

Telehealth Use Trends Among Medicare, Medicaid, and Commercially-Insured Individuals

Key Takeaway

- During the early stages of the COVID-19 pandemic, there was a significant surge in telehealth usage among Medicare, Medicaid, and commercially-insured patients. However, since then, the proportion of telehealth visits has gradually declined and currently stands at approximately 11%, 13%, and 17% of all outpatient evaluation and management visits for Medicare, Medicaid, and commercially-insured patients, respectively.
- Notably, the overall volume of outpatient visits remained steady, comparable to pre-pandemic levels, indicating that telehealth predominantly substituted for in-person care.

Policy Consideration

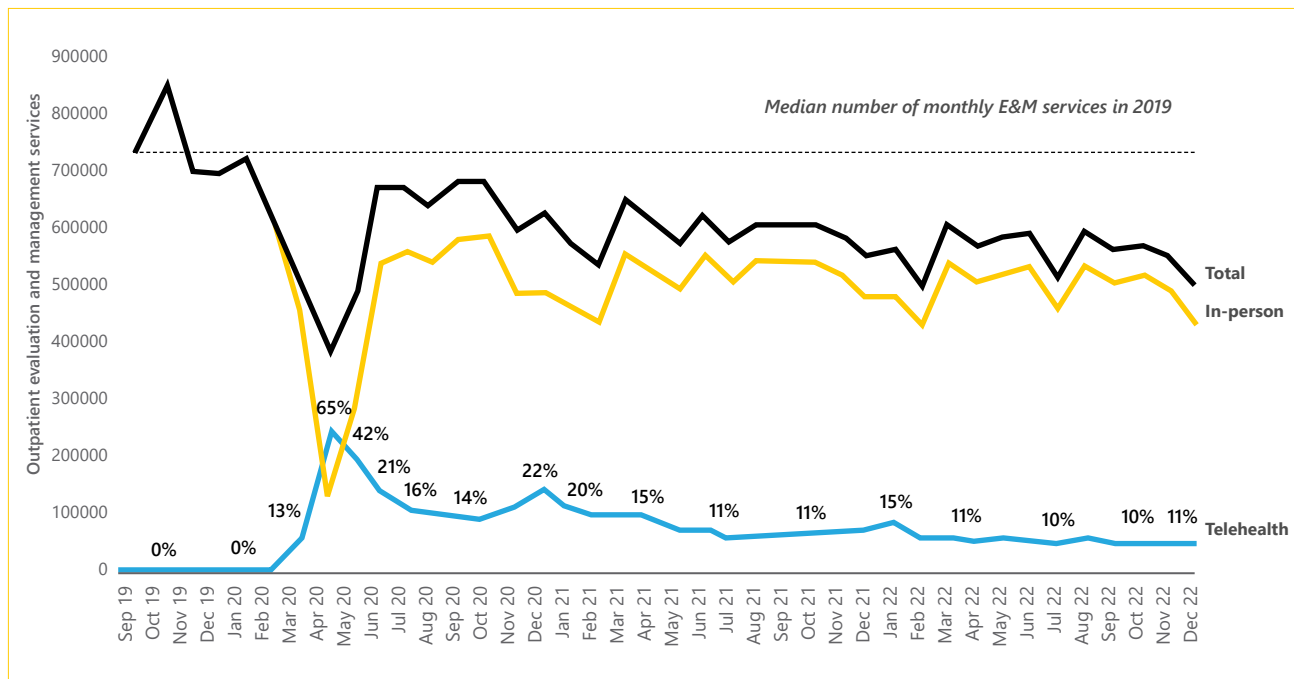
- Telehealth continues to play a crucial role in providing healthcare services to patients in Michigan.
 - The concern about telehealth being overused can be alleviated by evidence that the overall volume of outpatient visits has remained stable.
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The COVID-19 pandemic brought about a significant increase in telehealth usage due to social distancing and changes in regulations. Prior to the pandemic, telehealth usage was minimal, with only a small percentage of healthcare providers and patients utilizing billable telehealth services. However, in March and April 2020, as most states implemented shut-down orders, telehealth usage skyrocketed. We analyzed telehealth trends for outpatient evaluations and management visits using Michigan Medicare fee-for-service, commercial, and Medicaid claims.

