Adoption of Telehealth Benefits by Medicare Advantage Plans in 2020 and 2021

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Medicare Advantage (MA) enrollment grew to 24.1 million in 2020, representing 36% of all Medicare beneficiaries.¹ MA plans must offer telehealth services covered under traditional fee-for-service Medicare (TM) and can optionally provide extra telehealth services. Starting in 2020, the Centers for Medicare and Medicaid Services (CMS) allowed MA plans to cover telehealth services as basic benefits rather than supplemental benefits and thus be paid for providing telehealth services as part of their capitated payments.² This gives MA plans more flexibility in tailoring benefit design overall and reallocating funds. In the first year of telehealth benefits expansion, 58.1% of MA plans provided new telehealth benefits.³

In response to the coronavirus disease 2019 (COVID-19) pandemic, CMS issued new rules making telehealth more widely available in MA plans.⁴ We analyzed adoption of telehealth benefits in MA plans in 2020 and 2021.

METHODS

We used four CMS data sources: the 2020–2021 Q1 Plan Benefits Package files, the 2020 Landscape files, the 2020 MA Plan Directory file, and the 2020 MA enrollment data. This study used publicly available data, and thus was considered non-human subjects research. We identified unique MA plans with more than ten enrollees in January 2020.

We conducted two descriptive analyses of plans' provision of telehealth benefits in 2020 and 2021. First, we estimated the proportion of MA plans that offered any telehealth benefits and the 10 most common types of telehealth services in 2020 and 2021; we also estimated the proportion of MA enrollees in these plans. Second, we categorized plans into the following three groups based on status of offering any telehealth benefits: those that already offered telehealth benefits in 2020, those that newly offered telehealth benefits in 2021, and those that did not offer

telehealth benefits in either year. We then examined how the proportion of MA plans offering any telehealth benefits and the proportion of MA enrollees in these plans differed by plan characteristics. We included the following plan characteristics: the proportion of MA enrollees in rural counties, plan type, ownership by a national parent company, profit status, plan monthly premium, plan enrollment size, contract star rating, contract start year, and special needs plans. We defined non-metro counties as rural counties based on the Rural-Urban Continuum Code developed by the Economic Research Service at the US Department of Agriculture.

RESULTS

Of 3668 unique MA plans, 57.4% offered any telehealth benefits in 2020 and these plans enrolled 70.6% of MA enrollees (Fig. 1). Adoption of telehealth benefits increased to 94.0% of plans in 2021, covering 94.1% of enrollees. Increases in telehealth coverage were prevalent across most services and particularly large for skilled nursing facility (8.1-fold increase), specialist care (4.2-fold increase), other professional care (3.5-fold increase), and mental health (2.0-fold increase). Provision of telehealth benefits was mainly concentrated in non-facility settings except for skilled nursing facility.

While adoption of any telehealth benefits varied by plan characteristics in 2020 (ranging from 34.6 to 69.8%), coverage was much more consistent in 2021 (ranging from 88.3 to 96.2%). Adoption of telehealth benefits for national, for-profit, special needs plans, and plans in contracts with a low star rating (≤ 3.5) remained relatively lower in 2021 (11.71%, 9.38%, 9.71%, and 8.30%, respectively) but was still much higher than the 2020 levels. Overall, provision of telehealth benefits was slightly higher in plans with more rural enrollees than plans with fewer rural enrollees (4.46%, 4.80%, and 7.42% of plans in the highest, middle, and lowest tertiles of rural enrollees offered no telehealth benefits) (Table 1).

DISCUSSION

Following the start of the COVID-19 pandemic, there has been an enormous expansion of telehealth benefits in MA plans for 2021. Adoption of these benefits was low before the 2020 benefits year, but has now expanded to nearly all plans, which may suggest the pandemic has accelerated the adoption curve. Our findings are limited in that our enrollment

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MA, Medicare Advantage. MA plans with partial coverage in Medicare Parts A or B benefits and those newly entered in the MA program in 2021 were excluded from the analysis. Also, Medicare-Medicaid, employer group waiver plans, Program of All-inclusive Care for the Elderly plans, and demonstration plans were excluded. Since the 2021 MA enrollment data is not available yet, the number for enrollees in each MA plan in 2021 was estimated from plan enrollment in 2020. 'Other professional care' includes telehealth services that were not categorized as primary care physician services, chiropractic services, occupational therapy services, specialist services, mental health specialty services, podiatry services, and physical/speech therapy services.

Figure 1 Percent of Medicare Advantage plans offering telehealth benefits and Medicare Advantage enrollees in plans offering telehealth benefits in 2020 and 2021 by types of services.

