Capitol Insights Newsletter
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What Happened in Congress This Week?

Congress is out of session until Monday, April 28th.

Telehealth in Rural America – The Solution We Have Long Been Awaiting?

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If you listen to members of Congress touting the life-changing benefits of advancing telehealth, they will nearly always highlight its value for rural Americans — calling it a "lifeline."
In theory, it would seem logical that telehealth would quickly scale access to care for patients in areas far from physical clinics. Communities unable to recruit or retain providers — particularly specialty providers — could have access to care with a click, saving hours of driving. And there could be cost savings to payors and patients, too.

Telehealth can expand access to care, but it hasn't yet transformed rural health care in the way that it has been hyped. The fundamental issues limiting access to care in rural areas remain, and several policy barriers hold back telehealth's potential to address them.

Let's explore a few reasons why.

Payor Reimbursement

For facility types entirely reliant on the reimbursements they receive from payors, such as CMS-certified Rural Health Clinics (RHCs) telehealth must make financial sense. The sub-par treatment RHCs currently get for telehealth means that isn't always the case.
Payor coverage of telehealth, most notably traditional Medicare, expanded rapidly at the onset of the COVID-19 pandemic in early 2020. At the time,-the Department of Health and Human Services (HHS) under the first Trump Administration granted broad telehealth flexibilities to Medicare fee-for-service providers, allowing them to see their patients via telehealth and receive the same reimbursement amount they would receive if the patient came to the office for a visit. However, RHCs and other safety net facilities such as Federally Qualified Health Centers (FQHCs) were not granted this same flexibility.

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Congress, through the CARES Act, later created a 'special payment rule' to allow RHCs and FQHCs to offer telehealth services, but the approximately $94 per visit that these providers receive for telehealth visits is significantly less than what RHCs and FQHCs would receive for in-person encounters. Further, the policy is structured so that RHCs bill one single code for any of the 280+ services on Medicare's covered telehealth service list. This significantly limits the ways in which safety-net providers can generate important data on the types of services being furnished via telehealth, an important piece of the conversation as the broader industry makes its case for permanent coverage.

Telehealth technology is expensive, from equipment and software to ongoing training and security costs. Providers must use specific HIPAA-compliant and secure telehealth platforms and ensure providers and staff are frequently trained on their use. Continuing a policy that disadvantages rural and underserved facilities by reimbursing them less than in-person office visits limits the investments these facilities can make in such technologies.

Congressional Delays

It is often said that Congress operates only on deadlines.

While telehealth is consistently touted as a 'silver lining' of the COVID-19 public health emergency and has broad bipartisan support, that hasn't saved it from being yet another policy that Congress has delayed making permanent. That delay has meant patients have been wary to use telehealth for fear it may soon vanish, and left providers reluctant to invest in the costly technology.

Medicare telehealth coverage is subject to Congress continuing to extend or modify the policy, as they've done time and time again since the policy was first established in 2020. Numerous bills have been introduced each Congress, typically written to establish permanent coverage, and passed last minute in much shorter, three-month, six-month, and two-year extensions.

There is broad bipartisan support in Congress for extending these important telehealth coverage policies for rural populations. However, the inability to pass a permanent reform and the last-minute nature of temporary extensions (with no guarantee the flexibilities will continue) makes life more difficult for already strained safety net providers.

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Broadband Connectivity

For many patients and providers, telehealth is also not a feasible tool because of a lack of reliable and affordable connectivity. According to the Federal Communications Commission, 22.3 percent of Americans in rural areas lack this critical coverage, while just 1.5 percent of urban Americans experience this barrier. While federal efforts to improve broadband have been attempted with mixed results, this critical piece of the puzzle has been further challenged by fragmented programs, funding, and legal challenges.

The Universal Service Fund's (USF) future is currently in the hands of the Supreme Court, including the $8.7 million Rural Health Care Program which provides subsidies for broadband and other telecommunications services. Further, the Affordable Connectivity Program, which provided discounted internet service to over 23 million low-income households, ran out of funding in 2024.

If telehealth is to reach its full potential, patients need to be able to connect to use it — which won't happen without programs to bring them online.

Patient Choice and the Continued Importance of In-Person Access

Recent survey data collected by the National Association of Rural Health Clinics, taken from more than 1,200 RHCs nationwide, show that 64 percent of clinics report telehealth as a 'complementary, but not major focus' for their RHCs, and 5.5 percent see telehealth as not a priority at all.

Even if we waved a magic wand fixing connectivity and reimbursement, patients still need to want to use this technology for it to be a game-changer in rural America. At least as of now, the vast majority of patients continue to see higher value in the in-person care they receive, and relationships they have formed with their providers in those settings. 2023 data from Rock Health and Stanford University's Center for Digital Health reported that nearly 2 in 3 Americans prefer receiving care for their chronic conditions and mental health in-person, but care for minor illnesses and wellness visits still has potential via telehealth.

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Ultimately, data shows that as rurality increases, telehealth utilization decreases, a far cry from the rosy solution that telehealth promised to be for our underserved communities.

As lawmakers weigh telehealth's future, Congress would be well served to appreciate and address these nuances in their policymaking to realize the true potential of telehealth for rural patients.

Top Stories in Healthcare Policy

In an interview with Time Magazine, President Trump said he would veto any legislation that cut Social Security, Medicare, or Medicaid.

Earlier this week, the US Supreme Court heard a case challenging the Affordable Care Act's preventative care rule. The provision requires private insurers to cover screenings, tests, and checkups free of charge if they are recommended by the US Preventive Services Task Force (USPTF).

A new study published by JAMA showed that 39% of all office-based encounters with Medicare patients in 2022 involved indirect billing by advanced practice clinicians (APC).

Health, Education, Labor and Pensions (HELP) Chair Senator Bill Cassidy (R-LA) published a report calling on Congress to take urgent action to reform the 340B drug pricing program.

Clinicians have until May 15th to review and dispute their 2024 Open Payments with the Centers for Medicare and Medicaid Services (CMS). The Open Payments database discloses "transfers of value" from drug and device companies to clinicians.

Blue Shield of California has inadvertently shared its members' health data with Google for almost three years. This data leak has potentially exposed 4.7 million people's protected health information.

CMS is shifting away from collecting information on social determinants of health as it increases focus on nutrition and well-being.

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National Institutes of Health (NIH) grants have decreased by $2.3 billion so far under the Trump Administration.

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