

# Policy At A Glance:

## Telehealth Modernization Act of 2024 (H.R. 7623)

*Telehealth provides a critical way for patients to access healthcare services, but flexibilities introduced during the COVID-19 pandemic are set to expire in December 2024. This brief provides an overview of the impact of telehealth on quality of healthcare services and efforts to extend telehealth flexibilities through the Telehealth Modernization Act of 2024 (H.R. 7623).*

### Introduction

Before COVID-19, Medicare primarily provided coverage for telehealth services to beneficiaries living in rural areas, where access to healthcare providers is limited.<sup>1</sup> Telehealth use across the nation has since grown significantly, allowing patients to access essential health services, improve communication with healthcare providers, and monitor their conditions remotely through real-time methods.<sup>2</sup> This widespread adoption has highlighted the importance of maintaining access to such services, particularly for underserved populations.

Therefore, on September 18, 2024, the House Energy and Commerce Subcommittee on Health unanimously passed the Telehealth Modernization Act of 2024 (H.R. 7623). This bill aims to modify requirements related to coverage of telehealth services under Medicare by extending telehealth flexibilities through 2026, extending the Hospital at Home program through 2029, and codifying in-home cardiac rehabilitation services until 2027.<sup>3</sup>

This brief provides an overview of the impact of telehealth on quality of healthcare, the Preserving Telehealth, Hospital, and Ambulance Access Act (H.R. 8261), and efforts to extend telehealth flexibilities through the Telehealth Modernization Act of 2024 (H.R. 7623).

### Key Statistics

- 25%** Of adults reported using telehealth in 2023.<sup>4</sup>
- 96%** Of health centers funded by the Health Resources and Services Administration (HRSA) used telehealth for primary care services in 2023.<sup>5</sup>
- 7.3%** Increase in telehealth usage was seen in 2023, marking a continued rise in its utilization across the nation.<sup>6</sup>
- 88%** Of Americans prefer to use digital health tools, such as telehealth, post-pandemic.<sup>7</sup>

Bringing wholeness to individuals and communities, the Institute for Health Policy and Leadership (IHPL) strives to integrate health policy research and education with leadership development. Our goal is to improve the health of our communities by building on our strong heritage of health promotion and disease prevention.

To learn more, visit us at [www.IHPL.llu.edu](http://www.IHPL.llu.edu)



LOMA LINDA  
UNIVERSITY  
HEALTH

# The Impact of Telehealth on Quality of Healthcare

Telehealth is important for bridging regional gaps, improving patient access, and enhancing healthcare efficiency. It allows healthcare professionals to diagnose, treat, and monitor patients remotely, transforming healthcare delivery.<sup>8</sup> Telehealth usage peaked during the surges and shutdowns in the early stages of the COVID-19 pandemic, as both government and private insurers created more flexible rules, allowing individuals to access a broader range of healthcare services from their homes or mobile devices.<sup>9</sup> Currently, 76% of hospitals across the nation connect patients with their practitioners at a distance through telehealth.<sup>10</sup>

Research has shown that telehealth has significantly transformed the quality of healthcare in several ways. It has improved accessibility, providing a convenient alternative for patients unable to visit providers in person, particularly benefitting the elderly in hospice and nursing home settings. Additionally, telehealth has enhanced treatment efficacy and monitoring, leading to better health outcomes. For example, studies have shown that diabetes management through telehealth significantly improved clinical metrics, such as decreasing HbA1c levels by 3%.<sup>11</sup> Furthermore, remote patient monitoring systems act as safety nets, improving patient safety. Telehealth also fosters better communication among physicians and improves access to electronic health records, augmenting the available treatment options for patients.<sup>12</sup>

Across the nation, surveys show that approximately 25% of adults have reported using telehealth services in 2023, reflecting a decline from the peak usage rates during the pandemic but a rate that is significantly higher than pre-pandemic levels.<sup>2,4,13</sup> While the interest in telehealth has plateaued, it continues to be an essential aspect of healthcare for many people, especially among those covered by Medicaid and Medicare.<sup>13,14</sup>

