FINANCIAL SUSTAINABILITY: INSIGHTS FOR HEALTH CENTERS IMPLEMENTING VIRTUAL CARE ACTIVITIES

U.S. Department of Health and Human Services
Health Resources & Services Administration
Bureau of Primary Health Care

Through the Optimizing Virtual Care (OVC) program, the Health Resources & Services Administration (HRSA) funded 29 health centers to develop, implement, and evaluate innovative evidence-based virtual care strategies that:

- Expand on the national surge in virtual care utilization at health centers in response to the COVID-19 public health emergency.
- Optimize the use of virtual care to increase access and improve clinical quality for populations who are medically underserved and have historically faced barriers to care.
- Can be adapted and scaled across HRSA's Health Center Program.

This program is the first in the Quality Improvement Fund, the Bureau of Primary Health Care's (BPHC) investment to activate and accelerate innovation. During the first 18 months of the OVC program (March 2022 to August 2023), awardees implemented new or enhanced virtual care strategies. Awardee activities addressed four key OVC program objectives: 1) increase access to care; 2) improve clinical quality and health outcomes; 3) enhance care coordination; and 4) promote health equity.

This brief is part of a series of OVC materials released by HRSA to share innovative strategies and actionable tips from OVC awardees to support other health centers in planning virtual care approaches in their communities. For more information or to access other briefs and OVC resources, visit the OVC webpage.

Capturing OVC Awardee Insights on Financial Sustainability

OVC awardees are currently piloting new self-reported measures to capture information about virtual care implementation successes, challenges, and lessons learned to improve access to care. As part of the grant monitoring process, OVC awardees submitted 18 monthly reports and three biannual reports (at the time of publishing this brief) to describe key activities and progress made toward achieving OVC program objectives.

This brief highlights insights from OVC awardees on planning for financial sustainability including strategies to:

- Create staff efficiencies by using available resources.
- Evaluate technology for reimbursement potential and anticipated expenses.
- Adapt to reimbursement policy changes.

Virtual Care Value and Barriers for Financial Sustainability

Virtual care has become an essential component of the United States health care system, contributing to increased accessibility, satisfaction, and cost savings for patients and providers.[1,2] Health centers are implementing strategies to advance population health by ensuring valuable virtual care programs can be financially sustained over time. During the first 18 months of the OVC project, awardees shared insights on managing common financial challenges to successfully deliver virtual care.

> Financial feasibility is one common barrier to long-term virtual care sustainability. Fourteen OVC awardees (48%) reported that challenges related to virtual care claims reimbursement or expenses impacted their health center's ability to carry out planned activities.

Twenty-three awardees (80%) reported that state policy or payer changes reduced virtual care reimbursement during the grant period.

All twenty-nine awardees (100%) reported submitting claims for video visits, with 78% of claims reimbursed.

Twenty-six awardees (91%) submitted audio-only claims, with 65% of claims reimbursed.

Health centers also shared concerns with the evolving virtual care reimbursement landscape. Reimbursement rates for virtual care differ based on many changing factors, such as patient insurance, federal and state policy, and virtual care type. Many awardees reported lower reimbursement rates for audio-only visits compared to video-based visits, and most asynchronous virtual services were ineligible for reimbursement. Ongoing changes in reimbursement policies limit health centers' ability to estimate future virtual care revenue, making it hard to plan for long-term financial feasibility.

$ Planning for Virtual Care Financial Sustainability

Despite challenges with meeting the growing demand for virtual care and evolving reimbursement rates, OVC awardees described planning ahead to ensure that valuable virtual services are financially sustainable. Awardees' financial sustainability plans often focused on staffing, technology, and policy-related strategies, as described in the subsequent sections:

Strategies	Awardee Quote
Creating Staff Efficiencies	*"Pilot and study the impact of different staffing models and workflows tailored to the needs of specific patient groups to identify how to effectively support patients and providers with virtual care."*
Evaluating Technology	*"Choosing the wrong telehealth technology can be extremely costly and can strain budgets. Careful consideration must be given to the total cost of ownership of the technology, not just the upfront cost, to ensure costs align with the organization, budget, and goals."*
Adapting to Policy Changes	*"The new [Medicare] reimbursement model will make it difficult to offer audio-only visits at a cost that is sustainable. [...] To address this, we are developing a campaign for our staff and patients promoting in-person or tele-video as the preferred visit type."*

Creating Staff Efficiencies by Using Available Resources

OVC awardees implemented resourceful staff recruitment and training strategies to sustain virtual care activities with available funding and personnel. The following information presents key questions and tips health centers may consider when planning staffing resources.

