

# NJ looks to grow telehealth, a boon to patients in pandemic

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Lawmakers said insurers should pay doctors the same for remote visits as for in-person visits



File photo: A doctor prepares to conduct an online visit with a patient from his work station at home.

For Pamela Dyer, a 48-year-old Farmingdale resident, telehealth provided an essential lifeline to wellness during the pandemic lockdown last year, according to representatives for Easterseals NJ, which provides services for people with disabilities. Dyer, who has schizophrenia, depended on her phone to connect with a case manager and attend weekly therapy sessions, while remaining at home, safe from the coronavirus.

Dyer is far from alone. Easterseals, which traditionally conducts in-person programs, reported hosting more than 7,000 telehealth visits last year. Tens of thousands of New Jerseyans have experienced the shift to telemedicine since the pandemic began, as physical and behavioral health caregivers were forced to embrace virtual options that had received minimal attention in the past. Billing for telehealth services in the northeastern United States soared nearly 8,500% between November 2019 and the

following November, according to FAIR Health, which tracks national insurance claims data.

For some, telehealth was preferable to visiting a doctor in person, while others viewed it as a beneficial backstop. A survey by the Mental Health Association of New Jersey found eight out of 10 people who received virtual mental health services considered them a “great alternative” when in-person services are unavailable. Almost everyone found it safe and convenient, but nearly 60% still prefer in-person care.

To ensure telehealth options continue to grow, lawmakers in New Jersey approved a measure to require insurance companies to cover the cost of virtual visits at the same rate they would pay for in-person services, including for policies covering public workers and the state’s Medicaid program, NJ FamilyCare. The bipartisan legislation, one of [dozens of bills passed on the last day of June](#) with the \$46.4 billion state budget, was strongly supported by doctors and other medical providers, some of whom had been skeptical of telemedicine’s efficacy in the past.

## ‘A critical tool’

“While telemedicine has been in evolution since the 1970s, over the past several months during the COVID-19 pandemic, telemedicine has become a critical tool that many people in New Jersey have used to obtain necessary health care. The value of telemedicine during this pandemic should not be underestimated,” the Medical Society of New Jersey said in a statement supporting the bill. MSNJ and the New Jersey Academy of Family Physicians testified that telehealth improves patient access to care, especially as the need for mental health services increases, helps reduce exposure to COVID-19 and improves patient engagement, among other benefits.

But while telehealth’s popularity is soaring, support for the legislation was not universal. Insurance industry representatives raised questions about the cost, which remains largely unknown. The bill allocates \$5 million to help NJ FamilyCare members get the devices or technology they need to access telemedicine programs, but an analysis by the nonpartisan Office of Legislative Services [suggested it could require as much as \\$50 million more annually](#) to cover the additional costs of telehealth benefits for state employees under the bill.

The legislation now awaits Gov. Phil Murphy's signature to become law. His staff declined to comment on his plans Monday.

The legislation would update a long-debated [law adopted in 2017 that defined telemedicine](#) in New Jersey, established strict requirements on how and when it could be used, and determined that providers would be paid up to the rate they had received for in-person treatment, but not more. This led insurance companies to negotiate reimbursement rates with providers, something that would be eliminated under the new proposal, which mandates "parity" for in-person and virtual visits and is likely to increase costs.

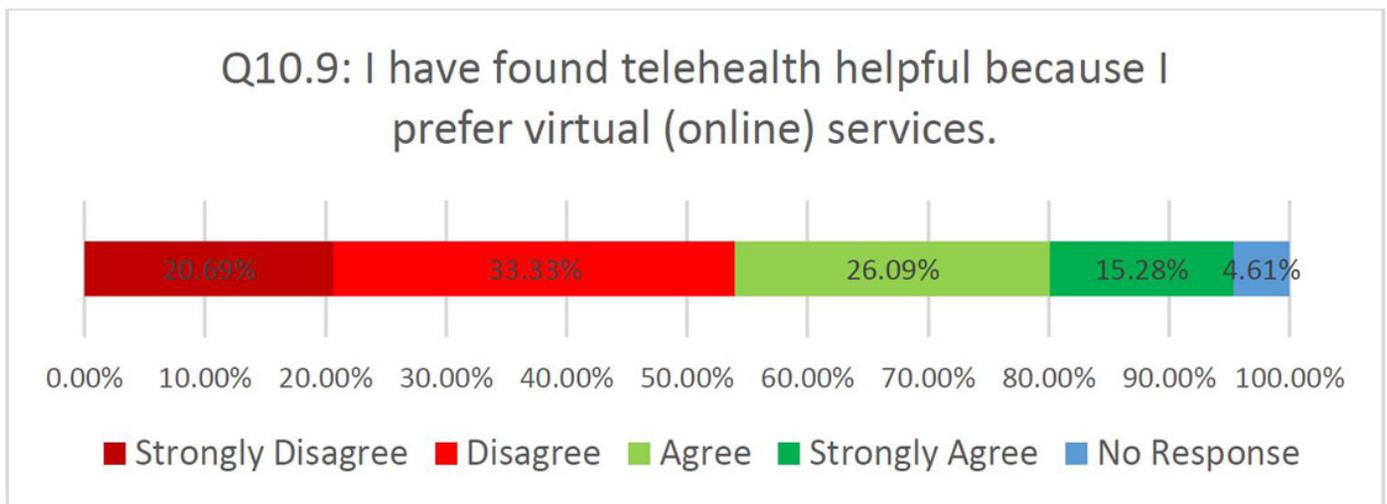
## Benefits — and limitations

Linda Schwimmer, president and CEO of the Health Care Quality Institute of New Jersey and a longtime advocate for expanded telehealth services, urged state officials to examine the benefits and limitations of these services before codifying a payment model in statute. [A report released in April](#) by the quality institute and BioNJ, the state's life sciences trade association, called for a commission to study questions of value and fair access, as well as to test models and draft regulations.

"Now that telehealth use has expanded so rapidly (during the pandemic), we have a good opportunity to assess its value and implement models of care that include telehealth while recognizing its advantages and limitations," Schwimmer said in an email. Regulations will need to be addressed on the federal and state level, she said, and urged officials to extend the pandemic rules that permitted greater freedom temporarily. "These changes should be reviewed with an eye towards what is best for patients and what is needed to improve the quality of care and access to services," she said.

The 20-page bill, which lawmakers amended multiple times, specifies that health insurance carriers regulated by the state must reimburse providers at an equal rate for all forms of physical or behavioral care, whether delivered in person or virtually, as long as the service is a covered benefit under the patient's plan. It also gives providers and patients greater flexibility in what kind of technology they use to communicate, although it must allow for the same standard of care virtually as would be available in person.

Access to the right technology is a challenge for some patients, the Mental Health Association of New Jersey found in its survey of 75 mental health clients, conducted in July and August 2020. Almost all depended on phone calls for their services, as opposed to video-conferencing or other formats that are given preference under New Jersey's current law. Some 83% of respondents said these remote sessions allowed them to remain connected to others, despite the pandemic lockdown, and 78% considered the virtual treatment effective.



Credit: (Mental Health Association of New Jersey)

How respondents answered one of the questions in a survey by the Mental Health Association of New Jersey, conducted in summer 2020

Easterseals NJ, which saw its no-show rate for one program cut in half with telehealth, is eager for access to these services to continue long after the pandemic. But some clients clearly prefer in-person care, MHANJ found. Just over 15% of those surveyed said they “strongly agreed” that virtual services were the better option, while one in five “strongly disagreed” and one-third “disagreed.”