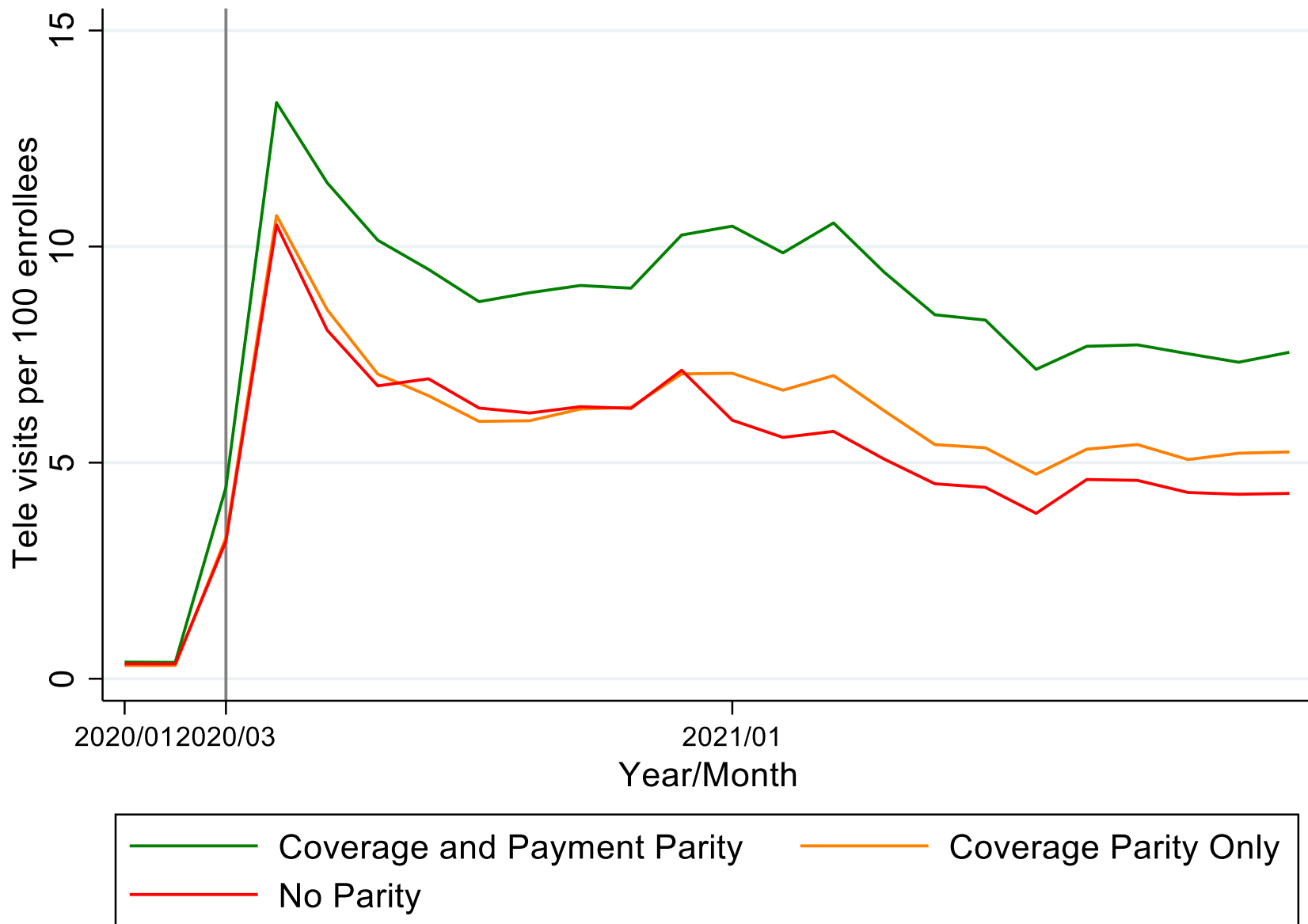


Figure 1: Tele visit rates in states with coverage and payment parity, coverage parity only, and no parity



Discussion

- Since the COVID-19 pandemic, states with coverage and payment parity laws have experienced significant increases in telehealth visits.
- Telehealth may have made health care more accessible during the pandemic, and robust coverage and payment parity laws may be necessary for increasing access to health care post-public health emergency.
- To ensure telehealth uptake is sustainable, payment parity may also be needed.



Limitations

- Possible miscoding of the GT modifier or under-reporting of telehealth claims.
 - Due to billing compliance rules, we do not believe a coding error would be more likely to parity in a parity vs non-parity states.
- Patients were not randomly selected into a parity or non-parity state, and additional factors may contribute to the utilization of telehealth services across states.
- We are unable to examine the impact of those state that have enacted parity legislation post 2021.



Conclusion

- This work can have significant policy implications as many state parity laws expire in 2024 or 2025.



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