

# Telehealth Coverage During the COVID-19 Pandemic

BENEFIT DESIGN CHANGES AND UTILIZATION RATES AMONG CONSUMER-DIRECTED HEALTH PLANS





## Executive Summary

The COVID-19 pandemic ushered in new challenges in health care access, while exacerbating others. People needed to continue to see their doctors, particularly for help managing their chronic conditions and for mental health care, without risking potential exposure to the virus. Isolation and lockdown requirements led to greater feelings of loneliness and increased mental health issues. Preventive care services were still essential to conduct screenings, get vaccinated from other illnesses, and maintain optimal health.

The enactment of the bipartisan Coronavirus Aid, Relief, and Economic Security (CARES) Act in May 2020 introduced new flexibilities to allow health insurance providers to introduce new programs and approaches to address these and many other ongoing health care needs. Notably, insurance providers quickly began allowing coverage of telehealth services in Consumer-Directed Health Plans (CDHP) on a pre-deductible basis.

Ordinarily, the Internal Revenue Code (“Code”) limits the ability of health plans that may be paired with Health Savings Accounts (HSA) to cover items or services before an enrollee has met their deductible. However, there is a statutory exception for coverage deemed preventive, which may be paid for by the plan without applying the deductible.

Section 3701 of the CARES Act amended the Code to create a safe harbor for telehealth services. For items or services delivered via a telehealth method prior to January 1, 2022, a CDHP need not apply a deductible. That safe harbor expired at the end of 2021, but Congress temporarily extended the safe harbor for April through December 2022.

This report demonstrates the extent to which health insurance providers modified benefit design of their CDHP product offerings to cover more telehealth services pre-deductible, how those services were made available, and for which medical specialties the services were most utilized. The findings of this survey make clear the urgent need for an extension of the telehealth safe harbor to allow millions to continue to access affordable and convenient health care.

<sup>1</sup> Consumer-Directed Health Plan (CDHP) refers to plans subject to the requirements of Section 223 of the Internal Revenue Code, where plans are referred to as High Deductible Health Plans (HDHP).

## Key Takeaways

- **The COVID-19 pandemic called for innovative approaches to break down barriers to care** to help Americans achieve their best possible physical and mental health.
- **Nearly every CDHP<sup>1</sup> leveraged new flexibilities** provided in the CARES Act to cover more mental and physical health care services through telehealth, without a patient having to touch their deductible.
- **The most common types of services delivered via telehealth that were covered pre-deductible included claims for routine care** – regular evaluation and management visits, psychotherapy, speech and language therapy, and medical nutrition therapy.
- **Behavioral health care** was the most frequent category of care provided via telehealth in 2020.
- These findings highlight how **it is imperative for Congress to again extend the telehealth safe harbor** by passing the Telehealth Expansion Act.

## Study Findings

- Nearly all HSA-eligible CDHPs modified their benefit design to cover telehealth services on a pre-deductible basis: **83% of issuers offering fully insured products** and **81% of plans offering self-insured products**.
- In 2021, pre-deductible coverage of health care services via telehealth was available for nearly any type or specialty of care for which virtual care was feasible, with several plans indicating they covered any service delivered via telehealth by licensed providers. **Among specific telehealth services covered pre-deductible, the most common types were primary care (95%), mental health care (95%), chronic care (89%), and acute/urgent care (89%).**
- Health insurance providers provided coverage for telehealth services delivered to members by both their regular network providers and through telehealth vendors with their own network. However, **the most common method – reported by 58% of plans – is the delivery mostly by providers in the plan’s regular network that have telehealth capabilities.**
- No plans allowing pre-deductible coverage of telehealth services reported exclusion of any remote setting-appropriate services (services not requiring physical presence or action by provider) from being processed pre-deductible.
- An AHIP analysis of commercial medical claims from the second half of 2020 demonstrates that there was a wide variation in the amount of pre-deductible telehealth claims for CDHP enrollees by state: the states with the highest per-enrollee level of claims (Oregon, District of Columbia, and Massachusetts) had **more than 10 times greater pre-deductible telehealth claims** than the states with the lowest level (South Dakota, Iowa). In general, there were fewer pre-deductible claims for telehealth services in CDHPs in predominately rural states.
- The most common types of services delivered via telehealth that were covered pre-deductible included claims for routine care – regular evaluation and management visits, psychotherapy, speech and language therapy, and medical nutrition therapy. **Behavioral health care was the most frequent category of care provided via telehealth in 2020.**

## Survey: Coverage of Telehealth Services in Consumer-Directed Health Plans 2020-2021

AHIP conducted a survey of member health insurance providers in February 2022, with responses accounting for 105 million covered lives. The responding companies offer CDHPs as both fully insured health insurance coverage and through self-funded group health plans.