## Preserving Telehealth, Hospital, and Ambulance Access Act (H.R. 8261)

Introduced on May 7, 2024, Preserving Telehealth, Hospital, and Ambulance Access Act (H.R. 8261) aims to extend critical healthcare services and maintain access to vital medical care, particularly in rural areas.<sup>15</sup> Specifically, H.R. 8261 would maintain Medicare patient's access to vital telehealth services for two years and Hospital-at-Home Services for five years.<sup>15,16</sup> Furthermore, it would maintain additional payments for rural hospitals and ambulance services through Medicare, continuing critical healthcare services in areas with limited access to acute care and emergency medical response.<sup>15,17</sup>



# Extending Telehealth Flexibilities

During the COVID-19 pandemic, access to telehealth services were expanded for Medicare patients. Although Congress has enacted legislation to temporarily extend access to these essential services, these policies are set to expire on December 31, 2024.<sup>18</sup> Therefore, the Telehealth Modernization Act of 2024 (H.R. 7623) aims to extend certain Medicare flexibilities that were temporarily implemented during the COVID-19 pandemic.<sup>3,19</sup>

## Maintaining Telehealth Services Regardless of Location

HR 7623 seeks to eliminate geographic restrictions for originating sites through January 2027, allowing patients to receive care from home, whether they are in urban or rural settings.<sup>3,20,21</sup> This flexibility ensures that geographical barriers do not limit access to healthcare.<sup>3</sup> For rural patients, this eliminates the need for long trips to medical facilities. Furthermore, this expansion allows patients to connect with specialists who may not be available locally, improving continuity of care for chronic conditions and increasing access to mental health services.<sup>20</sup>

## Extending the Hospital at Home Waiver Program and In-Home Cardiac Rehabilitation

In November 2020, the Centers for Medicare and Medicaid Services launched the Acute Hospital Care at Home (AHCAH) waiver program to provide hospitals expanded flexibility to care for their patients.<sup>22</sup> The AHCAH waiver programs allows hospitals to provide inpatient-level care to patients in their own homes.<sup>22,23</sup> This allows Medicare fee-for-service and certain Medicaid beneficiaries who would normally require hospital admission to instead receive the same type and level of intensive care at home. The program is designed to offer a safe, convenient alternative to traditional hospital stays, with the goal of reducing healthcare costs and improving patient comfort by delivering treatments and monitoring in the home environment.<sup>23</sup> However, this waiver is set to expire in December 2024.<sup>24</sup>

Therefore, HR 7623 aims to extend the Hospital-at-Home program by five years, running through 2029.<sup>3,20</sup> This would allow patients to continue receiving hospital-level care in their homes. However, this extension includes a requirement for additional research to be conducted, focusing on a cost-benefit analysis between those who enter the program directly from emergency departments and those who transfer in after a hospital stay.<sup>20</sup>

Research has shown that participating in in-home cardiac rehabilitation programs is linked with a 36% lower risk of death.<sup>25</sup> Therefore, HR 7623 would codify in-home cardiac rehabilitation services for two years until January 2027.<sup>3</sup> Medicare Part B covers in-home cardiac rehabilitation programs, including nutrition counseling and weight management; blood pressure and cholesterol management; psychosocial education; and physical activity counseling and training.<sup>26</sup>

## Medicare Diabetes Prevention Program

Part of the Centers for Disease Control and Prevention's (CDC) National Diabetes Prevention Program, the Medicare Diabetes Prevention Program is a two-year health behavior change program to assist individuals in preventing type-2 diabetes. The program involves structured curriculum that includes guidance on nutrition, physical activity, and behavior modification.<sup>27</sup> HR 7623 would allow certified virtual suppliers to participate in the Medicare Diabetes Prevention Program for five years starting on January 1, 2025.<sup>3</sup>

## Updated Telehealth Funding Regulations

HR 7623 requires that by 2026, the Secretary of Health and Human Services will establish guidelines mandating that certain telehealth services include a specific code or modifier when provided by practitioners contracted with or paid through a virtual program.<sup>3</sup> The goal of this initiative is to streamline the billing process and enhance transparency in telehealth services.<sup>20</sup> By providing patients with clearer information regarding the services they receive and the costs involved, it can foster greater trust in the telehealth system.<sup>20,21</sup>

