VIRGINIA
TELEHEALTH SPEND AND UTILIZATION REPORT
JUNE 2023

VIRGINIA TASK FORCE ON
PRIMARY CARE

OVERVIEW

At the onset of the COVID-19 pandemic, providers quickly implemented telehealth capabilities in an effort to ensure patients were able to continue receiving care while avoiding exposure to pathogens. Since implementation, telehealth has remained popular as a convenient way to access care and expand capacity to geographic locations that may otherwise not have been feasible.

With the end of the federal Public Health Emergency (PHE) in May 2023, telehealth policies have been in flux at the federal level. Some policies ended while others were temporarily extended, are currently under consideration, or were made permanent by the federal government.[i] Despite ongoing debate at the federal level, the Virginia General Assembly permanently codified a number of telehealth flexibilities allowed during the pandemic, enabling providers in Virginia to largely continue offering telehealth services at their current level.[ii]

KEY FINDINGS

- An estimated 1 in 4 Virginians had a telehealth visit in 2021.
- Telehealth expenditures accounted for 9% of total medical expenditures in 2021.
- Medicare Advantage members were the most likely to receive a telehealth service with 31% of members having a telehealth visit in 2021.
- Behavioral health services make up the majority of telehealth expenditures, especially among commercial and Medicaid health plans. In Medicare, primary care and specialty care comprised a larger component of telehealth services.
- Telehealth utilization generally follows geographic variation in broadband access, with highest utilization in Northern Virginia and lowest utilization in Southwest Virginia. However, telehealth remains a critical component of healthcare access in rural and low broadband coverage areas.

To better understand utilization patterns in telehealth services, the Virginia Task Force on Primary Care (VTFPC) conducted an analysis of service utilization and expenditures using the Virginia Health Information (VHI) All Payer Claims Database for services provided in 2019 – 2021 and the Virginia Health County Rankings data for estimates on broadband access.[iii]

Telehealth services include healthcare services offered through:

- video conference,
- phone or other audio-only devices, and
- remote monitoring devices.

A full list of service and billing codes is available in **Appendix A**.

VIRGINIA CENTER FOR HEALTH INNOVATION

TELEHEALTH REMAINS A POPULAR METHOD FOR ACCESSING CARE

Virginians Using Telehealth
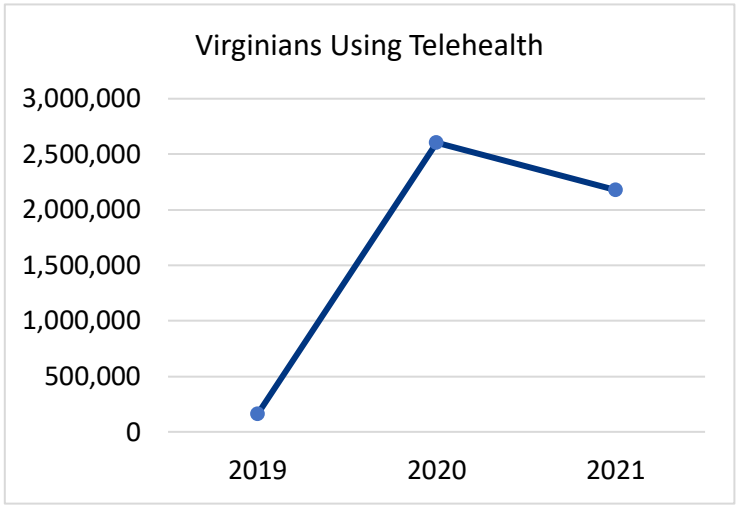
Based on VHI APCD data, VTFPC estimates that 1 in 4, or 2.2 million Virginians, had a telehealth visit in 2021. At its peak in 2020, 2.6 million Virginians are estimated to have been served through telehealth. While reliance on telehealth waned in 2021 compared to 2020, telehealth remains a popular method of receiving healthcare services.

In recognition of the continued use of telehealth, the Virginia General Assembly has passed several telehealth bills that make permanent various flexibilities that were opened during the pandemic to promote the use of telehealth services. Legislation includes payment parity between telehealth visits and in-person visits, which has been shown to be associated with maintaining higher rates of telehealth use.[iv] Virginia is one of 21 states that have implemented full payment parity between in-person and telehealth visits.[v] For a full list of telehealth-related legislation passed in Virginia since the onset of the pandemic, see Appendix B.