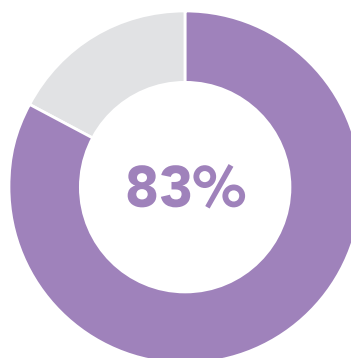
### Widespread Pre-Deductible Coverage of Telehealth Services Following the CARES Act

Following the passage of the CARES Act in 2020, more than 4/5 of health insurance providers began covering telehealth services in CDHPs without applying a deductible.

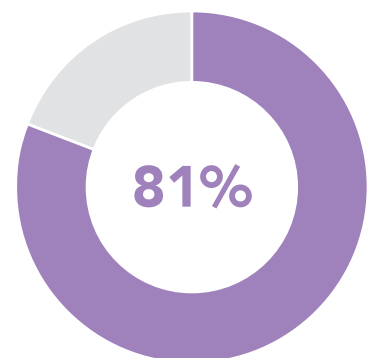
Among fully insured health plans, the benefit design changes were more universal, with 79% reducing or eliminating cost-sharing in all plan offerings, with the remaining 21% reducing or eliminating cost-sharing in most plan offerings.

Among self-funded health plans, 35% of responding plans reduced or eliminated cost-sharing in all contracts, 59% in most contracts, and 6% in some contracts.

**Issuers Offering Fully Insured Products Pre-Deductible**



**Issuers Offering Self-insured Products Pre-Deductible**



## CDHPs Covered a Variety of Telehealth Services Pre-Deductible

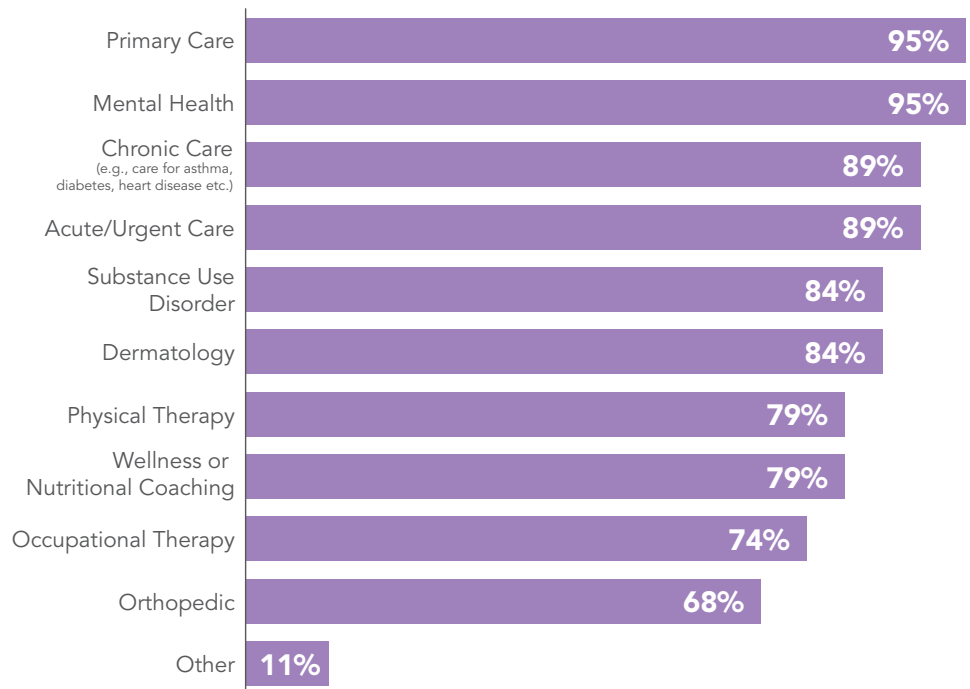
CDHPs covered a wide array of health care services pre-deductible in 2021.

Telehealth services were generally delivered by providers already in a plan's network, with some utilizing telehealth vendors that included their own provider networks, or a combination of the two.

No plans reported excluding any remote-appropriate service claims from being processed pre-deductible. Some services, such as imaging, lab work and X-rays, are not able to be offered via telehealth delivery because of practical limitations.

Health insurance providers also reported that they maintained safeguards against fraud, waste, and abuse to ensure clinically appropriate care was being provided and a provider is acting within the scope of their licensure.

**Percent of CDHPs Covering Services Without a Deductible, 2021**



## Patients Utilized Telehealth Most Frequently for Behavioral and Primary Care

In addition to a survey of commercial health insurance plans, AHIP analyzed the medical claims of CDHP enrollees in 2020. The dataset used was the IBM® MarketScan® database of Commercial claims that contains medical claims of more than 20 million commercial members from all 50 states. Claims incurred during the period between July-December 2020 – the most recent timeframe available – were reviewed to identify claims with modifiers indicating a telehealth visit.