## Conclusion

Telehealth provides a critical way for patients to access healthcare services, especially for those in rural areas where healthcare facilities are limited. Flexibilities offered during the COVID-19 pandemic allowed hospitals and health systems to continue caring for patients and deliver critical services at a distance.<sup>28</sup> Enabling hospitals and healthcare systems to continue to provide critical care virtually can ensure that patients receive the necessary support and treatment they need, ultimately improving health outcomes and bridging the gap in healthcare access. As the 118<sup>th</sup> Congress draws to a close, the fate of bills such as HR 7623 and HR 8261 that aim to extend these telehealth flexibilities remains to be seen.

## References

- <https://bipartisanpolicy.org/report/future-of-telehealth/>
- <https://aspe.hhs.gov/sites/default/files/documents/7d6b4989431f4c70144f209622975116/household-pulse-survey-telehealth-covid-ib.pdf>
- <https://www.congress.gov/bill/118th-congress/house-bill/7623>
- <https://gop-waysandmeans.house.gov/wp-content/uploads/2024/05/HR-8261.pdf>
- <https://telehealth.hhs.gov/research-trends>
- <https://www.ajmc.com/view/contributor-telehealth-utilization-grew-7-nationally-in-january-2023>
- <https://www.insurancebusinessmag.com/us/news/life-insurance/why-2024-could-be-the-year-of-the-telemedicine-revolution-493924.aspx>
- <https://www.cureus.com/articles/232773-a-comprehensive-review-on-exploring-the-impact-of-telemedicine-on-healthcare-accessibility#!/>
- <https://hms.harvard.edu/news/telemedicine-can-change-care-better-right-rules>
- <https://www.aha.org/factsheet/telehealth>
- <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC11298029/>
- <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7502422/>
- <https://www.ama-assn.org/practice-management/digital/how-telehealth-s-future-came-clearer-view-2023>
- <https://usafacts.org/articles/whats-the-state-of-telehealth-after-covid-19/>
- <https://www.congress.gov/bill/118th-congress/house-bill/8261/text>
- <https://waysandmeans.house.gov/2024/05/08/ways-and-means-protects-and-expands-telehealth-access-health-care-in-rural-and-underserved-communities/>
- <https://www.healthcarefinancenews.com/news/ways-and-means-passes-bill-preserve-telehealth-hospital-home>
- <https://gop-waysandmeans.house.gov/wp-content/uploads/2024/05/HR-8261.pdf>
- <https://www.hrsonline.org/guidance/advocacy-in-action/legislation-flexible-telehealth>
- <https://www.isha.health/post/how-the-telehealth-modernization-act-of-2024-could-transform-medicare-services>
- <https://www.aha.org/news/headline/2024-05-16-house-subcommittee-passes-legislation-telehealth-hospital-home-during-markup-session>
- <https://www.aha.org/hospitalathome>
- <https://www.aha.org/aha-center-health-innovation-market-scan/2024-04-09-providers-betting-big-future-hospital-home>
- <https://www.cahealthwellness.com/newsroom/23-787-Acute-Hospital-Care-at-Home-Program-Extends-Through-2024.html>
- <https://newsroom.heart.org/news/home-based-cardiac-rehabilitation-may-help-people-live-longer>
- <https://www.healthline.com/health/medicare/does-medicare-cover-cardiac-rehab#faq>
- <https://www.medicare.gov/coverage/medicare-diabetes-prevention-program>
- <https://www.aha.org/lettercomment/2024-04-09-aha-letter-support-telehealth-modernization-act-hr-7623>



## Did you know?

Research from PwC's Health Research Institute indicates that over 67% of Americans report difficulties with accessing medical care in their neighborhood.<sup>7</sup>



LOMA LINDA UNIVERSITY  
HEALTH

Institute for Health Policy and Leadership

11209 Anderson Street  
Loma Linda, CA 92354  
Phone: 909-558-7022  
Fax: 909-558-5638  
www.IHPL.llu.edu

Questions?

Please contact Renée Chuang, MS,  
Doctoral Graduate Assistant at the  
Institute for Health Policy & Leadership  
(RChuang@llu.edu).