



Created by the AHI Telehealth Technical Assistance Center

Strategies for Sustaining Your Telehealth Program

There are a variety of models that have been used to both develop and sustain telemedicine services within and across organizations. For example, revenue for programs can be generated through grant funding as well as capturing revenue from services provided and/or contracts between organizations. The adoption of health care reform models is also creating new models and opportunities to finance telemedicine programs.



Restructure Your Payer Contracts: The COVID-19 pandemic has put telehealth and other remote care services in the limelight. Stakeholders are predicting that a widespread adoption of telehealth and remote care services by patients and payers is now inevitable. Many payers have also been more willing to reimburse telehealth and remote care services. As providers consider requesting payers to add telehealth and remote care to their payer contracts, they must have a solid understanding of the economics of such services, including market rates for payer reimbursement and typical provider margins. To successfully implement these alternative remote care services, providers should strategically turn their existing telemedicine and remote care capabilities into full virtual health workflows and engage and activate their patient base to leverage virtual health options.

Mercy Virtual Health Center is one of the largest telehealth programs in the country. The President, Randy Moore, MD, states that a potentially overlooked element of financial sustainability is understanding how a telehealth program will affect cash flow. “You need to understand your contract mix, how you’re being paid, which patients are being targeted, your operational capabilities, how you’re going to manage the overall investment, and make it work,” he says. Moore says finance leaders should focus on setting up risk-based models with payers that will provide the cash flow—through shared savings on reduced hospitalizations, for example—to sustain a telehealth program.

Some rural communities are financing telehealth programs through value-based payment mechanisms, such as accountable care organizations (ACOs), that value quality over volume of care. These programs seek to use telehealth to achieve quality, outcome, and cost targets, including reductions in hospital readmissions, lengths of stay, and transfers to larger care centers.

Rural Considerations: When planning for long-term sustainability, rural communities should be aware of the following considerations for reimbursements:

- [Parity laws](#) at the federal and state level determine whether telehealth visits are reimbursed at the same rate as in-person visits.
- Payers may place different restrictions on the originating site for telehealth services. Rural programs should assess whether originating site restrictions will allow them to provide telehealth services outside of health care settings, such as in patients' homes or in schools.
- Payers may also limit reimbursements for certain telehealth applications. For example, some payers may only reimburse live-video telehealth consultations, while others may also fund store-and-forward and remote patient monitoring services.
- Reimbursement restrictions on provider type also vary from state to state. Eligible providers may include physicians, advanced practice clinicians, and other licensed health care workers.