

# Without pandemic-era telehealth extensions, players like CVS and Amazon could be in a bind

Article

**The news:** Major digital health industry players like **Amazon's One Medical, Cleveland Clinic, CVS Health, and Google** implored Senate leadership to extend pandemic-era telehealth

flexibilities for two years past the end of the COVID-19 public health emergency (PHE) date, per Modern Healthcare. The PHE is currently expected to last until mid-January 2023.

**Top digital health players already convinced the House:** Earlier this year, the House voted to extend pandemic telehealth flexibilities to 2024. Now, it's up to the Senate to pass the bill.

In July, the chamber overwhelmingly voted 416 to 12 to pass the Advancing Telehealth Beyond COVID-19 Act.

- So, through 2024, more telehealth services (like audio-only telehealth visits) could be reimbursed.
- Plus, giants like CVS Health and Amazon can continue expanding their Medicare originating sites for telehealth. As a result of the public health emergency, Medicare patients can receive telehealth services at more locations (like their home or other facilities).

**The bigger picture:** Vendors cannot rely on direct-to-consumer visits alone as telehealth visits drop. They'll need more flexible reimbursement policies to get paid via insurance.

Consumers are already reducing their telehealth use as COVID-19 becomes less of a major health threat.

- **National telehealth adoption dropped almost 4%** in June this year alone, [per](#) the latest Fair Health data.

As less consumers adopt telehealth, better reimbursement policies will be imperative for healthcare giants to ensure telehealth will be financially sustainable long-term. In fact, the letter from major healthcare industry players to the Senate indicated that the uncertainty of telehealth waivers is starting to impact innovation.

**Our take:** We think the Senate will pass the bill to extend the telehealth flexibilities to at least 2024.

The fact that the bill passed with an overwhelming majority in the House is a good sign. Plus, most telehealth extension bills have bipartisan support—a major key to getting a bill passed quickly.

## Barriers to Offering Telehealth Services According to US Physicians, Dec 2021

% of respondents

Roll back of COVID-19 waivers, coverage, and payment policies	77%
Lack of insurer coverage of telehealth services	76%
Low/no reimbursement	64%
Technology challenges for patient population	54%
Licensure in additional states	40%
Liability	29%
Integration with the electronic health record	22%
Lack of technical support	21%
Telehealth-specific workflows	18%
Integration of additional technologies	18%
Lack of guidelines for clinical appropriateness in telehealth	15%
Low patient engagement	13%
Clinician dissatisfaction/lack of buy-in	12%
Cost of implementing/maintaining telehealth platform	12%
Little/no buy-in from administrators or leadership	8%
Lack of marketing for telehealth services	7%
Do not anticipate any barriers/challenges	6%
Other	4%

Note: n=1,545

Source: American Medical Association (AMA), "2021 Telehealth Survey Report," March 23, 2022

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