

STATEHOUSE

Gov. declines to lock in pay parity for telehealth

Telemedicine took off during the pandemic, but Murphy conditionally vetoes the bill.

Susan K. Livio *For Times of Trenton*

Gov. Phil Murphy has rejected a bill that would have reimbursed doctors and other medical providers in New Jersey the same rate for telehealth services as they charge for in-person appointments, saying the cost may be too steep for taxpayers and may limit opportunities for patients who prefer office visits.

The Democratic governor on Monday conditionally vetoed the legislation, which means he won't support it unless the lawmakers adopt his recommended changes. Murphy called for maintaining higher reimbursement rates until 2023, after the state Health Department has studied its usage and determined patients are getting the kind of care they need and costs are reasonable.

Telehealth became a widely used vehicle for people to maintain connections to their doctors and mental health therapists in the first year of the coronavirus pandemic, when people were ordered to stay home as much as possible. The state Department of Banking and Insurance issued a bulletin that required insurance carriers to reimburse telehealth visits at the same rate as office visits. That order expires Jan. 11.

The bill as written would permanently require telehealth "pay parity" for services covered by a carrier offering a health benefits plan in New Jersey, the NJ FamilyCare/Medicaid program, and the State Health Benefits and School Employee Health Benefits programs. The parity rate would not apply to audio-only services, such as telephone calls without a visual component, such as FaceTime.

The legislation also called for \$5 million to equip low-income patients with electronic devices to promote the use of tele-visits.

The bill appears to come with a poten-

tially high price tag. The state Department of Treasury estimated the rates would cost the School Employees' Health Benefits Program and the State Health Benefits Program from \$5 million to \$50 million, according to a fiscal analysis published by the nonpartisan state Office of Legislative Affairs.

In his conditional veto message, Murphy commended the sponsors for promoting telehealth. But he suggested extending the rates until the end of 2023 so the Health Department could have time to evaluate the impact on patients and costs.

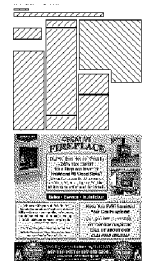
"While I wholeheartedly support expanding telehealth and telemedicine access and believe that New Jersey should be a national leader in innovative health care policy, I have reservations about making permanent a measure that was intended as a stopgap to preserve public health during an unprecedented emergency," Murphy wrote.

"Approving this bill would amount to a very heavy thumb on the scale in favor of providers," he added. "Moreover, the cost to carriers — which would be felt both by those paying premiums and taxpayers alike — could be substantial.

"I am concerned that in the long term, pay parity could over-incentivize telehealth, further limiting in-person options. This could be especially detrimental for those in underserved communities," Murphy continued.

Jacob Caplan, advocacy manager for Easterseals New Jersey, a nonprofit that provides housing, job placement and others services for 9,000 people with developmental disabilities, said he's hopeful the state will conclude in its study that telehealth is both worthwhile and cost-effective.

Medicaid did not cover telehealth before the pandemic, Caplan said. One group home client who most summers typically refuses to take medicine and go to



her therapy appointments was given a tablet that helped her connect with a therapist quickly, before she became unable to maintain her mental health and required inpatient psychiatric care, he said.

“We were able to keep her home and safe,” Caplan said. “It’s very rewarding, and a strong success story.”

Easterseals, which lends out tablets and laptops to its clients to deliver the telehealth service, was counting on the money in the bill to help pay for the devices, Caplan said. “We would have appreciated some support from the state for that.”

Kyle Zebley, vice president for public policy for the American Telemedicine Association, said his members were aware Murphy had reservations about the bill, so the conditional veto was not a surprise.

But he took as a positive sign the governor offering a road map outlining how he could support the measure.

“This is something we could do business with,” and a sign Murphy is “doing something in a thoughtful way,” Zebley said.

Medicare, the federal health insurance program serving mostly people over 65, also raised its telehealth rates during the pandemic and will keep them in place until 2023, so perhaps the Murphy administration is following suit, Zebley said.

The bill was sponsored by state Sens. Vin Gopal and Joann Downey, both D-Monmouth.

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Telehealth became a widely used vehicle for people to maintain connections to their doctors and mental health therapists during the pandemic. *Mark Lennihan, AP*