TELEHEALTH USE ACROSS PAYERS

Telehealth use has increased across all payers, but differences in utilization remain. In Virginia, Medicare Advantage members were the most likely to use telehealth, with 31% of members having at least one telehealth service. Medicaid members were the least likely to use telehealth, with only 17% of members having received a service identified as telehealth. This may be an undercounting of Medicaid telehealth services resulting from initial policies that did not require providers to bill a service as telehealth. This policy was aimed at increasing speed of billing for providers with little experience with telehealth services at the onset of the pandemic. Nationally, Medicaid members have the highest rate of telehealth utilization, with 29% of members reporting utilization of telehealth services within the last 4 weeks in a 2021 survey. Medicare is the second highest with 27%.[vi] Due to inconsistent billing in Medicaid based on state policy, survey data may be more representative of actual use. Nationally, older adults are more likely to use telehealth services, which may be a result of requiring more medical visits overall and more barriers to transportation, whereas younger adults are the least likely to use a telehealth visit.[vii]

The greatest expenditures in telehealth were for behavioral health services – followed by

primary care and specialist services. This was especially evident among Virginians with commercial insurance or Medicaid. In Medicaid, behavioral health accounted for two-thirds of all telehealth expenditures. Virginians with Medicare coverage, whether fee-for-services or Advantage managed care, had a somewhat different distribution of telehealth services. In Medicare, primary care and specialty care comprised the largest portion of telehealth expenditures, with approximately one-third of expenditures in each category.

Percent of Total Telehealth Expenditures, 2021
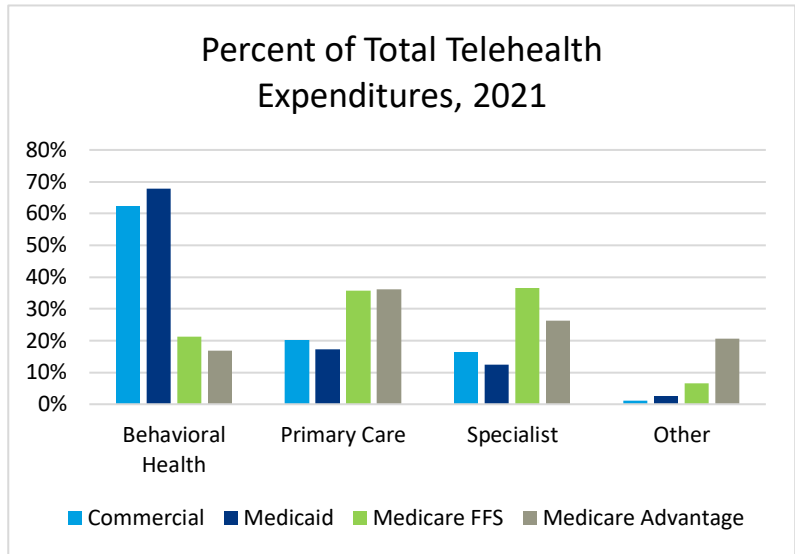
TELEHEALTH USE BY LOCALITY

Telehealth has the capability to bring physician expertise to rural areas with limited access to specialty, primary care, and behavioral health services. However, broadband access continues to be a limiting factor in many rural areas of the Commonwealth. In 2021, an estimated 88% of Virginian households had access to broadband services. This percentage drops to 57% in Lee County and 58% in Lunenburg County, which report the lowest access to broadband in the Commonwealth.[viii]

57%   96%
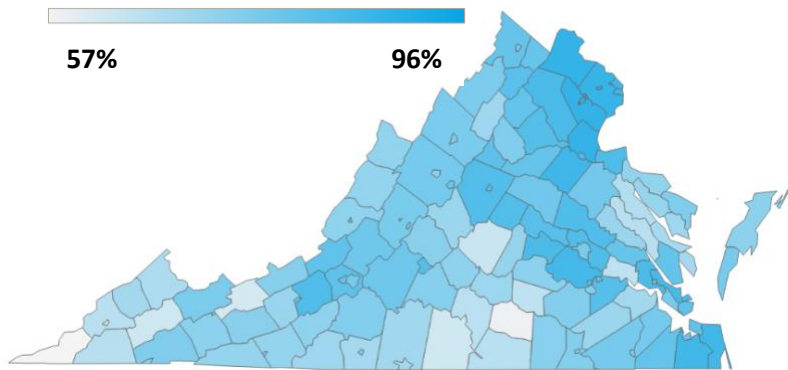
Percent of Households with Broadband Access, 2021

While telehealth utilization does not directly mirror broadband accessibility, general patterns emerge. Northern Virginia has many of the localities with the highest percentage of households connected to broadband and has the highest percentage of the population using telehealth, with