MEDICARE FEE-FOR-SERVICE

Our analysis revealed that telehealth utilization among Medicare patients significantly increased during the initial months of the pandemic, accounting for a peak of 65% of all outpatient visits in April 2020 (as illustrated in Exhibit 1). Subsequently, telehealth usage declined. At the end of 2022, approximately 11% of outpatient visits were performed through telehealth.

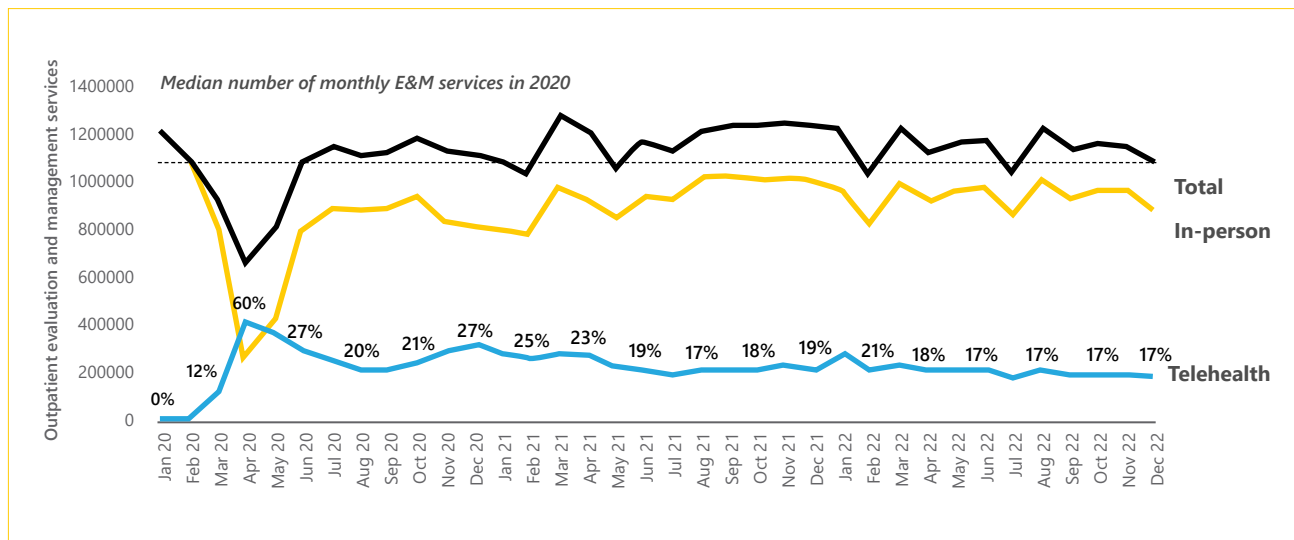
Exhibit 1: Trends in In-Person and Telehealth Evaluation and Management Visits Among Michigan Medicare Fee-for-Service Beneficiaries, 2019-2022



COMMERCIALLY-INSURED BENEFICIARIES

We observed a similar pattern among commercially-insured individuals where telehealth usage surged during the early stages of the pandemic (March to May 2020), accounting for 60% of all outpatient visits during the week of April 5th, 2020 (Exhibit 2). However, there was a decline in telehealth usage over time. Despite this decline, the percentage of commercially-insured patients using telehealth remained nearly double that of the Michigan Medicare population. Similarly, telehealth utilization remained relatively consistent from June 2020 to December 2022, with only a slight decline over time. It's worth noting that the overall volume of care remained unchanged compared to pre-pandemic levels, indicating that telehealth was mainly utilized as a replacement for in-person care.

