



Testimony of
Ellen Kelsay
President & CEO, Business Group on Health

Before the Ways and Means Health Subcommittee
of the U.S. House of Representatives

Charting the Path Forward for Telehealth

April 28, 2021

Chairman Doggett, Ranking Member Nunes, and members of the Health Subcommittee, thank you for the opportunity to testify on the current and future role of telehealth in the health care system. I am Ellen Kelsay, President and CEO of Business Group on Health, a nonprofit organization representing over 430 large employers who provide health and other benefits to over 55 million employees, retirees, and their families. Our members have employees, with employer-sponsored health coverage, in all 50 states, and they represent wide range of industries, including manufacturing, technology, financial services, retail, and hospitality. The Business Group's primary focus is to develop and advocate for innovative solutions in health, well-being, and workforce strategy, rooted in employer-sponsored benefit offerings. My testimony today will focus on telehealth utilization and design trends and our recommendations for ensuring sustainable integration of telehealth into the health care system.

I. Current Growth in Virtual Care and Telehealth Services

For years, Business Group members, in efforts to maintain high-quality, cost-effective health coverage for their employees, have been at the forefront in adopting innovative benefit designs, including virtual care and telehealth. Well before the COVID-19 pandemic, over 90% of our members were already offering some form of telehealth through their group health plans.¹ In recent years, Business Group members have turned to telehealth as a way to expand access to mental health services. As the Subcommittee knows, access to mental health services is a particular concern for under-resourced populations, and telehealth shows promise as one potential solution. Our most recent member survey showed that implementing more virtual care solutions was the top health care priority for 2021, followed by expanding access to mental health services.

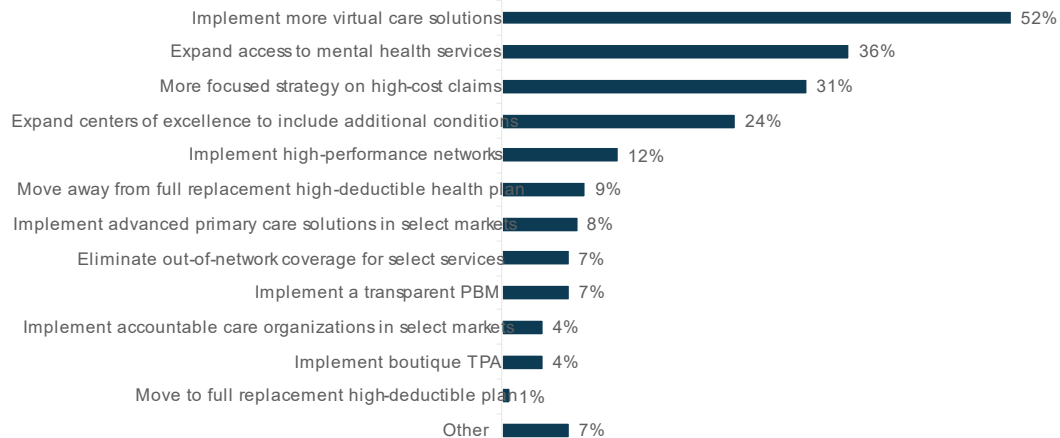
¹ Business Group on Health, *2021 Large Employers' Health Care Strategy and Plan Design Survey 34* (2020).

Large Employers' Top Health Care Priorities, 2021



The top priorities for 2021 are implementing more virtual care solutions and expanding access to mental health services.

N=115



Note: Respondents could select multiple responses.

Note: Other responses include: add concierge services; implement voluntary medical benefits; expand care management solution; and remove prescription restrictions.

Q: Which of the following initiatives will you implement for the first time and/or expand in 2021?