14%   30%
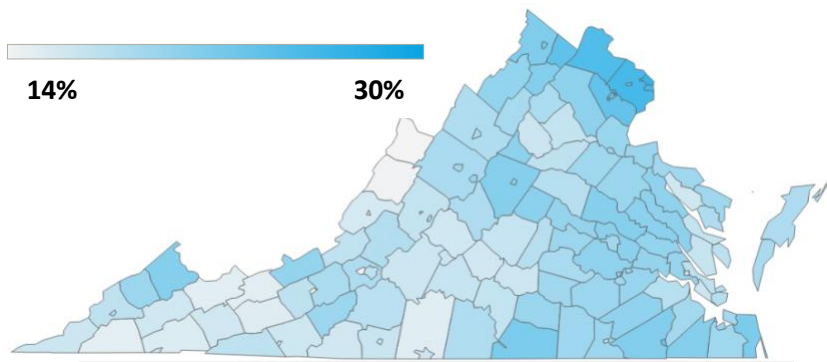
Percent of Households with a Telehealth Visit, 2021

Falls Church and Manassas Park cities both reaching 30% of their population using telehealth in 2021. However, even in areas with lower broadband access, telehealth is shown to be a critical tool for accessing care. For instance, in Lee County, with the lowest rate of broadband access, an estimated 1 in 7 residents accessed healthcare through telehealth in 2021. This rate increased to more than 1 in 6 in Lunenburg County with equally low broadband access.

Similarly, analyses conducted for the Primary Care Spend Report show that while telehealth accounts for 8% of primary care services statewide, many rural areas, even those with lower broadband access disproportionately rely on telehealth for primary care access. For example, despite only 73% of Dickenson County households having access to broadband, residents in Dickenson had the highest rate of primary care visits through telehealth (12%).

CONCLUSION

Telehealth utilization decreased from 2020 to 2021, following the return to in-office physician visits; however, it remains a critical component of healthcare access in Virginia, especially for behavioral health services. In 2021, the most recent year of data available, VTFPC estimates that 1 in 4 Virginians used a telehealth service. Utilization was not evenly distributed across populations. In Virginia, residents with Medicare Advantage coverage were the most likely to use a telehealth services; however, the estimate for Medicaid utilization is likely under-represented in this analysis due to policies enacted at the onset of the COVID-19 pandemic aimed at alleviating provider administrative burden in offering new telehealth services.

While urban regions tend to utilize telehealth more, telehealth is a critical tool to augment workforce shortages and improve access to care in rural areas. Despite lower broadband coverage in many rural areas, as many as 1 in 6 residents used telehealth to access healthcare in the lowest broadband coverage areas of the Commonwealth.

The Virginia Task Force on Primary Care recommends annual reports on the telehealth utilization and expenditures in Virginia to better inform resource investment in the Virginia healthcare system.

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[i] Health Resources and Services Administration. Telehealth policy changes after the COVID-19public health emergency. July 2023
[ii] Virginia Mercury. Expanded telehealth services are 'here to stay' in Virginia as public health emergency ends. April 2023
[iii] The VHI All Payers Claims Database includes claims and encounters provided by Medicaid fee-for-services, Medicaid Managed Care entities, Commercial plans, Medicare Advantage plans, and Medicare fee-for-service. ERISA, military, and federal employee plans are not included. Claims for uninsured individuals are not included. Medicaid fee-for-service skilled nursing facility payments and Medicare FFS pharmacy claims have been excluded due to missing data. Analyses are based on actual paid amounts adjusted for trends in payment reversals, with the exception of integrated health plans. For integrated plans, proxy paid amounts are used to determine equivalent service-based payments.

[iv] National Library of Medicine. Association between state payment parity policies and telehealth usage at community health centers during COVID-19. October 2022

[v] Manatt. Executive Summary: Tracking Telehealth Changes State-by-State in Response to COVID-19. June 2023

[vi] Assistant Secretary for Planning and Evaluation. National Survey Trends in Telehealth Use in 2021: Disparities in Utilization and Audio vs. Video Services. February 2022

[vii] Assistant Secretary for Planning and Evaluation. National Survey Trends in Telehealth Use in 2021: Disparities in Utilization and Audio vs. Video Services. February 2022

[viii] County Health Rankings and Roadmaps. Virginia Data and Resources. 2021

The Virginia Task Force on Primary Care (VTFPC) was launched in August 2020 as a multi-stakeholder collaboration. It is tasked with addressing the sustainability challenges facing primary care that came to light during the COVID-19 pandemic and continue to challenge our communities. The Task Force is led by the Virginia Center for Health Innovation. To learn more about the work of the VTFPC visit our website.