Key Questions

What are cost-efficient staffing strategies for our health center?

How do we develop affordable training programs that optimize staff time and energy?

Awardee Tips

- **Compare position descriptions** with organization and patient needs to prioritize recruitment in areas where new staffing is most needed.
- **Ensure budgets account for recruitment and training** resources needed to onboard specialized virtual care staff.
- **Consider promoting internal staff for virtual care roles** to reduce recruitment expenses. Internal staff may contribute valuable relationships with patients and communities to support virtual care delivery.

- **Modify existing training materials** rather than purchase new materials to reduce costs. Engage virtual care teams and patients in tailoring materials to ensure they are relevant to community needs.
- **Regularly review trainings** to identify opportunities for process improvements that save staff time.
- **Incorporate a train-the-trainer approach** to support long-term training needs with internal resources.

Evaluating Reimbursement Potential and Anticipated Expenses for Virtual Care Technology

OVC awardees assessed the feasibility of available technologies by weighing the likelihood of receiving claims reimbursements and identifying possible technology-related expenses incurred over time. The following section presents key questions and tips health centers may consider when evaluating virtual care technologies.

Key Questions

How do we plan for reimbursement while providing necessary technologies to patients and staff?

How do we plan for expenses incurred throughout the technology lifecycle?

Awardee Tips

- **Consider if insurance providers will reimburse claims** for specific virtual care types or devices before selecting technologies, especially for remote patient monitoring (RPM).
- **Establish clear guidance to help virtual care providers** recommend services and technologies that are covered by patient insurance plans to increase likelihood of claims reimbursement.

- **Consider all short- and long-term technology expenses** at the outset, such as the purchase and maintenance of mobile and remote monitoring devices, electronic health record modifications, IT networking installations, software subscription fees, help desk resources, future system updates and upgrades, and ongoing training.
- **Budget for multilingual translation services** as part of technology purchases.
- **Identify ways for patients to sign up for low-cost devices and internet services** through government and other sources to support patient access, reducing health center spending on these items.

Adapting Virtual Care Processes for Reimbursement Policy Changes

OVC awardees adapted to new federal, state, and commercial reimbursement policies so programs could remain financially viable. Awardees responded to changes in reimbursement by adjusting operations, monitoring program quality, and collaborating with others inside and outside of their health centers. The following information presents key questions and tips health centers may consider when refining virtual care processes.

Key Questions	Awardee Tips
How do we stay up to date on payer reimbursement changes?	▪ **Visit the Center for Connected Health Policy** to access information on federal and state policy changes. ▪ **Form a team to identify and address federal and state reimbursement changes** and other virtual care policy changes that could affect reimbursement (e.g., scope of practice and site of care requirements). ▪ **Regularly engage with payers** regarding billing documentation and coding requirements.
How do we adjust our health center programs in response to reimbursement policy changes?	▪ **Establish processes for adapting virtual care eligibility criteria** and clinical documentation to meet new reimbursement policy requirements. ▪ **Clearly communicate virtual care policy updates** to staff and patients, highlighting how these changes will influence staff workflows, patient care, and patient and health center expenses. ▪ **Assess and mitigate ways policy changes could widen health disparities** for patients from underserved populations. For example, some health centers used clinic resources, applied for supplemental grant funding, and requested compassionate care discounts from technology vendors to provide access to virtual care devices when patients' insurance plans stopped covering them.
How do we capture financial and other data to show virtual care value?	▪ **Monitor data relevant to virtual care revenues** including virtual care usage, reimbursement rates, and any improvements in no-show rates. Adapt existing metrics and reports that the organization already uses to save time and resources. ▪ **Compare claims reimbursement rates and health care costs** across virtual care types to consider the financial feasibility of related services. ▪ **Routinely collect patient and provider experience data** specific to virtual care strategies. Include measures that identify perceived financial benefits, concerns, and recommendations for improvements.

References

1. American Medical Association. Return on Health: Moving Beyond Health Care to Achieve Health. Published 2020. Accessed January 18, 2024. https://www.ama-assn.org/system/files/ama-return-on-health-report.pdf.

2. Andino JJ, Eyrich NW, Boxer RJ. Overview of telehealth in the United States since the COVID-19 public health emergency: a narrative review. Mhealth. 2023; 9:26. Published 2023 Jul 15. doi:10.21037/mhealth-23-15