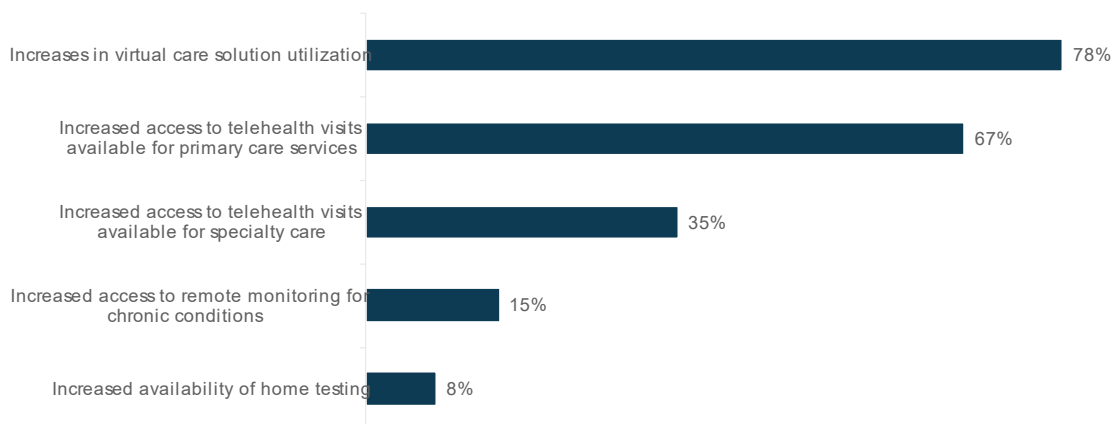
However, it is hard to overstate the effects of the COVID-19 pandemic on virtual care and telehealth adoption—among employees, employers, and providers.

Large Employers' Virtual Care Experience Due to COVID-19, 2020



The COVID-19 pandemic drove employers to increase virtual care offerings, likely leading to an uptake in use by employees/dependents.

N=111



Note: Respondents could select multiple responses.

Q: Which of the following changes to virtual care did you make or see as a result of COVID-19?

In large part due to COVID-19, large employers have turned their focus to all the ways that employees receive medical care: from traditional brick-and-mortar providers, telehealth for acute symptoms, virtual care to improve well-being and maintain health, to on-site services and advanced primary care offerings. With respect to virtual care and telehealth in particular, in 2020, 78% of large employers saw increased utilization of virtual care solutions, and 67% of large employers increased access to telehealth visits available for primary care services.

Moreover, our members believe that these changes are likely to be—to at least some extent—permanent. Between 2018 and 2020, the percentage of our members indicating that they believe virtual care will have a significant impact on how health care is delivered in the future increased from an already substantial 52% to 80%.

Large Employer Views of Virtual Care, 2018-2020



More large employers believe virtual care will have an impact on how care is delivered – a sentiment likely brought on by the pandemic-initiated growth in virtual care.

N=121



Q: How significant of a role do you think virtual care solutions (e.g., telehealth, virtual primary care, virtual second opinions, digital coaching, remote monitoring, physical therapy, telemental health) will have on how health care is delivered in the future?

Virtual care experienced growth across the board due to the need to reach employees staying at home, and the health care system has largely responded to the needs of employees and employers. Not only have hospitals and physician practices offered more telehealth services, but our members' on-site services, including clinics and mental health therapists, have proven flexible enough to adapt to the current landscape and provide services such as COVID-19 testing and virtual counseling.

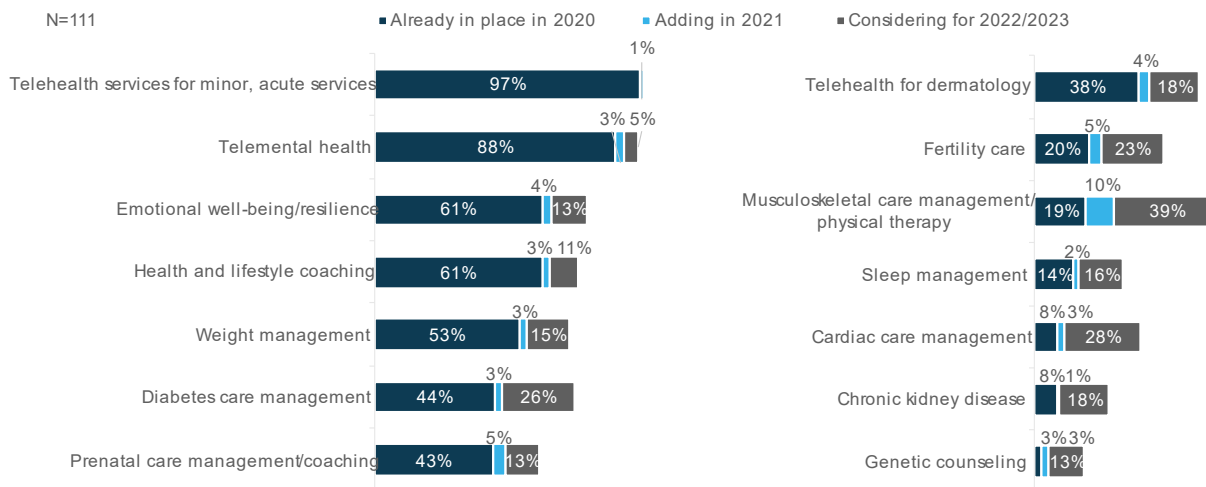
As we look to the coming years, it is clear that the range of services available through virtual care and telehealth will expand. As of 2020, our members' most common virtual offerings were telehealth services for minor, acute services; telemental health; and emotion well-being and

