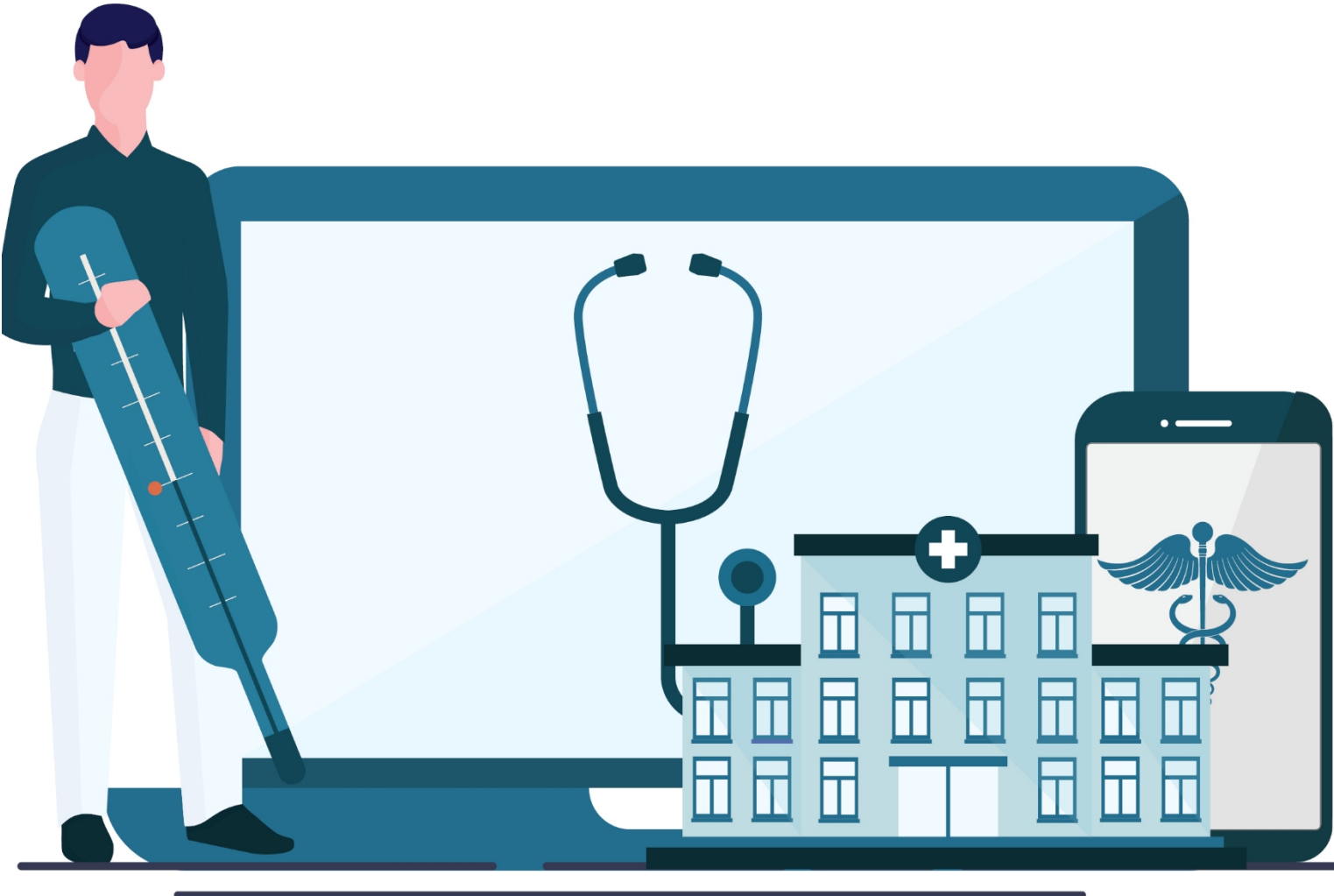


# Benefits Toolkit

# Telemedicine

Provided by TruePlan Benefit and Retirement Advisors



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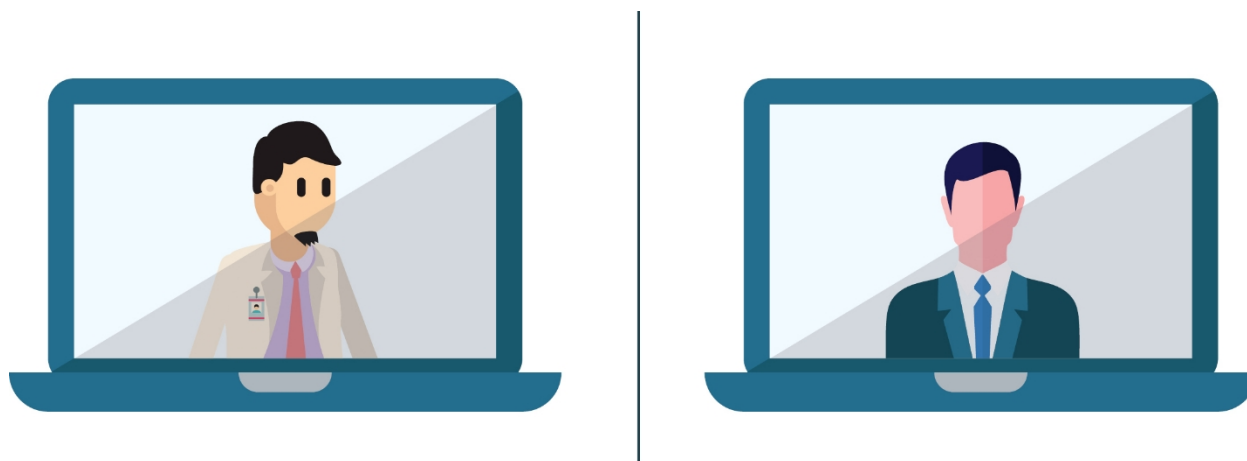
# Introduction

As technology has developed, so has people's ability to overcome the traditional communication barriers of time and distance. The practice of telemedicine (also known as virtual visits, telehealth and e-health) is a step forward in the health care industry, as it uses telecommunication to bridge the gap of time, distance and affordability to reach patients in need of medical attention.

This toolkit serves as an introductory guide to telemedicine. It is not exhaustive and is intended to be used only for informational purposes. Employers should contact a professional before implementing a telemedicine plan.

## What Is Telemedicine?

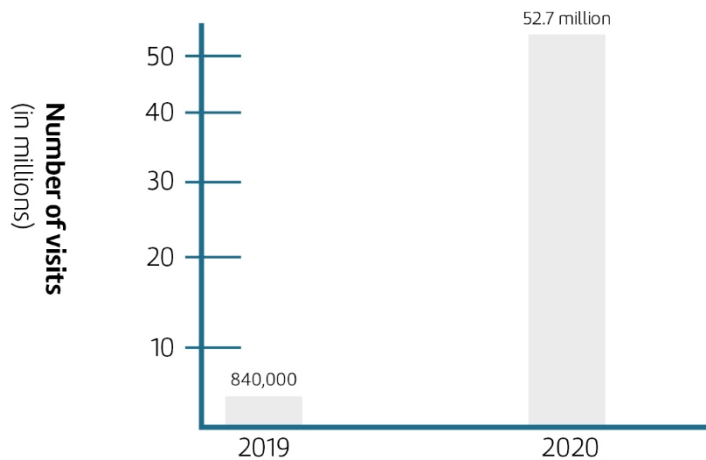
Telemedicine uses technology to facilitate communication, whether real-time or delayed, between a doctor and patient who are not in the same physical location for the purpose of medical evaluation, diagnosis and treatment. Usually, a patient is able to communicate from their home with a doctor through a live video, audio or patient data transfer system. Doctors can see the patient and assess their symptoms as well as obtain the patient's records and medical history from electronic medical records.



Advances in telecommunication allow the exchange of medical information from one site to another to serve patients in a clinical setting. Although telemedicine is not a complete replacement for direct patient care, it can be a useful tool for a variety of medical services, such as evaluation, diagnosis and prescribing treatment. Moreover, virtual care is capable of reducing the number of emergency room (ER) visits, conserving health care resources and limiting the spread of the illness by treating patients remotely.

## Trends in Utilization

Since its introduction into the health care landscape, telemedicine has grown at a rapid pace—and it continues to do so. The Centers for Medicare & Medicaid Services reported that Medicare visits conducted through telehealth in 2020 increased 63-fold from approximately 840,000 virtual visits in 2019 to 52.7 million visits. This increase indicates the growth potential for telemedicine, thanks in large part to the COVID-19 pandemic.



