

The Evolving Telemedicine Industry: What to Expect

Telemedicine is here to stay. However, unexpected consequences of the COVID telehealth boom are causing greater scrutiny and increased regulation. Whether you insure telehealth businesses or you offer insurance packages that include telehealth options, here is what you need to know about the next phase of telehealth.

Telehealth Usage Has Stabilized

[McKinsey & Company](#) says that telehealth utilization for office visits and outpatient care experienced 78 times growth between February 2020, and April 2020. After the initial surge, utilization appeared to plummet. However, usage was still 38 times greater in February 2021, compared to the pre-COVID baseline in February 2020, and usage rates have stabilized.

Slower, steadier growth may prove to be a good thing for telehealth. According to the [American Medical Association](#) (AMA), the U.S. healthcare system was not ready for the sudden spike in telehealth usage that occurred in 2020. In the coming years, telehealth utilization rates may return to the pandemic heights, but it will be a gradual process.

Investment Money Is Pouring into Digital Health

In a panel at the AMA Telehealth Immersion Program webinar, experts made predictions for telehealth in 2023. Telehealth technology is expected to improve, making solutions easier to use. They also expect more partnerships to develop between technology and healthcare to support seamless telehealth experiences.

Indeed, digital health investments are expected to be hot in 2023. [Fierce Healthcare](#) says that a survey from GSR Ventures suggests that venture capitalists plan to make the same number of health tech investments in 2023, as they did in 2021, despite the market downturn. A total of \$15 billion to \$25 billion could be invested into digital health.

Telehealth Regulations Continue to Evolve

In response to the pandemic and the sudden demand for telehealth services, some agencies loosened their restrictions. Medicare expanded telehealth coverage, and some states made it easier for out-of-state physicians to provide interstate telehealth care. Perhaps some of the biggest changes involved prescriptions for controlled substances.

[HHS](#) says that authorized providers can prescribe controlled substances via telehealth without an in-person medical evaluation during the COVID-19 public health emergency. More specifically, one regulatory change allowed practitioners to prescribe controlled substances to patients who were not at a hospital or clinic registered with the DEA. And another change allowed qualified practitioners to prescribe buprenorphine to patients with opioid use disorder via telemedicine.

The Unintended Consequences of Lax Regulations

While changes were supposed to make it easier for patients to obtain necessary prescriptions and treatment during lockdowns, the lax regulations may have also opened the door to drug abuse. Drug overdoses surged during the pandemic. The [CDC](#) says that overdose death increased by 30% between 2019, and 2020, and then by another 15% between 2020, and 2021. It's estimated that 107,622 people died from drug overdoses in 2021.

According to the [Quest Diagnostics Health Trends Report](#), three in four physicians agree that telehealth visits limit their ability to determine whether a patient is misusing prescription drugs or are at risk for abuse. Meanwhile, according to a report from the [Center for Data Innovation](#), some telehealth companies took advantage of loosened regulations and advertising loopholes to market stimulants to treat ADHD without the normal disclosures and with little medical oversight.

A Next Phase of Telehealth

Three years into the pandemic-fueled telehealth boom, new perceptions are forming. According to [CBS News](#), some pharmacies are now refusing to fill prescriptions from telehealth providers.

This doesn't mean telehealth is disappearing. CBS News also says that SAMHSA has proposed codified telehealth rules for opioid treatment programs, although the next step is up to the DEA. Meanwhile, [Fierce Healthcare](#) says that the Medicare telehealth waiver would have expired five months after the end of the public health emergency, but new legislation will extend the flexibilities for two more years, possibly paving the way for permanent changes.

On the state level, [Federation of State Medical Boards](#) shows the various ways states have modified their telehealth rules. Some states have let pandemic rules expire, but other rules have been extended or made permanent.

All of this indicates that we are in a new phase of telehealth. In the early days of the pandemic, speed was key. Now it is time to assess the results, codify regulations and move forward. More changes are coming, and carriers and healthcare providers will need to keep an eye on the evolving regulations, as well as trends in utilization and claims.

Do you need help navigating the expanding telemedicine market?

[Reach out to start a conversation.](#)



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