

The telehealth revolution hasn't arrived

That has surprised congressional power players, investors and tech titans who bet that it would.



BY:

BEN LEONARD

| 06/20/2024 05:00 AM EDT



Evidence is mounting that virtual care hasn't delivered broad cost savings or radically helped people in rural areas get to the doctor, and that it's unlikely to anytime soon.^{AP}

Telemedicine hasn't yet transformed health care — as it seemed poised to do after virtual care took off during the Covid-19 pandemic.

Usage has fallen and it hasn't expanded access the way some predicted.

That has surprised congressional power players, investors and tech titans who bet that it would, and dimmed hopes that telehealth would solve intractable access and cost problems by making it easier to see a doctor.

Former Rep. Fred Upton, a leading voice in Congress on health care until he retired last year, in 2021 called telemedicine “one of the best things, probably, since sliced bread.”

But as Covid fears have abated and hospitals have returned more-or-less to their pre-pandemic normal, telehealth usage has fallen. Evidence is mounting that virtual care hasn't delivered broad cost savings or radically helped people in rural areas get to the doctor, and that it's unlikely to anytime soon.

“It hasn't taken off like we thought,” Upton, who chaired the powerful Energy and Commerce Committee, told POLITICO. “It can be [transformational] but progress is not as fast as we thought it could have been.”

The situation underscores the difficulties of technology fundamentally changing health care quickly in the U.S., a country that spends far more than other rich nations for worse outcomes and has struggled to find solutions. Previously hyped technological advancements like electronic health records also had growing pains, and some see parallels between telemedicine's rise and fall and the recent buzz around artificial intelligence.

Still, after keeping the health care system afloat during the pandemic's early days, telemedicine has broadened access for some and bolstered outcomes in some areas, especially mental health and substance use disorder treatment, as well as care for hepatitis C.

Overall, telehealth appointments represented about 6 percent of visits in late 2023, according to Epic Research, an arm of the electronic health records firm Epic Systems. That's up from 0.2 percent in mid-2019. Telehealth backers say comparing usage from the pandemic's early days — when in-person options were limited — to now isn't fair.

Sen. [Brian Schatz](#) (D-Hawaii), one of telehealth's longest-running supporters, says it all depends on how you look at it.

"When you're dealing with a health care system for hundreds of millions of people, any improvement in outcomes is definitionally transformational," he said, adding telehealth is still a significant force. "It's not realistic to imagine that there's some sort of magic wand that anyone can wave It's quietly one of the most important stories in health care in the last decade."

On Capitol Hill, lawmakers overwhelmingly support extending expanded virtual care access for the mostly elderly patients in the government's Medicare program, but aren't yet ready to make permanent rules they relaxed to give patients access during the pandemic. Lawmakers have had persistent questions about cost and fraud.

On Wall Street, investors are growing more skeptical. Top telehealth firms have seen their stock prices plummet from pandemic highs.

The lower rates of telehealth uptake in rural areas also reflect long-existing issues like access to broadband, provider shortages and lower reimbursement rates, as well as consumer preferences.

"The market wanted something to happen, which is different than what the market, a.k.a. Americans and consumers, may have wanted," said Sanjula Jain, chief research officer at data firm Trilliant Health.

Before the pandemic, few Americans used telehealth to see their doctors, and Medicare heavily restricted its use, only allowing it in certain rural areas and requiring patients to travel to eligible facilities to use it.

The Covid-19 pandemic charged what once was a niche industry. Congress and the Trump and Biden administrations lifted rules and allowed seniors to get care from their homes to curb the virus' spread. The private market followed the trend, and use soared.

Chad Ellimoottil, medical director for telehealth at the University of Michigan, said telehealth's moment in the "limelight" has made it more accepted in health care.

"This idea that you used to have to drive into a doctor's office, park, get your parking ticket ... read Time Magazine until they call your name and they put a device on your wrist to get a reading is totally antiquated," Schatz said.

The federal government, health systems, tech companies and investors poured money into telehealth. From the outset of the pandemic, the technology has shown promise in expanding access for [opioid use disorder](#) treatment, and has become a mainstay in mental health care.

