

The Source Roundup: January 2019 Edition

By: [Megan O'Leary](#), Student Fellow

Happy New Year! We hope this year is filled with good health (policy) and much happiness! In this roundup, we look at (1) proposals to address healthcare costs and competition, (2) changes to section 1332 waivers, (3) rising healthcare costs, premiums, and deductibles, and three articles specifically about telehealth from a special *Health Affairs* issue.

Proposals to Address Rising Healthcare Costs and Lack of Competition

On December 3, the U.S. Department of Health and Human Services (HHS), in collaboration with the Departments of the Treasury and Labor, released [Reforming America's Healthcare System Through Choice and Competition](#). The purpose of the report is to review existing state and federal laws, regulations, guidance, requirements, and policies that limit healthcare competition and choice and to identify actions that the government could take. The Departments provided the Trump administration with fifty recommendations to lower healthcare cost and increase competition. These recommendations vary from addressing potential antitrust and provider consolidations to facilitating price transparency to delivery system reforms. One recommendation to promote consumer-driven health care is to expand and promote Health Savings Accounts (HSAs) to allow consumers to make well-informed decisions about their care. The officials recommend the use of HSAs toward the payment of premiums, greater contribution to the plans, and Medicare use.

Additionally, the report identifies barriers at the federal and state levels to market competition that hinder innovation and create higher prices. Overall, the Departments believe that by implementing some of their recommendations, healthcare value, choice, and competition will increase.

Key Changes to Section 1332 Waivers may Encourage States to use Waiver Authority to make Broader Changes

The Trump administration issued new guidance on Section 1332 waivers established by the Affordable Care Act (ACA) that replaced earlier guidance issued in 2015. In addition to the new guidance, in November, the Center for Medicare and Medicaid Services (CMS) released a discussion paper providing a roadmap for states for developing waiver applications that use the flexibility granted under the new guidance. In [*New Rules for Section 1332 Waivers: Changes and Implications*](#) published by Kaiser Family Foundation, Jennifer Tolbert and Karen Pollitz detail the substantial changes that the Trump administration has implemented. Tolbert and Pollitz believe that the new guidance may encourage states to use 1332 waiver authority to make broader changes to insurance coverage for their residents. The issue brief discusses the key changes from the 2015 guidance, how state waiver activity may change, and possible implications of the changes.

As Healthcare Costs Continue to Rise, so do Premiums and Deductibles

In [*The Cost of Employer Insurance Is a Growing Burden for Middle-Income Families*](#), published by the Commonwealth Club, Sara R. Collins and David C. Radley look at recent national surveys

that show health care costs as a top concern in U.S. households. The brief focuses on middle-income American families who receive insurance through an employer. Using data from the federal Medical Expenditure Panel Survey-Insurance Component (MEPS-IC), the authors analyze trends in employer premiums at the state level to assess how much workers and their families are paying for their employment coverage in terms of premium contributions and deductibles. Collins and Radley found that premiums for employer health plans rose sharply in 2017, in addition to premiums and employee contributions. This analysis also discovered that employee payments for employer coverage are growing faster than median income. Health care costs also vary depending on where a family lives. For example, families who are likely to spend the greatest amount of their income on insurance costs and deductibles are concentrated in the South. The authors worry that due to the higher costs for insurance and health care, many lower and middle income people will forego coverage all together, especially if it competes with other basic living expenses, like housing, food, and education. Based on their findings, Collins and Radley urge policymakers and Congress to lower families' premiums, improve the cost protection of plans, require employers to increase the number of services that are covered before someone meets their deductibles, or provide refundable tax credits.

The December *Health Affairs* issue was dedicated to all things telehealth. As an area that is experiencing substantial investment, innovation, and interests, we chose three articles that demonstrate the broad uses of telehealth: (1) the effectiveness of telehealth vs. in-person care, (2) the usage and inhibitions of telehealth, and (3) analyzing telemedicine services from 2010-2015.

Telehealth is Generally as Effective as In-Person Care for Certain Conditions

[The Current State of Telehealth Evidence: A Rapid Review](#), authored by Erin Shigekawa et al., provides an overview of systematic reviews and meta-analyses that were published from January 2004-May 2018 regarding telehealth services. It focuses on certain uses of telehealth, including telemental health, telerehabilitation, teledermatology, teleconsultation, and nutrition management. The authors suggest that current evidence supports the effectiveness of telehealth for certain conditions, but the evidence is insufficient about the impact of telehealth utilization. However, telehealth does have the potential to improve access to care for specific patient populations, such as those in rural communities, people with transportation barriers, and those facing provider shortages. The rapid review concludes that telehealth is generally as effective as in-person care for mental health, rehabilitation, and other conditions.

Telemedicine Usage has Gone Up, but is Still Inhibited by Implementation Costs

In [The Use of Telemedicine by Physicians: Still the Exception Rather than the Rule](#), Carol K. Kane and Kurt Gillis provide the first nationally representative estimate of physician use of telemedicine. The authors estimated the percentage of physicians who use telemedicine for interactions with patients and with health care professionals, and provide utilization rates for three telemedicine modalities to better understand the factors that inhibit or encourage the use of telemedicine. The study found that in 2016, 15.4 percent of physicians worked in practices that used telemedicine, and 11.2 percent of physicians worked in practices that used telemedicine for interactions between physicians and health care professionals. While specialty was an important factor in the use of telemedicine,

practice size was also a determining factor in the use of telemedicine. The study concluded that physicians in larger practices were more likely to report that their practices used telemedicine for interactions with patients and health care professionals. The authors believe that the financial burden of implementing telemedicine continues to be a barrier for smaller practices.

All-Payer Claims Database Provides Evidence of the Increased Uses of Telemedicine

The use of telemedicine has been encouraged at both state and federal levels because it has the ability to expand access to reduce costs and provide timely care to patients. The *Health Affairs* paper [Population-Level Estimates of Telemedicine Service Provision Using an All-Payer Claims Database](#) details findings from the study that uses data from the Minnesota All Payer Claims Database to analyze telemedicine service from 2010-2015. The number of telemedicine visits increased during this period from 11,113 to 86,238. The authors contend that federal and state legislation that expand coverage and increased provider reimbursement for telemedicine services could lead to further uses of telemedicine.

That's it for this month's Roundup. As always, if you find articles or reports that you think should be included in the monthly Roundup, please send them our way. Happy reading!