**Medicare visits via telehealth**

Source: CMS

The pandemic created significant demand for telemedicine services, and during this period, telemedicine has proven just how viable it can be. Many insurers are already covering telehealth under their plans, and it's a safe bet that others will do the same. During the pandemic, telehealth services have seen a significant increase in utilization. As technology continues to evolve and the price of traditional health care increases, employees may be more likely to choose telemedicine as a routine health care option. To meet this demand, employers should become informed on telemedicine services.

## Telemedicine Growth Potential

Virtual health care has been around for decades, but its true potential is being seen since the COVID-19 pandemic began. Overall, virtual health care is reducing the burden on hospitals as they deal with the coronavirus.

The following are examples of why virtual health care is on the brink of massive growth:

- **Generational demand**—Nearly three-quarters of millennials prefer a telehealth approach instead of a traditional visit.
- **Insurance support**—As telehealth becomes more widely used, insurance companies are taking more actions to cover related expenses.

## Telemedicine

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- **Expanded reach**—Virtual health care services can help address the increased need for the growing aging population and those who live in rural areas.
- **Technology**—Technology has and will continue to evolve and advance, making telemedicine easier to use and access.
- **Workforce shortage**—Telehealth services can help alleviate the negative impacts of the current and future nursing shortage.

## The Future of Telemedicine

Hospitals routinely prepare for crises, but they have not fully leveraged telehealth technologies until recently. Currently, there are two main areas of adaptation for telehealth. Hospitals are either expanding their telehealth services or finding ways to train staff on a shortened timeline.

With so many patients in favor of telehealth beyond the coronavirus pandemic, this technology is not likely going away; it will only get better as health care providers invest more in long-term virtual offerings so employees can be formally trained on a longer timeline.

As the health care industry responded to and evolved alongside the COVID-19 pandemic, the industry has shown signs that telehealth has become more commonplace among patients. Employers can expect employees to continue seeking telehealth options for the foreseeable future.

# Benefits of Telemedicine

Fueled by technological advances and answering the demand for convenient care, telemedicine delivers many advantages. Although it is not the same as sitting in a doctor's office, a telemedicine visit with a doctor can prove beneficial by warding off further illness or disease, stabilizing a condition until a patient is able to reach a hospital or monitoring a patient at home. Telemedicine is not a complete replacement for face-to-face health care, but it can be a tremendously helpful supplement and even a temporary substitute for traditional medical care.

Below are some of the reasons why telemedicine is worth considering.

## **Remote Access and Specialist Availability**

Communicating remotely with a doctor is a primary function of telemedicine. With this technology, doctors can reach patients in remote, rural and underserved areas where there might not be an available doctor or hospital—the patient just needs a mobile device. Through telemedicine, patients can access doctors for routine visits, emergency care or diagnostics from a specialist.

Another benefit of telemedicine is increased access to specialists. Even when patients live in urban areas with numerous doctors and hospitals, specialists for rare health conditions may not practice in the area. Telemedicine enables patients in both rural and urban areas to connect with specialists who may be hundreds of miles away. This can translate into long-term cost savings for patients as telemedicine connects to those who would not normally seek care or preventive services to doctors, helping them remain healthy.

## **Telemental Health**

“Telemental health” is a term used to describe mental health services conducted during virtual health visits. Telemental services can be a cost-effective way to improve access to specialty mental health care in rural and underserved communities.

Furthermore, provider organizations struggle to recruit and retain mental health specialists. A report to the U.S. Congress found that 55% of the nation's counties have no practicing psychiatrists, psychologists or social workers. As a result, nonmental health providers (e.g., general practitioners) are often put in the position of serving patients with severe mental health problems without the proper resources. On the other hand, patients in remote areas face the decision to either travel long distances for mental health services or forgo treatment entirely.

The following graphic illustrates the need for proper mental illness and substance misuse treatment in the United States:



Approximately **1 out of 5 adults** experience a mental illness in a given year.



Approximately **1 out of 5 teenagers**, ages 13 to 18, experience a severe mental disorder at some time in their lives.



Approximately **10.2 million adults** with substance use disorder have a co-occurring mental illness.



Approximately **20% of state prisoners** and **21% of local jail prisoners** have a recent history of a mental health condition.



