

The Effect of Telehealth Expansion on Usage in Rural and Non-Rural Michigan Counties

Key Takeaway

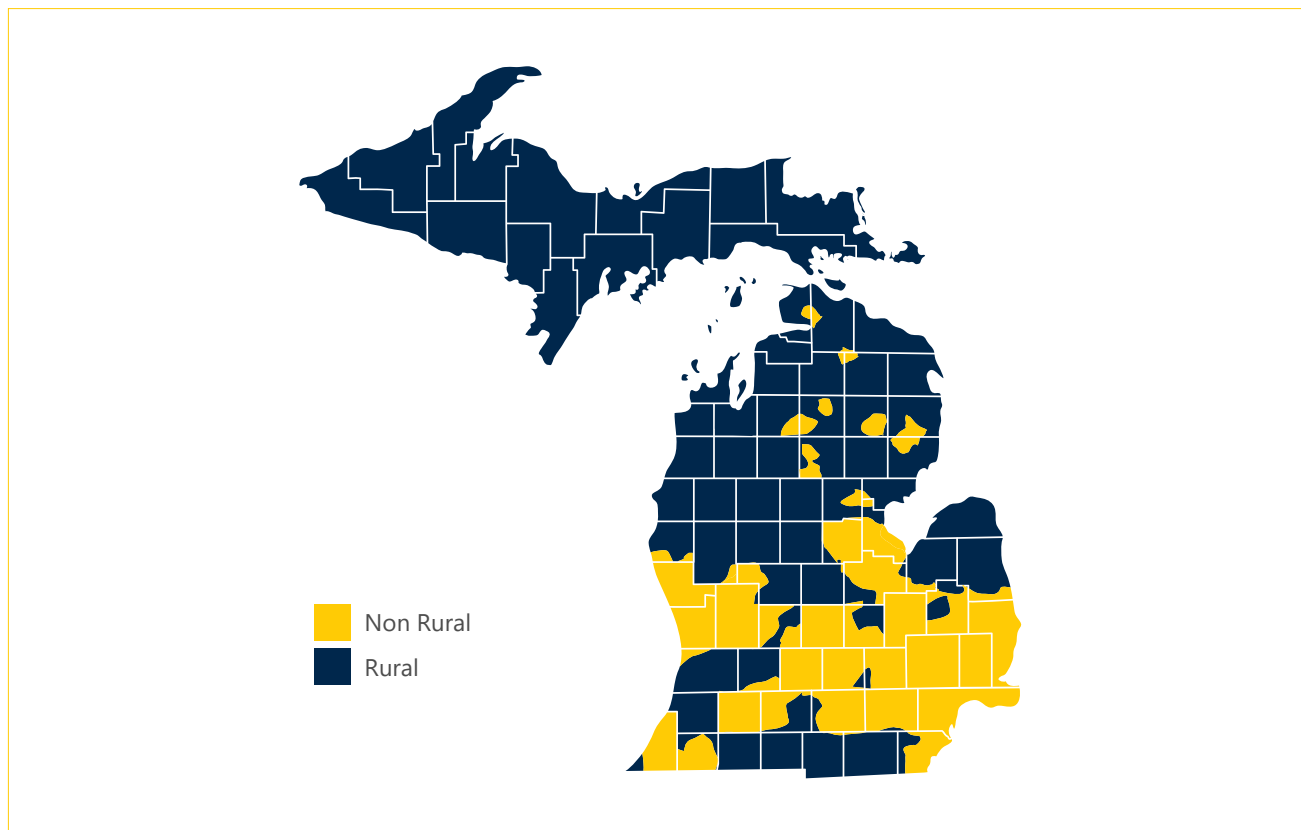
- Although telehealth policies like the originating site requirement were initially established to promote telehealth adoption in rural areas, the relaxation of this geography-specific policy (which allowed patients to access telehealth services from their homes) resulted in increased telehealth utilization in both urban and rural areas.

Policy Consideration

- Permanently expanding the list of originating sites to include the patient's home can increase telehealth adoption in rural areas.
 - Limiting telehealth services to rural regions would significantly impede its usage outside of these areas.
-

Rural communities often face challenges such as low population density, geographic isolation, and limited healthcare resources. Delivering healthcare in these regions can be difficult due to a scarcity of healthcare providers, difficulties accessing specialized care, and insufficient funding. The Federal Office of Rural Health Policy (FORHP) classifies 553 out of 979 ZIP codes in Michigan as rural, with 28.2% of Michigan Medicare beneficiaries in 2020 residing in these areas.

Exhibit 5: Michigan’s Rural Counties, as Defined by the Federal Office of Rural Health Policy, 2020