Table 1 Number and Percent of Medicare Advantage Plans and Medicare Advantage Enrollees by Plan Characteristics and Coverage Status of Any Telehealth Benefits in 2020 and 2021

Characteristics	Plan				Enrollee			
	Total, N (N = 3668)	Already offered in 2020, % (N = 2107)	Newly offered in 2021, % (N = 1342)	Not offered, % (N = 219)	Total, N (N = 21,827,033)	Already offered in 2020, % (N = 15,404,025)	Newly offered in 2021, % (N = 5,139,446)	Not offered, % (N = 1,282,875)
Percent of MA enrollees in rural counties*								
Low (0%)	1807	54.18	38.41	7.42	6,994,766	70.18	23.39	6.42
Medium (> 0–13%)	583	58.66	36.54	4.80	6,081,365	69.00	23.27	7.73
High (≥ 14%)	1278	61.50	34.04	4.46	8,750,902	71.98	23.86	4.16
Type								
HMO	2543	57.88	35.67	6.45	15,508,831	70.90	22.77	6.33
PPO	1088	56.07	38.88	5.06	6,219,656	70.05	25.11	4.85
Other†	37	67.57	32.43	0.00	98,546	52.43	47.57	0.00
Parent company								
Non-national	2487	54.80	38.32	6.88	12,589,954	67.10	26.39	6.51
National‡	1181	63.00	32.94	4.06	9,237,079	75.31	19.67	5.01
Profit status								
Non-profit	2751	55.91	39.26	4.83	14,967,876	72.66	22.93	4.41
For-profit	917	62.05	28.57	9.38	6,859,157	66.02	24.89	9.08
Plan monthly premium§								
Low (\$0)	1653	54.26	39.99	5.75	10,568,816	68.70	25.49	5.81
	867	61.59	34.60	3.81	4,612,829	81.77	15.40	2.84

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Table 1. (continued)

Characteristics	Plan				Enrollee			
	Total, N (N = 3668)	Already offered in 2020, % (N = 2107)	Newly offered in 2021, % (N = 1342)	Not offered, % (N = 219)	Total, N (N = 21,827,033)	Already offered in 2020, % (N = 15,404,025)	Newly offered in 2021, % (N = 5,139,446)	Not offered, % (N = 1,282,875)
Medium (> \$0–\$36)								
High (≥ \$37)	1148	58.89	33.19	7.93	6,645,388	65.78	26.12	8.09
Plan enrollment size								
Small (11–936)	1116	48.03	45.25	6.72	325,673	48.70	43.67	7.42
Medium (940–4066)	1261	55.27	38.46	6.26	2,404,989	55.60	38.07	6.33
Large (≥ 4079)	1291	67.70	27.27	5.03	19,096,371	72.83	21.37	5.79
Contract star rating								
2.0–3.5	879	43.12	48.58	8.30	4,319,743	52.92	41.85	5.21
4.0–4.5	2088	69.83	25.48	4.69	15,031,371	75.64	17.95	6.41
5.0	190	48.95	45.26	5.79	1,881,040	78.54	17.95	3.51
Missing	511	34.64	58.12	7.24	594,879	45.49	49.73	4.79
Contract start year								
< 2006	1790	61.17	32.91	5.92	13,819,304	70.92	22.41	6.67
2006–2013	1017	61.36	33.24	5.41	5,586,914	72.30	24.99	2.69
2014–2020	861	45.06	48.20	6.74	2,420,815	64.59	26.69	8.71
SNP status								
Non-SNP	2988	58.10	36.78	5.12	18,634,152	70.91	23.92	5.17
SNP	680	54.56	35.74	9.71	3,192,881	68.61	21.37	10.00

MA, Medicare Advantage; HMO, health maintenance organization; PPO, preferred provider organization; SNP, special needs plan

*MA plans can offer their services in multiple counties. To measure rurality, the proportion of MA enrollees in rural counties was calculated for each plan. Non-metro counties were defined as rural based on the Rural-Urban Continuum Code developed by the Economic Research Service at the US Department of Agriculture. Categories are based on tertiles of the proportion of MA enrollees in rural counties in 2020

[†]Other includes private fee-for-service, cost, or medical savings account plans

[‡]National plans were defined if they operated in more than one state

[§]Categories are based on tertiles of MA plan monthly premium in 2020

^{||}Categories are based on tertiles of plan enrollment in 2020

numbers are based on 2020 enrollment, as 2021 enrollment data are not yet available.

Our findings suggest the COVID-19 pandemic may have accelerated adoption of telehealth benefits in MA plans. Despite increased coverage, it is unknown how often these services are used by enrollees and if telehealth coverage affects outcomes. Further investigation is warranted to better understand the promise and potential pitfalls of expanded telehealth services.

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Compliance with Ethical Standards:

Conflict of Interest: The authors declare that they do not have a conflict of interest.

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