Serious mental illness **costs the United States \$193.2 billion** in lost earnings every year.

## Cost Savings

Reduction in costs is another major benefit of telemedicine. Patients save money for routine and specialist care because they don't have to pay travel expenses for distant doctors and don't have to take time off work to travel and sit in a waiting room. Telemedicine doctors can also see a greater number of patients in a day, which can help reduce overhead costs. In addition, remote monitoring can help lessen the much higher cost of lengthy hospitalizations or in-home nursing, and it may reduce the cost of managing chronic conditions. Remote monitoring can also help prevent hospital readmission by properly supervising care following a patient's discharge from the hospital.

## Convenient Care

For some patients, the comfort and convenience of consulting with a doctor from the safety of their own home is a tremendous advantage. The convenience can also improve care. For example, patients might forget to bring medications to a traditional office visit; when patients are at home, they have access to the information necessary for the doctor to diagnose and prescribe.



**Telemedicine**

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Telemedicine is particularly convenient for patients who are elderly or have a disability, patients who may not speak English and patients with agoraphobia. It also allows individuals to schedule appointments with less advance notice and within more flexible hours. Also, because the patient is at home, it is often easier to take notes or even include a family member who can help retain important information from the doctor.

# Potential Challenges of Telemedicine

Though telemedicine services clearly have their advantages, there are also a handful of disadvantages and potential legal pitfalls employers should be aware of, including the following.

## **Fewer In-person Consultations and Reduced Care Continuity**

Having a well-established, trusting relationship with a doctor is crucial to a patient's long-term health and can also save them money in the long run. Moreover, research shows that patients who have good relationships with their doctors receive better care and are happier with the care they receive. When patients use on-demand telemedicine services that connect them with a random health care provider, care continuity may suffer. Moreover, a patient's primary care provider may not have access to records from telehealth visits, and telehealth doctors may not have access to a patient's entire health history, creating problems for both health care providers and the patient.

## **Telemedicine Requires Specific Equipment**

Because telemedicine is done over the internet, patients must have access to the internet and possess the necessary technological skills for virtual visits to be effective. While it's possible for some services to be conducted over the phone, such as telemental counseling, video capabilities are often required when meeting virtually with a doctor. Patients need to have the following pieces of equipment to have a virtual visit:

- A computer or mobile device
- An integrated or external microphone
- An integrated or external camera
- Internet connection

## **Telemedicine Requires Basic Technological Skills**

Patients must often have basic computer skills to use telemedicine successfully. For example, a patient must be able to sign on to a computer and navigate to the website in order to access a virtual health visit. Though these tasks may seem simple, for people with disabilities, the elderly or individuals lacking technological skills, these tasks may be too difficult to accomplish. These patients may need extra help from family, friends or professional caregivers in order to access such services.

# Telemedicine Legal Considerations

Employers interested in implementing telemedicine benefits should be aware of several compliance concerns, including:

- The Affordable Care Act's (ACA) market reforms
- The Employee Retirement Income Security Act's (ERISA) reporting and disclosure requirements
- The Consolidated Omnibus Budget Reconciliation Act's (COBRA) continuation coverage requirements

Employers can address many compliance concerns by integrating the telemedicine benefit with their group medical plans. Employers that sponsor high deductible health plans (HDHPs) should also consider how a telemedicine benefit may impact employees' eligibility for health savings account (HSA) contributions.

## ACA Market Reforms

Group health plans that do not qualify as "excepted benefits" are subject to a number of market reforms under the ACA. One of these reforms requires non-grandfathered group health plans to cover certain preventive care services without imposing cost-sharing requirements on the services. Preventive care services include screenings, examinations and immunizations. If these services are provided by a network provider, the plan cannot impose a deductible, copayment or other cost sharing.

In most cases, a telemedicine benefit is a group health plan subject to the ACA's market reforms, including the preventive care mandate. In general, a telemedicine benefit cannot comply with the ACA's preventive care mandate on its own because many preventive care services (e.g., immunizations) require in-person visits with health care providers. Failing to comply with the ACA's preventive care mandate may trigger an excise tax of \$100 per day for each individual to whom the failure relates.

