

Telehealth Research Recap: Economic Impact



Payment Models for Telehealth

The payment model structure is crucial to telehealth's financial sustainability.¹ Payment models include traditional fee-for-service, bundled payments, and capitation.² The long-term viability of telehealth under these models is critical, factoring in evolving health care needs and technological advancements. The policy implications are significant as insurance and reimbursement regulations shape telehealth's economic landscape.³

Telehealth Policy and Reimbursement

Several research studies examined how state and federal policies shape the adoption and implementation of telehealth services.^{4,5} These policies, particularly those implemented during and after the COVID-19 public health emergency, have undergone significant changes, influencing the scalability of telehealth.^{6,7} Reimbursement mechanisms are crucial, as they directly affect health care providers' financial capacity to provide telehealth. There is variability in policies and reimbursement regulations across different states and insurance providers.^{8,9} The evolving nature of telehealth policies suggests a dynamic regulatory environment that will require ongoing adjustments to ensure the effective use of telehealth.¹⁰

Telehealth Appointments and No-Show Rates

Telehealth appointments can reduce barriers like transportation challenges and time constraints.¹¹ Research shows that patients attending appointments remotely had an increase in appointment completion rates.¹² Health care providers can benefit from the predictability resulting from lower no-show rates, which may enable better resource management and scheduling efficiency.¹³

Cost and Cost-Effectiveness Analysis

It is important to consider the costs and savings associated with telehealth. Costs include direct costs, such as setting up and maintaining telehealth technology and infrastructure, and indirect costs, such as training health care providers and adapting existing clinical workflows to incorporate telehealth. One study analyzed the cost-effectiveness of telehealth treatments for patients with aphasia and found it to be an economical option, particularly for the most severe patients.¹⁴ Another study noted that telehealth appointments often do not require patient travel to a health care facility, reducing associated patient costs.¹⁵ Research has also examined the economic impact of telehealth when compared to in-person care, finding no cost difference.¹⁶ Figure 1 shows the average cost of a telehealth visit versus in-person visits pre- and post-COVID.¹⁷

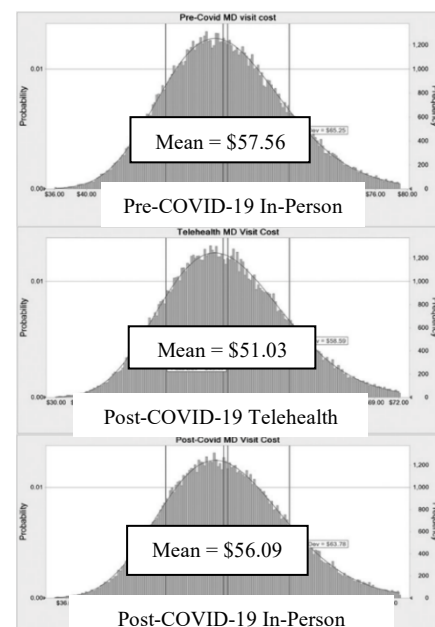


Figure 1. Comparison of Costs for a Telehealth vs an In-Person Visit, Pre- and Post-COVID-19, 2019-2020¹⁸

Resources

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- ⁵ Chen, P.G., Heins, S.E., Dellva, S.. State Medicaid Telehealth Coverage Policy Decisions Since the COVID-19 Public Health Emergency. Assistant Secretary for Planning and Evaluation. PR-A2089-1. May 2023. Final Report <https://aspe.hhs.gov/sites/default/files/documents/e34fa68cc2977002d72f9279d5b6ddab/medicaid-telehealth.pdf>
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- ⁷ Chen, P.G., Heins, S.E., Dellva, S. State Medicaid Telehealth Coverage Policy Decisions Since the COVID-19 Public Health Emergency. Assistant Secretary for Planning and Evaluation. PR-A2089-1. May 2023. Final Report <https://aspe.hhs.gov/sites/default/files/documents/e34fa68cc2977002d72f9279d5b6ddab/medicaid-telehealth.pdf>
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- ¹⁸ Ibid.