resilience services. However, services extended to diabetes care management, prenatal care management, and cardiac care management (among others) as well.

Large Employers' Current and Projected Virtual Offerings, 2020-2023



Large employers offer a suite of virtual care programs in 2020 – telehealth, telemental health lead the pack.



Q: In 2021, which of the following types of virtual care services will you offer to employees?

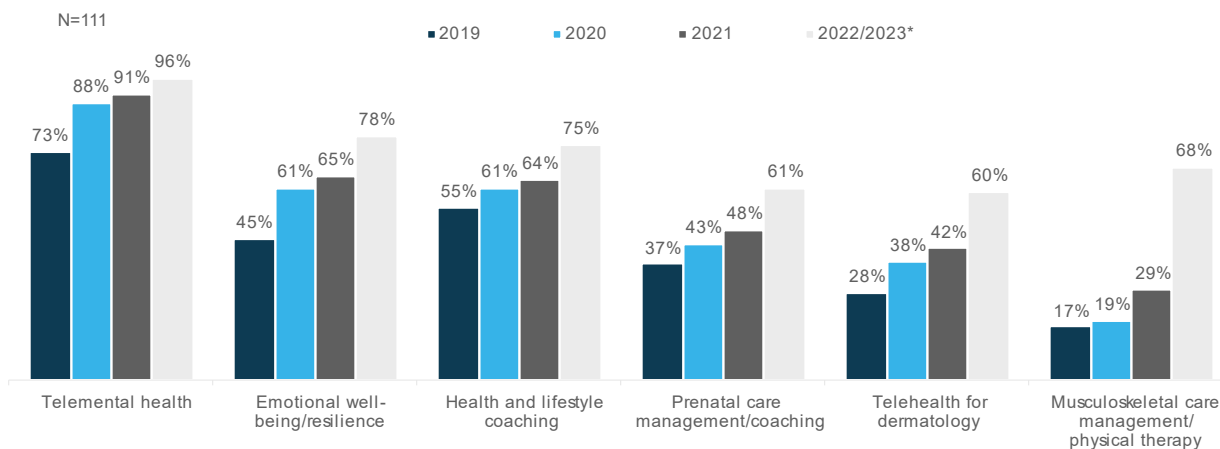
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12

Large Employers' Largest Expansions of Virtual Care Services, 2019-2023



Musculoskeletal care management/physical therapy will see the largest growth of any virtual care services.



Note: Percentages for 2022/2023 are based on respondents that are considering each virtual care solution by 2023.
Q: In 2021, which of the following types of virtual care services will you offer to employees?

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13

Looking toward 2022-2023, our survey data indicate that the largest expansions in telehealth services for large employer coverage likely will be in musculoskeletal care and physical therapy and dermatology.

II. An Evidence-Based Approach to Telehealth

Although Business Group members are optimistic about telehealth’s ability to expand access to health care, increase efficiency in care delivery, and improve the patient experience, we must note that virtual care and telehealth are still in early stages of development.

Large Employers’ Telehealth Employee Utilization, 2019-2020



Telehealth utilization in the first half of 2020 has outpaced utilization rates for the entirety of 2019.

N=38-47

	2019	2020 (YTD)
Mean	5%	9%
Median	3%	5%

Utilization rates ranged from **1% to 30%** in the first half of 2020

Note: These percentages reflect the average amongst employers offering telehealth in the given year(s).
 Q: If you offer telehealth for acute services to employees, what percentage of your employees and their dependents had a telehealth visit?