## Integrated Telemedicine Benefit

A stand-alone telemedicine benefit will most likely violate the ACA's preventive care mandate and subject an employer to potential excise taxes. To avoid this compliance problem, employers can structure their telemedicine benefits as a component of their group medical plans. The following criteria must be satisfied to integrate a telemedicine benefit with a group medical plan:

- Only employees, spouses and other dependents who participate in the employer's group medical plan are eligible for the telemedicine benefit; and
- Employees can waive coverage only under the telemedicine benefit and the group medical plan. They cannot waive coverage under just the telemedicine benefit.

## **Telemedicine**

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When a telemedicine benefit is integrated with a group medical plan, telemedicine charges count toward the medical plan's out-of-pocket maximum, and any preventive care services must be provided without cost sharing.

### **ERISA**

ERISA sets minimum standards for employee benefit plans maintained by private-sector employers. ERISA exempts only two types of employers from its requirements—governmental and church employers. Many plans or programs that provide benefits to employees are considered employee benefit plans subject to ERISA.

Employer-sponsored telemedicine benefits are considered group health plans that are subject to ERISA's requirements. Under ERISA, employers are required to take the following steps with respect to their employee benefit plans:

- Adopt an official plan document that describes the plan's terms and operations.
- Explain the plan's terms and rules to participants through a summary plan description (SPD).
- File an annual report (Form 5500) for the plan unless a filing exemption applies.
- Comply with certain fiduciary standards of conduct with respect to the plan.
- Establish a claims and appeals process for participants to receive benefits from the plan.

Employers commonly integrate (or wrap) their telemedicine benefits with their group medical plans. Combining these benefits under one ERISA plan allows employers to more easily satisfy ERISA's requirements. For example, rather than treating the telemedicine benefit as a separate ERISA plan, the telemedicine benefit can be described in the group medical plan's SPD and included in the plan's Form 5500 filing, if applicable.

### **COBRA**

COBRA requires covered group health plans to offer continuation coverage to employees, spouses and dependent children when group health coverage would otherwise be lost due to certain specific events, called qualifying events.

COBRA generally applies to group health plans maintained by private-sector employers that had at least 20 employees on more than 50% of typical business days in the previous calendar year. COBRA does not apply to group health plans maintained by small employers (those with fewer than 20 employees) or churches. There are also special coverage rules for government employers, although, as a practical matter, most government group health plans are required to offer continuation coverage.

Telemedicine benefits are considered group health plans that are subject to COBRA because they provide medical care. As explained above, employers typically bundle their telemedicine benefits with their group medical plans so that only employees who participate in the group medical plan are eligible for

## **Telemedicine**

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telemedicine benefits. When the benefits are integrated, the employer should design its COBRA practices so that only qualified beneficiaries who elect COBRA for the group medical plan are eligible for telemedicine benefits.

### **HSA Eligibility**

Employers that offer HDHPs compatible with HSAs should consider how a telemedicine benefit may impact participants' HSA eligibility. The IRS has not specifically addressed the impact of telemedicine on HSA eligibility. However, the general rules for HSA contributions strictly limit the types of health plan coverage eligible individuals may have.

To be eligible for HSA contributions, an individual generally cannot have health coverage other than HDHP coverage. This means an HSA-eligible individual cannot be covered under a health plan that provides coverage below the HDHP minimum annual deductible. Whether telemedicine disqualifies coverage for HSA purposes depends on how the telemedicine benefit is structured.

As a general rule, aside from the special rules noted above, telemedicine programs that provide free or reduced-cost medical benefits before the HDHP deductible is satisfied are disqualifying coverage for purposes of HSA eligibility. Under the IRS' general rules for HSA eligibility, a telemedicine program may not prevent an individual from contributing to an HSA if the program satisfies one of the design options described below.

- The telemedicine program is offered as part of the HDHP, and the program's benefits are subject to the HDHP deductible (with the exception of preventive care benefits). This means that participants would be required to pay the fair market value of the services (or managed care rates for discounted health services, if applicable) until the HDHP deductible is satisfied. Once their HDHP deductibles have been satisfied, employees have access to free or low-cost medical benefits without jeopardizing their HSA eligibility.
- The telemedicine program is not considered a "health plan" under the HSA eligibility rules because it does not provide significant benefits for medical care or treatment. Unfortunately, the IRS has not provided specific rules for determining when medical benefits are significant. However, the IRS has indicated that the amount, scope and duration of covered services should be taken into account. Because telemedicine benefits are often similar to the services covered under the HDHP, it may be difficult for most telemedicine programs to satisfy this exception.
- Benefits under the telemedicine program are limited to preventive care services. Because most HDHPs are required to cover preventive care benefits without cost sharing, this design option may not be attractive for many employers.

