

Telehealth in Medicare Advantage: Status of Allowable Services

Fact Sheet November 2019

Key Facts

Telehealth is a set of health care services delivered through a range of online, video, and telephone communications between patients and their care providers.

Telehealth is becoming the newest method of care delivery for beneficiaries in Medicare, especially those with chronic conditions and for those with limited access to providers. Evidence suggests telehealth services improve quality and reduce costs.

Recent allowable expansion of coverage in Medicare offers new opportunities for delivery of care for beneficiaries, particularly as Medicare Advantage looks to alternative ways to innovatively expand access to eligible populations.

Telehealth is increasingly being employed as a method of delivering health services to patients through telecommunication technologies and electronic information and is receiving corresponding attention by policymakers to allow and pay for its use. Action to remove barriers to telehealth as a delivery of care option is a response to the expectation that such services may improve health outcomes. In particular, telehealth has been cited as an efficient way to help manage chronic conditions such as congestive heart failure, diabetes, and chronic obstructive pulmonary disease.

There are multiple methods for telehealth services:



Live video between patients and providers using audiovisual technology



Store-and-forward transmission of recorded health information, typically videos or images for evaluation by another provider



Remote patient monitoring which is the electronic collection and transmission of medical data from a patient in one location to a provider in another



Mobile health which is care and information supported by mobile communication devices

These methods are used to improve access to care for beneficiaries with limited access to providers (e.g., those who are homebound, lack transportation, or live in rural counties), including those in Medicare Advantage.

Telehealth Can Improve Access to Care for Beneficiaries

As of 2019, telehealth coverage is a covered benefit in Traditional Fee-for-Service Medicare and therefore in Medicare Advantage which covers all Part A and B services in Traditional Medicare. Part B defined services allow payment for a limited number of services delivered via a live telecommunications system instead of in-person visits. In Traditional Medicare, claims are submitted based on an approved list of telehealth services and at certain originating site locations, which restricts the eligibility, qualifying locations, and covered services available to beneficiaries.

In contrast, Medicare Advantage can utilize telehealth to improve beneficiary outcomes through benefit design and supplemental benefits in addition to offering telehealth benefits as a part of basic benefits. Prior to 2019, plans could offer telehealth only as a supplemental benefit. This change in policy enables the expansion of telehealth to meet patient needs and innovate in its usage.

CMS is encouraging new ways to expand access to telehealth services in Medicare Advantage. Starting in 2020, use of value-based insurance design will test four service delivery innovations, allowing plans to propose alternative ways to use telehealth to expand their care networks. A 2019 proposed rule also allows patients and providers to access health information in interoperable forms, allowing different entities to share, access, and use data seamlessly. Increasingly, policymakers are recognizing telehealth's potential to expand access to care for Medicare beneficiaries. Recent flexibility from the administration ensures Medicare Advantage is well-suited to lead the way in exploring new designs for its use.

Policy Recommendation: CMS should ensure that Medicare Advantage plans have the flexibility to enable providers and patients to access user-friendly technology platforms that are seamless and convenient for all beneficiaries and permit the use of innovative care delivery models that reduce costs, improve outcomes, and bolster provider network adequacy, especially in rural areas.