

Testimony of Charles Storrow, Leonine Public Affairs, LLP
On Behalf of MVP Healthcare, Inc.,
Concerning Insurance Coverage for “Audio Only” Healthcare Services

Senate Health and Welfare Committee
February 24, 2021

- As was previously indicated to the Committee, MVP has significant concerns about extending the requirement that audio only health care services be reimbursed at the same level as in person visits (the “pay parity requirement”) beyond the state of emergency. Based on MVP’s claims experience in 2020—where audio only coverage was included and reimbursed at parity—it saw a significant increase in telehealth utilization and related costs.
- Physician office visits declined during Q2 of 2020 because, at least in large part, of the Governor’s Executive Order prohibiting the provision of in person non-emergency, non-COVID related health care services. Notably, however, in person visits have returned to normal levels and costs for these visits are consistent with year-over-year growth trends. At the same time, telehealth utilization dramatically increased in 2020 compared to 2019, from under one dollar per member per month (PMPM) in 2019 to over \$11 PMPM in 2020.
- Collectively, the data shows that telehealth has not been a substitute for physician office visits, as spending on physician office visits has increased at normal levels. Rather, it has increased overall utilization and costs, and those costs will be reflected in future premium rates.
- As the Committee knows, increased utilization is not necessarily a bad thing as telehealth is expanding needed access to Vermonters. But the cost implications should not be ignored. A post emergency pay parity requirement for audio-only services will increase costs to Vermont premium payers. A \$11 PMPM cost impact could translate to a roughly 2% increase in premium (in addition to other, upward pressure on premium). And—as we’ve mentioned previously—many members will also incur these visits as out-of-pocket costs.
- In light of the foregoing it is respectfully submitted that the committee should not extend the pay parity requirement beyond the end of the COVID related state of emergency. Instead, the committee should take a more cautious approach and allow the payers and the providers to work out the level of reimbursement for audio only health care services.