# Telemedicine Best Practices: Communication

The way employers communicate benefits information to employees has a huge impact on how well the programs are understood, utilized and perceived by employees. However, the process of creating and delivering a manageable and effective benefits communication program can be a time-consuming undertaking. Employers can consider using the following helpful tips and best practices to streamline the success of their programs.

## Develop a Communications Plan

There are a variety of steps to take when developing a communications plan, including the following:

1. Prepare the benefits communication plan of action.
  - Determine who will prepare the benefits communications and the costs involved.
  - Designate responsibilities for the preparation of each communication. Be sure to consider both internal and external assistance.
2. Understand benefits communication responsibilities and get organized.
  - Develop a plan that includes required and optional communications that may be helpful.
  - Keep employees and beneficiaries informed of changes to their benefits, and explain confusing terms and features of the plans.
3. Select, prepare and distribute communications to fit corporate objectives and employee needs.
  - Target segments of employees who would benefit most from specific features of a benefit by sending tailored communications.
  - Decide what type of communication will be most appropriate for relaying messages to employees.
  - Determine who will manage the production process of writing, editing and designing communications.
4. Evaluate the effectiveness of the benefits communications.
  - Survey employees and make recommendations based on feedback.
  - Establish and monitor indicators of behavior after communications are distributed.

- Revise the communications to meet realistic goals and expectations, employee needs, communication plan objectives and organization requirements.

## **Avoid Common Communication Plan Mistakes**

Providing employees with ample informative resources will help better convey a message, but this task should be done with caution. Employers can use the following tips to avoid communication mishaps.

### **Verbal Communication Pitfalls**

When using managers and supervisors to relay benefits information, communicating inaccurate information to employees is always a major concern. Employers should keep in mind that misinformation not only causes an employee relations problem but also brings about the potential for legal action. Below are some tips to help avoid problems:

- Consider allowing only specific HR personnel to discuss benefits information with employees.
- Remind those who may be asked questions about benefits, such as supervisors and managers, to review their plan documents carefully. They should refer employees to the HR department if they are unsure of how to address any question.
- Do not make promises, whether formal or informal, regarding any aspect of the benefits plan that the company will not be able to keep.
- State in the plan documents that plan amendments are to be made only in writing and approved by the corporate representative or plan administrator, if applicable.

### **Written Communication Considerations**

Employees often rely on summary plan descriptions to determine their rights under a specific plan. In the event of an issue due to discrepancies between plan documents and the summary plan document, the summary plan document can hold up in court. Because of this, it is crucial to make sure that the summary plan document is correct, current, clear and in agreement with the plan documents, handbooks and all other benefits information.

Other general, helpful tips include the following:

- Keep a copy of each communication or disclosure sent to employees, however informal.
- Make sure all documents relating to the plan omit any misleading information before distribution. Request additional information from the plan administrator regarding information that may be misleading.

# Appendix

This section includes various telemedicine resources for an organization to print and use. To print out any of these resources separately from the toolkit, please follow these instructions:

1. Choose the “Print” option from the “File” menu.
2. Under the “Settings” option, click on the arrow next to “Print All Pages” to access the drop-down menu. Select “Custom Print” and enter the page number range you would like to print, or enter the page number range you would like to print in the “Pages” box.



## Telemedicine Announcement – Email Template

**Subject line:** Introducing: Telemedicine Benefits

employees,

As technology evolves, doctors are finding more ways to efficiently and conveniently care for their patients. One such method is through the use of telemedicine—a form of technology-based communication that allows a doctor and patient to communicate without being in the same physical space. Although telemedicine is not a complete replacement for direct patient care, it can be a useful tool for a variety of medical services, such as evaluation, diagnosis and prescribing treatment.

As you prepare for a telemedicine appointment, you should consider several things.

- You will need access to a laptop, phone or tablet, as well as an internet connection.
- Because there is physical separation in telemedicine, any information you are able to provide, such as personal medical records and family medical history, can be helpful to your doctor.
- If you are recovering or being cared for at home, it might be helpful to include caregivers in the visit.