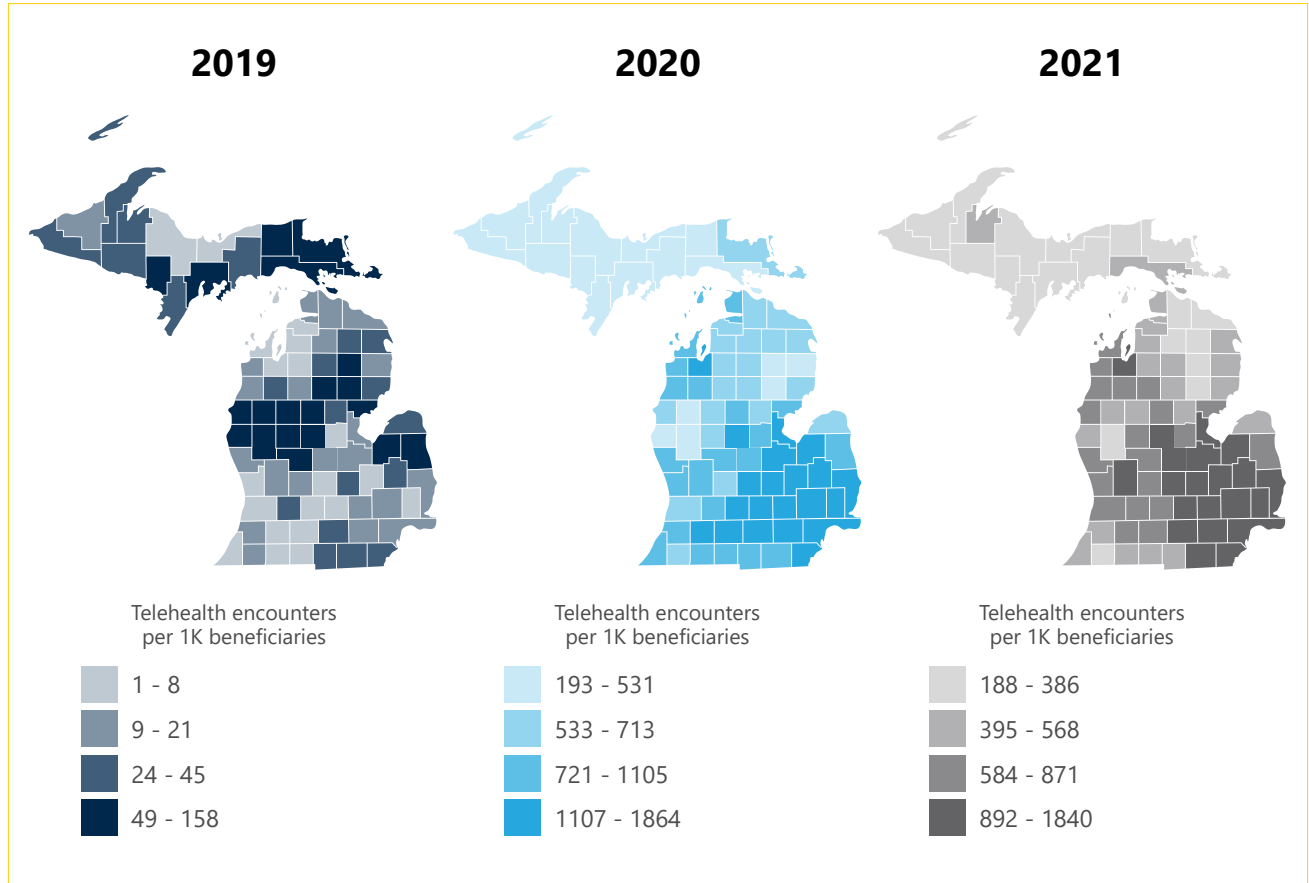


Note: Rural zip codes were defined using Federal Office of Rural Health Policy (FORHP) data files.

Telehealth has the potential to enhance healthcare accessibility in rural Michigan. However, before the COVID-19 pandemic, the utilization of telehealth services was restricted by the “originating site” requirement, which restricted patients to specific clinical settings, such as physician offices and hospitals, located in counties outside Metropolitan Statistical Areas (MSAs) or rural Health Professional Shortage Areas (HPSAs). Nonetheless, many Medicare and Medicaid programs temporarily expanded the list of originating sites during the pandemic, encompassing patients’ homes.

To gauge the impact of including patients’ homes as an originating site on telehealth adoption among rural Michigan residents, we examined the geographical distribution of telehealth visits in 2019 and 2020. We also evaluated the distribution in 2021 to determine if any changes had occurred. As expected, our analysis of telehealth utilization among Michigan’s Medicare beneficiaries in 2019, as shown in Exhibit 5, revealed that the majority of these services were provided to rural county residents, as expected. In 2020 and 2021, there was a higher concentration of telehealth services delivered in urban regions of the state. Importantly, the number of telehealth visits/1,000 Medicare beneficiaries in rural areas increased 5-10-fold after the inclusion of the home as an originating site. While telehealth use in rural areas decreased in 2021, activity remained much higher than levels in 2019.

Exhibit 6: County-Level Geographic Distribution of Telehealth Services among Medicare Beneficiaries, 2019-2021



After adjusting for population size, it was found that residents of Chippewa, Isabella, and Ogemaw Counties received the highest amount of telehealth services in 2019 (Exhibit 7). In 2020, there was a noticeable increase in the utilization of telehealth among residents in urban counties. Even when accounting for population size, residents of Macomb, Washtenaw, and Wayne Counties had the highest usage of telehealth services. This trend continued in 2021 (not shown).

Exhibit 7: Top Michigan Counties for Telehealth Utilization (Adjusted for Population) in 2019-2020

Counties with highest number of telehealth visits/1,000 beneficiaries (2019)	Telehealth visits/1,000 beneficiaries	Counties with highest number of telehealth visits/1,000 beneficiaries (2020)	Telehealth visits/1,000 beneficiaries
Chippewa County	158	Macomb County	1,864
Isabella County	130	Washtenaw County	1,840
Ogemaw County	88	Wayne County	1,816
Osceola County	85	Oakland County	1,702
Montcalm County	85	Genesee County	1,632