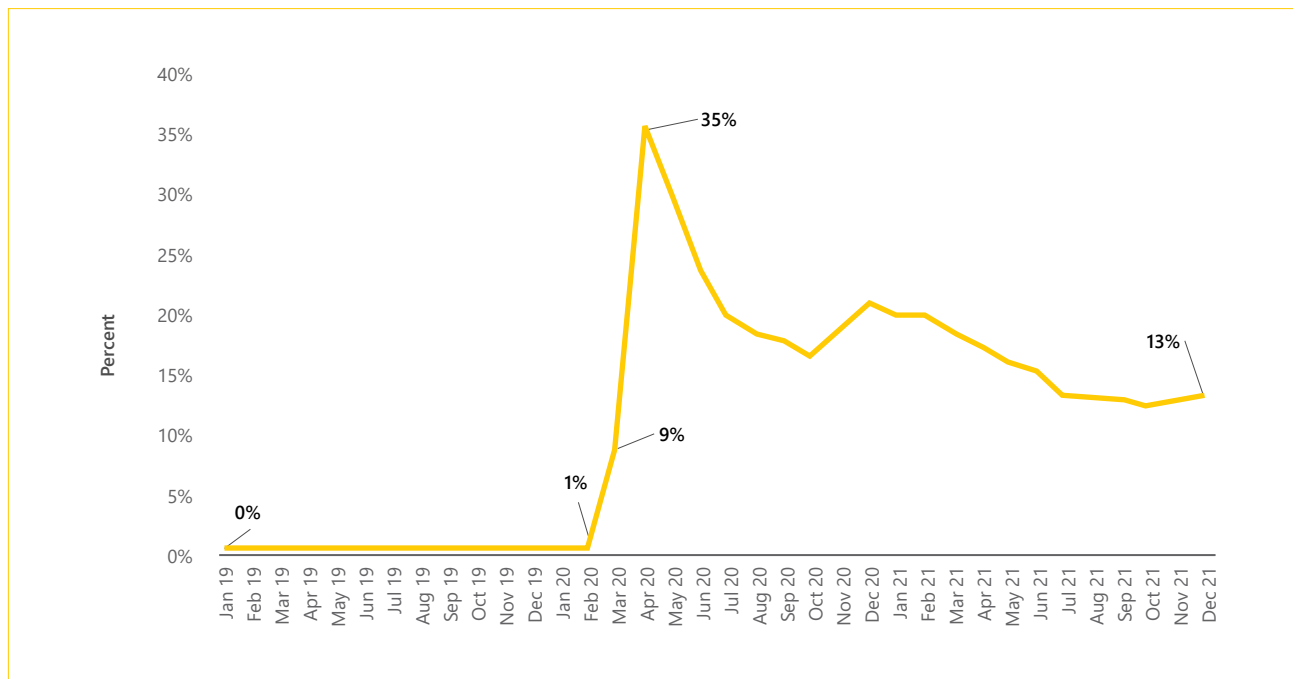
Exhibit 2: Trends in In-Person and Telehealth Evaluation and Management Visits Among Commercially-Insured Beneficiaries, 2020-2022



MEDICAID

Michigan Medicaid beneficiaries also had a comparable trend. Telehealth constituted 35% of outpatient visits among Michigan Medicaid patients at its peak in April and May 2020 (as depicted in Exhibit 3). The percentage decreased to 23% in June 2020, remaining relatively steady at around 20% through April 2021. Thereafter, we observed a gradual reduction to approximately 12-13% towards the end of 2021.

Exhibit 3: Trends in the Percentage of Telehealth Evaluation and Management Visits Among Michigan’s Medicaid Beneficiaries, 2019-2021



We also computed the percentage of Medicaid enrollees who received a telehealth service in a given month. Before February 2020, approximately 1% of Medicaid beneficiaries who received outpatient care that month received a telehealth service. However, this percentage increased dramatically, peaking at 63% in April 2020 (as illustrated in Exhibit 4). Over time, this number gradually decreased, and by December 2021, 23% of Medicaid enrollees who had an outpatient visit that month received a telehealth service.

Exhibit 4: Trends in the Percentage of Medicaid Beneficiaries Who Had a Telehealth Visit, 2019-2021