The majority (52%) of the pre-deductible telehealth claims of CDHP enrollees were for mental and behavioral health services. (See Appendix for full charts detailing the twenty (20) most utilized procedure codes for telehealth services).

## Policy Recommendation for Action: Pass the Telehealth Expansion Act

Based on our findings that health insurance providers overwhelmingly adapted benefit designs to allow low or no cost telehealth services and there was widespread utilization by patients, we applaud Congress for authorizing a new, temporary telehealth safe harbor for April through December 2022, after the previous safe harbor expired December 31, 2021. Consumers should have certainty that telehealth services in future years may be covered pre-deductible. Congress should extend the telehealth safe harbor beyond 2022. **This is essential for hardworking American families:**

- 40% of workers enrolled in employer-provided health coverage are covered by CDHPs, including workers at every income level.
- 40% of those earning wages in the bottom quartile are enrolled in CDHPs.

Extending this safe harbor makes telehealth services affordable for millions, enabling hardworking Americans to get the care they need, when they need it, without breaking the bank.

**Congress should pass the bipartisan Telehealth Expansion Act (H.R. 5981/S. 1704).**

## Appendix

AHIP analyzed the medical claims of CDHP enrollees in 2020. The dataset used was the IBM® MarketScan® database of Commercial claims that contains medical claims of more than 20 million commercial members from all 50 states. We selected only the adjudicated claims for services incurred in July-December 2020 of 1.9 million health plan members enrolled in CDHP plans for the entire 2020. We focused on the latter half of 2020, since the first half of the year mixes both pre-pandemic and pandemic trends.

Since the detailed benefit design information (including the date-specific deductible balance) was lacking in the dataset, the claim for a specific enrollee was deemed to be pre-deductible if it had no deductible on the claim but the same enrollee later that year had other medical claims with deductible. Telehealth claims were identified by the presence of procedure modifiers 95, GT, GQ, or G0.

The majority (52%) of the pre-deductible telehealth claims of CDHP enrollees were for mental and behavioral health services. The study categorized claims based on procedure codes Major Diagnostic Category codes, provided by IBM® MarketScan® database. Procedure codes were provided by the IBM® MarketScan® database and are based on the Current Procedural Terminology (CPT) code set of medical procedures and services maintained by the American Medical Association.

**Table 1. Most Common Pre-Deductible Telehealth Claims of CDHP Enrollees by Procedure, July-December 2020.**

Rank	Procedure Code	Description	Telehealth claims in dataset	%	Cumulative %
1	99213	Established patient office visit, 20 minutes	29,230	21.3	21.3
2	90837	Psychotherapy, 60 minutes	26,980	19.7	41.0
3	99214	Established patient office visit, 30 minutes	21,464	15.7	56.6
4	90834	Psychotherapy, 45 minutes	14,454	10.5	67.2
5	99212	Established patient office visit, 10 minutes	3,465	2.5	69.7
6	90833	Psychotherapy, 30 minutes (add-on code)	3,077	2.2	71.9
7	99203	New patient office visit, 30 minutes	2,790	2.0	74.0
8	90791	Biopsychosocial assessment	2,511	1.8	75.8
9	99204	New patient office visit, 45 minutes	1,918	1.4	77.2
10	99215	Established patient office visit, 40 minutes	1,693	1.2	78.4
11	92507	Individual treatment of speech, language, voice, communication, and/or auditory processing disorder	1,630	1.2	79.6
12	90832	Psychotherapy, 30 minutes (stand-alone code)	1,392	1.0	80.6
13	99202	New patient office visit, 20 minutes	1,372	1.0	81.6
14	90847	Family or couples therapy, 26 minutes or longer	1,251	0.9	82.5
15	97803	Medical nutrition therapy, follow-up visit, 15 minutes	1,097	0.8	83.3
16	G8541	Functional outcome assessment using a standardized tool	1,007	0.7	84.1
17	99396	Preventive medicine reevaluation and management, established patient, 40-64 years	946	0.7	84.8
18	G8427	Clinician documenting in the medical record the patient's current medications	945	0.7	85.5
19	90853	Psychotherapy, group, 45-60 minutes	889	0.7	86.1
20	99442	Telephone evaluation and management service, 11 minutes	879	0.6	86.7
<b>Total</b>			<b>137,182</b>		

# Coverage @ Work

Coverage@Work (C@W) is a campaign to educate policymakers and the public about the value employer-provided coverage delivers to nearly 180 million Americans. C@W supports and advocates for market-based solutions that advance health, choice, affordability, and value for every American.

**Learn more at [AHIP.org/CoverageAtWork](https://www.AHIP.org/CoverageAtWork)**