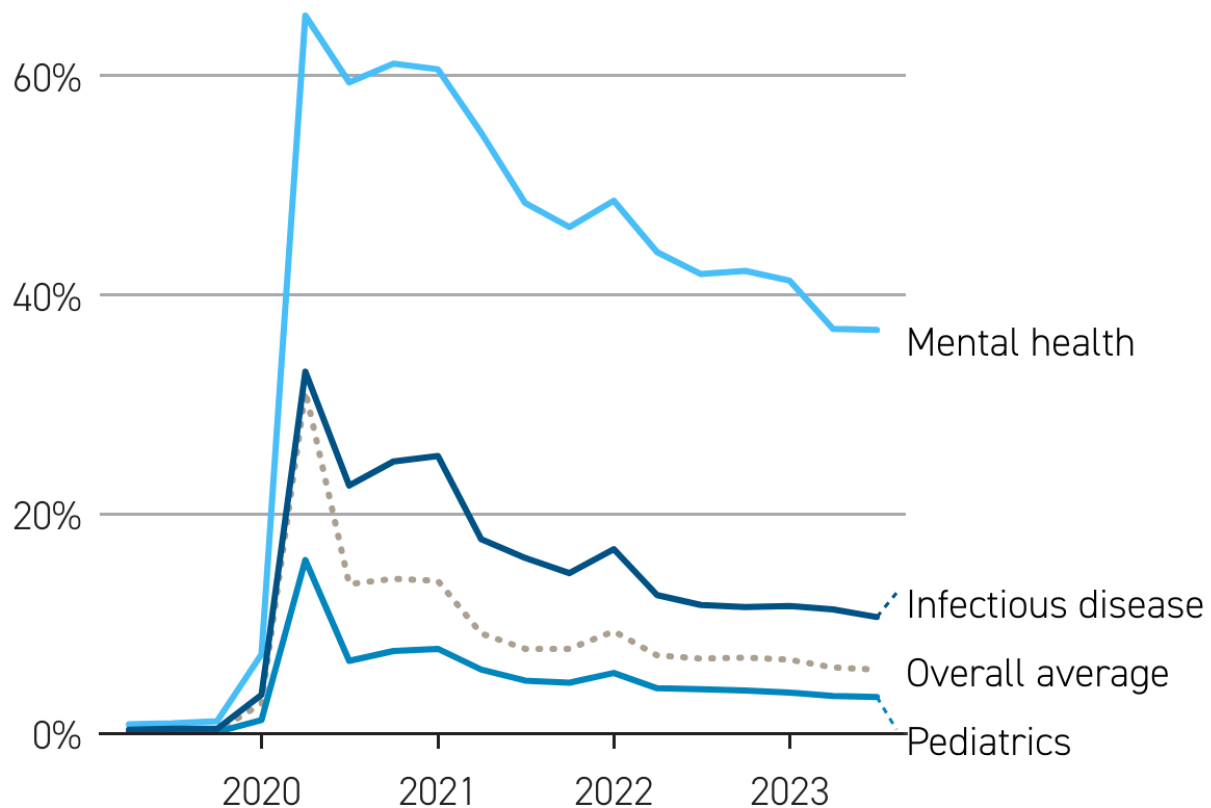
As of last year, more than a third of mental health visits were still through telehealth, down from an early pandemic peak but up significantly from before the pandemic.

To Kyle Zebley, vice president of public policy at the American Telemedicine, that suggests the country is still in a "golden age of telemedicine."

"[Early in the pandemic], it was a new concept for a lot of Americans," Zebley said. "It's changed health care in a big way."

More than one-third of mental health visits are still through telehealth

The percentage of visits conducted via telehealth by specialty



Source: Epic Research
Ben Leonard /POLITICO

Robert Krayn, CEO of online psychiatry firm Talkiatry, said that while telehealth isn't appropriate for every psychiatric condition, it can expand access to care amid a psychiatrist shortage, and pointed to research showing the quality of care is similar or better than in-person visits. One key difference between virtual and in-person care is the visibility it offers into a patient's home life, Krayn said, though to be fair, he said, providers can see things in person they can't virtually.

Many have argued that telehealth hasn't been overused despite eased pandemic rules, which has been a longstanding concern on Capitol Hill, [along with fraud](#). Watchdogs haven't found increased rates of fraud and abuse with telehealth, though concerns about misuse have persisted as lawmakers consider permanent policy.

“Everything that's happened should answer the questions that lawmakers have had,” said Krista Drobac, founder of telehealth lobbying group the Alliance for Connected Care.

But despite overwhelming bipartisan support for virtual care, lawmakers are still weighing next steps and want more data on quality of care.

"I've never said it's going to reinvent health care," said Rep. [Mike Thompson](#) (D-Calif.), one of the House's strongest telehealth supporters. “I have plenty of examples where it's saved lives and money ... It's still in that trial phase.”

Some companies have pulled back on their telehealth-enabled offerings, which has fueled anxiety in the industry and led it to go on defense at times — proclaiming that it isn't “dead.”

Data suggests it's certainly not dead, even if usage is well below early pandemic highs. Harvard researcher Dr. Ateev Mehrotra, who Congress often calls to testify on virtual care, has found that expanded telehealth has led to slight increases in visits and spending and “modest” improvements in quality.