Our data reveal that while telehealth utilization for acute services nearly doubled from 2019 - 2020, there was a wide range of utilization rates across large employers—from 1% to 30% in the first half of 2020. We also note that the median utilization rate among our members was 5% as of mid-2020. This means that (1) there is room for much greater uptake and utilization of telehealth in coming years and (2) the long-term cost and quality effects of large-scale telehealth utilization remain to be seen.

Our members have identified the following as reasons to exercise caution:

- **Safety and care quality.** Inevitably, for some health care services, in-person rather than virtual care will be more medically appropriate. We believe that rigorous study of health outcomes and patient experience—comparing in-person and virtual care settings—is necessary to ensure patient safety and quality of care.

- **Cost.** We also cannot ignore the high (and ever-increasing) cost of health coverage. Virtual care and telehealth show promise in improving efficiency and cost-effectiveness in the health care system, but we also want to be cautious of ways that virtual care and telehealth might increase costs over time. For example, our members have expressed concern that for some health care services, a telehealth visit is followed by an in-person visit for the same purpose—resulting in the employer and employee essentially paying twice for the same (or very similar) services. Likewise, some telehealth visits may lend themselves to increased prescribing of other services, such as high-cost durable medical equipment or laboratory tests, that would not have occurred if the visits were in-person. Again, we believe that rigorous study of telehealth costs and associated downstream costs is necessary to ensure that virtual care and telehealth do not, in the long run, result in costs that outweigh the benefits of this modality.
- **Equity and uniform availability.** We encourage the Subcommittee to consider the need for uniform availability of virtual care and telehealth services—from plan design and health equity standpoints. A single large employer may offer health coverage in all 50 states. As a matter of plan design best practice and fairness, our members strive to provide health coverage that is uniformly available, and of uniform quality, in all locations where they have employees. However, disparities in availability of providers, health care infrastructure, and broadband access often present obstacles to care in under-resourced communities and locations. We believe that employer-sponsored plans and governmental entities should continue working toward virtual care and telehealth services that are uniformly available, and of uniform quality, across the country.

To address these concerns, we recommend that Subcommittee members, other members of Congress, and regulatory bodies consider the following:

- Expanding access to virtual care and telehealth by permitting interstate licensure of providers; permitting telephone-only services when medically appropriate; and encouraging a national framework for telehealth for multistate employers. We believe these measures are important steps toward expanding and maintaining equitable access to critical services such as mental health care and chronic condition management.
- Permanently extending flexibility to offer virtual care and telehealth services, on a pre-deductible basis, to employer-sponsored plan participants enrolled in high-deductible health plans (HDHPs) paired with health savings accounts (HSAs). Again, this is a measure to ensure equitable access to virtual care and telehealth services, given that 97% of large employers offer the HSA/HDHP plan design to employees.²
- Permanently extending flexibility to offer virtual care and telehealth services to employees who are not enrolled in an employer’s group health plan. This flexibility will

² Business Group on Health, *2021 Large Employers’ Health Care Strategy and Plan Design Survey* 25 (2020).

extend virtual care and telehealth services to employees (and their dependents), who may not otherwise have access to these services.

- Conducting independent study and analysis of health outcomes and costs associated with virtual care and telehealth services, as compared to in-person services. Employers and their vendor partners will conduct such examinations of their own virtual care and telehealth offerings, based on their employee populations. Public sector programs such as Medicare, however, are in a unique position to conduct large-scale studies that, we believe, will provide valuable, practical information on the costs and benefits of virtual care and telehealth.
- Extending telehealth flexibilities in the Medicare system that were originally authorized in response to the COVID-19 pandemic. This extension would expand availability of telehealth across the country and give agencies time and data to evaluate the costs and benefits of such availability.

These are preliminary steps that we believe will move the health care system toward evidence-based, efficient, and equitable virtual care and telehealth services. No doubt, as virtual care and telehealth continue to expand, additional study, design changes, and policy changes may be necessary. We at the Business Group will continue, on behalf of large employers, to advocate for and disseminate best practices in virtual care, telehealth, and employer-sponsored coverage as a whole.

Thank you for the opportunity to testify today. We look forward to working with the Subcommittee and other members of Congress to promote and implement telehealth designs and best practices that improve access to high-quality health care for all Americans.