

# MEDICAL SOCIETY of the STATE OF NEW YORK

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*Division of Governmental Affairs*  
**MEMORANDUM IN SUPPORT**

**ON SENATE FINANCE COMMITTEE  
AGENDA**

**S.5505 (RIVERA/HARCKHAM)**

**IN ASSEMBLY INSURANCE  
COMMITTEE**

**A.6256 (WOERNER/GOTTFRIED)**

This legislation would amend the public health and insurance laws to provide for payment parity between the delivery of health care services via telehealth and services delivered in a traditional in-person environment. **The Medical Society of the State of New York supports this legislation.**

The need for social distancing during the pandemic forced patients and physicians needed to embrace new ways to ensure patients were receiving necessary care. While some physicians had already integrated Telemedicine into their practices, prior to the onset of the pandemic, the COVID19 crisis strongly encouraged thousands of physicians across the state to quickly increase their capacity to provide care to their patients remotely. However, from the start, payments to physicians from insurers for care provided virtually, or by phone, were woefully inadequate to what they were receiving for in-office visits, creating barriers for patients to receive the best care.

Bolstering the urgency for payment parity, a May 2020 MSSNY survey showed that 83% of the physician respondents had incorporated telemedicine into their practice, with nearly half the respondents noting that they were treating at least 25% of their patients remotely. Moreover, a spring 2020 Fair Health study showed that, for the northeastern part of the country, use of Telehealth went from 0.08% of claim submissions in May 2019, to 12.5% in the span of a month. Showing that this was not just a temporary bump, telehealth claim lines also increased 2,938 percent nationally from November 2019 to November 2020, rising from 0.20 percent of medical claim lines in November 2019 to 6.01 percent in November 2020, according to data announced recently from FAIR Health.

It is important to note early efforts by the New York Department of Financial Services (DFS) and Department of Health (DOH), which adopted critically important policies to better enable patients to obtain health care services via telemedicine, including waiving cost-sharing requirements for services delivered via telemedicine, expressly permitting coverage for health care services via audio-only, and allowing delivery of telemedicine services through basic smartphone video technologies. Medicare also followed this path, waiving the federal statute that limits Medicare coverage for Telehealth to rural areas and significantly increased the payments for video and audio-only Telehealth services. MSSNY has argued for some time that rates at which physicians are paid by insurers have not kept pace with those paid for in-office visits and the gap is wide. Given the withering financial situation for physician practices across the state, equal compensation for care delivered virtually, is vital. To better understand the impact of inadequate payment on physician practices, surveys conducted by key MSSNY partners, of their memberships, revealed the following:

- Participants of a survey by one of our partner organizations, the New York Medical Group Management Association (NY MGMA), revealed that only 23% of all health plans pay equal to what they received for in-office visits.

- 25% said that most plans pay significantly less for in-office visits.
  - More specifically, surveys conducted by MSSNY partner organizations found that while Telehealth visits conducted by video were reimbursed at higher rates than audio-only, physicians were compensated as little as 30% the rate of in-person appointments, depending on the health plan.
- Audio-only visits were the least compensated, with most payers reimbursing 80% less than for in-office visits.

MSSNY is also encouraged to see that both bills require payment parity for telehealth services in the state's Medicaid Fee for Service, Medicaid Managed Care, and Child Health Plus programs. This is crucial to achieving true equity in health care access, in New York, as without parity across all systems Medicaid providers may not have the financial capacity to provide Telehealth services to beneficiaries, including low-income patients, and those with transportation or child care challenges, creating a hurdle that doesn't exist in commercial insurance.

Finally, even as a significant portion of the population begins to be immunized against Covid-19, public health experts anticipate that it will remain a public health threat for the foreseeable future, making continued access to Telehealth services critical and passage of this important legislation all the more important.

**For all of the reasons stated above, we urge that this measure be enacted.**

**5/11/21  
ZDC - Support**

**Respectfully Submitted,**

**MSSNY DIVISION OF GOVERNMENTAL AFFAIRS**