For many patients, obtaining medical care can cost a great deal in time, resources and money. Telemedicine is a service that can help reduce the barriers of time and distance to a hospital or doctor's office.

For more information on telemedicine, contact [insert contact name] at [insert contact information].

[Insert salutation],

[Insert name]



# Know Your Benefits

## Virtual Appointments Are Now Available

Did you know virtual appointments are now available through our health care provider, [\[insert provider\]](#)?

With virtual appointments, you can easily connect with a doctor from your [\[insert how—for instance, a mobile device or computer\]](#). Doctors can do things like write prescriptions or diagnose and treat a range of nonemergency medical conditions through this virtual platform. Additionally, the cost of a virtual appointment is typically lower than going to a doctor's office, urgent care center or emergency room.

A virtual appointment is good for a number of mild conditions but is not suitable for severe symptoms like a high fever or a debilitating cough. A virtual appointment could be appropriate for the following circumstances:

- Mild coughs
- Allergies
- Mild fevers
- Pinkeye

You should not use a virtual appointment in any of the following situations:

- Chronic or complex conditions
- Anything requiring a hands-on exam or test
- Broken bones, sprains or injuries requiring bandaging

Connecting with a doctor can be as easy as visiting [\[insert website\]](#) or calling [\[insert phone number\]](#).

Sincerely,

[\[Insert name\]](#)

[\[Insert title\]](#)



# Know Your Benefits

## Questions to Ask Your Doctor

**Note:** The questions listed below are designed to help you maximize your health care dollars. These questions should not be used as a substitute for your doctor's professional medical advice.

Patients often accept their doctors' advice without truly understanding what alternative treatments are available and what—if any—differences there are in cost and effectiveness among those alternatives. Asking questions can help you decide what treatment plan is best for both your health and your wallet.

### Questions to Ask: General

- Why is this treatment necessary?
- How much will my treatment cost?
- Can I be treated another way that is equally effective but less costly?
- What is the current procedural terminology (CPT) code of this treatment so I can price shop this procedure?
- What can I do to improve my condition?

### Questions to Ask: Prescriptions

- Why are you suggesting this specific dosage?
- Is my prescription in my insurance's approved list? Or, is this a specialty drug?
- Can you recommend a lower-cost generic or over-the-counter drug as an alternative?

### Notes:

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## Telemedicine Vendor Questionnaire

Date:

### COMPANY BACKGROUND INFORMATION

Name of vendor:

Number of years in business:

Services or expertise offered:

Any security breaches or HIPAA violations?

Exposure control plan:

Medical or clinical background of current staff:

Is staff full or part time?

Current staff certifications:

How is the staff trained?

### QUESTIONS TO ASK VENDORS

1. What are the initial and ongoing costs for your platform?
2. What are the video conferencing and communications capabilities?

- a. Is your platform secure and HIPAA-compliant?
- b. Are there browser requirements?
- c. What are your network requirements?
- d. Does your platform allow for communications to patients at home?
- e. Is your platform available on mobile devices?
  - i. If so, which devices?
- f. Does your platform allow for live sharing of test results?

**3. Does your platform allow for device integration?**

- a. If so, what kind?

**4. Does your company provide training and support?**

- a. If yes, what kind?
- b. Do I need to purchase training packages after setup?

**5. Can you bill patients through the platform?**

**6. Do I need to purchase additional equipment?**

- a. If yes, what kind?

**7. Can patients be reimbursed for using your platform?**

# Get to Know **Telemedicine**

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## What is it?

Telemedicine is a form of technology-based communication that allows a doctor and patient to communicate without being in the same physical space.



## How does it work?

Through the use of technology, communication is facilitated either in a real-time or delayed setting. Usually a patient is able to communicate from his or her home with a doctor through a live video, audio or patient data transfer system. Doctors can see the patient and assess his or her symptoms, as well as obtain the patient's records and medical history from electronic medical records.



## Is telemedicine a substitute for in-person doctor's visits?

No. A virtual appointment is good for a number of mild conditions, but is not suitable for severe symptoms like a high fever or a debilitating cough. Additionally, you should **NOT** use a virtual appointment to seek treatment for situations like a chronic condition, complex conditions, life-threatening conditions, anything requiring a test or hands-on exam, or broken bones, sprains or other serious injuries.

## Want more information?

Please see HR for more information on telemedicine offerings.