But telehealth's emergence during the pandemic has led to a more incremental change in care delivery than many expected, Mehrotra said, though that's not unique to health care. Despite many people getting groceries online early on in the pandemic, most people still get them in-person, he said.

“It's very hard to find new innovations in the U.S. health care system that have saved money,” Mehrotra said. “That's maybe an unreasonable goal we set for ourselves.”

[Data shows](#) that patients prefer using telehealth for things like prescription refills and care for minor illnesses, but often would rather see a doctor in person for their annual physicals, health conditions or emergencies.

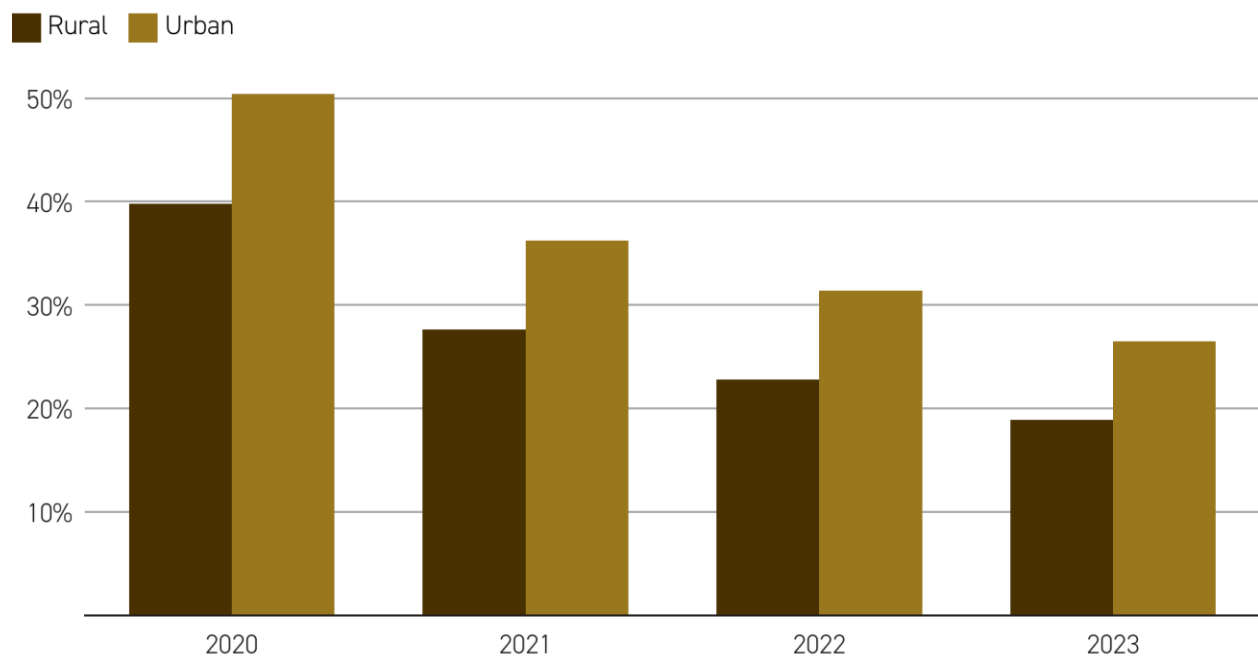
Dr. Christopher Kane, CEO of UC San Diego Health Physician Group, said that patients tend to rate their experience with telehealth slightly lower than they do for in-person care.

“There is something that is missing, relationship-wise,” Kane said.

Adoption has also been lower in rural areas than lawmakers had hoped, envisioning virtual visits as ways to save patients from long travel to get care. Rep. [Buddy Carter](#) (R-Ga.), a leading voice on telemedicine whose Savannah-based district contains many rural areas, said that disparities in broadband access have driven lower usage.

Rural patients less likely to use telehealth than urban ones

Percentage of urban and rural Medicare patients who had at least one telehealth visit



Source: The Centers for Medicare and Medicaid Services
Ben Leonard/POLITICO

Unlike some other types of providers, ones at rural health clinics aren't paid the same for telehealth as in-person care, something Carter says is a factor he hopes to address. Jain also argues there may be more mistrust of virtual care in rural areas and prefer in-person care.

Dr. Sreekanth Chaguturu, chief medical officer at CVS Health and chair of the board of the American Telemedicine Association, said the evidence has been "mixed" for telehealth with respect to cost and access, but that doesn't mean it's "not working" — just that more evidence is needed.

Many leading practices use telehealth in established clinician-patient relationships to create better continuity of care, which Chaguturu sees as telehealth's future — moving beyond more episodic care models.

Mike Eaton, vice president for strategy at Tufts Medicine, said the fundamentals for virtual care remain strong.

"We always overestimate the impact in the near term and underestimate the impact in the long term," Eaton said.