Appendix A – Telehealth services codes

Analyses based on VHI APCD data consider services to be telehealth if they include one of the following codes:

- **Place of Service**: 02 or 10
- **CPT Modifiers**: G0, G1, GT, GQ, 95
- **Procedure Codes**: 99441, 99442, 99443, 98966, 98967, 98968, G2012, G2010, 99421, 99422, 99423, G2061, G2062, G2063, 98970, 98971, 98972, 99453, 99457,99458

Appendix B – Virginia telehealth legislation

Telehealth-related state legislation passed since the onset of the pandemic include the following: *Data based on reporting by Virginia Mercury.*

- **2020**
  - Authorizes Medicaid coverage for telehealth services regardless of the patient's location.
- **2021**
  - Expands Medicaid coverage for audio-only services and remote patient monitoring.
- **2022**
  - Permits out-of-state healthcare providers to continue providing telehealth services for a limited period of time.
  - Expands eligibility for remote patient monitoring under Medicaid to include people with acute illness.
- **2023**
  - Allows a provider from a practice with a previously established relationship with a patient to offer services through telehealth if the known provider is unavailable.
  - Permits out-of-state providers to provide telehealth services through Medicaid if they hold a license to practice in Virginia.

Appendix C – Percent of Population using telehealth services

Estimates are based on data from the 2021 VHI APCD and County Health Rankings. Null estimates indicate low sample sizes that may result in unreliable data. VTFPC generates population estimates from APCD data based on population level adjustments for commercial payers. APCD does not includes data from ERISA plans, military health plans, federal employee health plans, or the uninsured.

County	% population receiving tele
Accomack	17%
Albemarle	21%
Alleghany	13%
Amelia	17%
Amherst	13%
Appomattox	13%
Arlington	29%
Augusta	17%
Bath	10%
Bedford	14%
Bland	11%
Botetourt	16%
Brunswick	19%
Buchanan	21%
Buckingham	14%
Campbell	14%
Caroline	19%
Carroll	14%
Charles City	19%
Charlotte	15%
Chesterfield	20%
Clarke	25%
Craig	15%
Culpeper	15%
Cumberland	16%
Dickenson	19%
Dinwiddie	19%
Essex	20%
Fairfax	28%
Fauquier	20%
Floyd	19%
Fluvanna	20%

Franklin	15%
Frederick	22%
Giles	19%
Gloucester	14%
Goochland	19%
Grayson	15%
Greene	20%
Greensville	19%
Halifax	17%
Hanover	21%
Henrico	20%
Henry	14%
Highland	10%
Isle of Wight	18%
James City	19%
King and Queen	20%
King George	19%
King William	20%
Lancaster	17%
Lee	14%
Loudoun	27%
Louisa	16%
Lunenburg	19%
Madison	14%
Mathews	15%
Mecklenburg	22%
Middlesex	15%
Montgomery	17%
Nelson	17%
New Kent	20%
Northampton	17%
Northumberland	18%
Nottoway	18%
Orange	15%
Page	17%
Patrick	13%
Pittsylvania	12%
Powhatan	19%
Prince Edward	14%
Prince George	19%
Prince William	25%

Pulaski	15%
Rappahannock	17%
Richmond	13%
Roanoke	17%
Rockbridge	15%
Rockingham	17%
Russell	13%
Scott	11%
Shenandoah	20%
Smyth	13%
Southampton	21%
Spotsylvania	18%
Stafford	19%
Surry	16%
Sussex	20%
Tazewell	12%
Warren	21%
Washington	12%
Westmoreland	18%
Wise	15%
Wythe	12%
York	15%
Alexandria City	28%
Bristol City	13%
Buena Vista City	16%
Charlottesville City	20%
Chesapeake City	18%
Colonial Heights City	20%
Covington City	11%
Danville City	14%
Emporia City	16%
Fairfax City	24%
Falls Church City	30%
Franklin City	23%
Fredericksburg City	19%
Galax City	14%
Hampton City	16%
Harrisonburg City	17%
Hopewell City	19%
Lexington City	15%
Lynchburg City	14%

Manassas City	24%
Manassas Park City	30%
Martinsville City	14%
Newport News City	14%
Norfolk City	18%
Norton City	16%
Petersburg City	18%
Poquoson City	16%
Portsmouth City	19%
Radford City	N/A
Richmond City	18%
Roanoke City	15%
Salem City	N/A
Staunton City	18%
Suffolk City	21%
Virginia Beach City	22%
Waynesboro City	19%
Williamsburg City	13%
Winchester City	22%