



# Social distancing and telehealth: the impact of the coronavirus

By Jennifer Schoenthal

Healthcare providers' and patients' level of comfort with telehealth services as a supplement to more traditional forms of healthcare has been increasing for several years in the United States. Three months into the global coronavirus crisis, and there are substantial signs that the role of telehealth in the urgent response to the pandemic could accelerate take-up and mainstream acceptance of such services in the US over the long term.

In response to the virus, major changes to how healthcare is delivered are being encouraged and even mandated by providers, payors and regulators. Patients themselves are choosing to access healthcare advice and support remotely in greater numbers than ever before. Many commentators are suggesting that the coronavirus could prove to be the tipping point for telehealth in the US and that during and beyond the current crisis it will become a much more integral feature of the US healthcare system.<sup>1</sup> However, in the immediate term, the coronavirus and the potential surge of patients it will generate risk placing considerable strain on the human and technological resources underpinning telehealth. In such a pressured environment, close attention to the standards of care, as well as the cybersecurity measures in place, remain critical risk management considerations for both established and new providers of telehealth services.

The US telehealth sector has shown significant levels of growth in recent years; one pre-crisis analysis suggested the current US market size is around \$2.6 billion, with a growth rate of around 10% this year.<sup>2</sup> Various consumer surveys have shown increasing levels of both comfort and satisfaction with using telehealth platforms and products to access care. Many early adopters have been relatively young patients who are often more accustomed to accessing services remotely and appreciative of the convenience that an online interaction can bring to their busy schedule. Many patients with chronic conditions have also benefitted from telehealth solutions that allow them to build remote monitoring and consultation technologies into their care. Elderly patients, more accustomed to receiving face-to-face health services, have generally proven to be slower adopters, however, this group is where the most significant shift is likely to occur.

Telehealth supports many of the approaches being used to reduce the risk of coronavirus transmission. Notably, it enables patients to connect with a medical professional remotely without having to leave their home and risk catching the virus, or infecting others including their healthcare professional.

This social distancing can be vital for those with underlying conditions who need to be especially careful not to expose themselves to infection. There is also a role to play in reducing the risk to healthcare professionals on the frontline of healthcare provision, thus reducing their need to self-isolate, which in turn impacts the capabilities of the healthcare workforce.

The coronavirus crisis has also led to warnings of a heightened cybersecurity threat as cybercriminals look to exploit the situation. The healthcare sector has reportedly seen an increase in cyberattacks and telehealth providers are a likely target for such efforts, particularly given the amount of data exchanged and stored to facilitate the smooth running of services.<sup>3</sup> It is key that cyber security measures and employee awareness training are maintained and updated in response to the risks, to try to reduce exposure to a ransomware attack, or the substantial loss or compromise of data.

## A change in outlook

A complex regulatory approach and set of requirements has been seen by some as a constraint on the expansion of telehealth adoption and expansion in the US. However, the wider federal and state response to the coronavirus contains various elements that could potentially facilitate wider telehealth use. For example, the federal Coronavirus Preparedness and Response Supplemental Appropriations Act, which was passed in early March, makes potentially significant changes to the approach to telehealth taken by Medicare. It creates the power for the Health and Human Services Secretary to issue temporary waivers of Medicare coverage requirements for telehealth services.<sup>4</sup> For example, one of the provisions relates to what is known as the “originating site” requirement, which restricts reimbursement to circumstances where a patient receiving telehealth treatment is in a physician’s office, clinic, hospital etc. Once waived, Medicare patients should be able to be treated at home.

However, federal provisions do not generally override state level requirements, including those around licensure and informed consent, and providers still have to be enrolled. The position remains complex, particularly due to states taking initiatives of their own. Some states have effectively waived licensing requirements under existing emergency legislation, whilst others need specific emergency declarations. Some states address such requirements specifically within the context of telehealth and others as part of broader licensing

requirements. In such a dynamic situation with almost daily announcements from federal and state authorities, providers may be pressed to keep up in already extremely demanding circumstances.

At a time when the healthcare sector generally is concerned about its ability to provide essential services with high numbers of staff at risk of becoming sick or having to self-isolate, telehealth could also be confronted with stretched resources at a time of unprecedented demand. The crisis is also creating huge levels of demand upon the technologies themselves and their robustness will be tested. Providers must be vigilant that, where additional patients and commitments are taken on, relevant standards of care are maintained.

The insurance response has been developing in recent years to support a wide range of health and tech providers operating in the telehealth space. In a complex risk environment, firms need to ensure their coverage bridges the range of risks including, medical technology and cyber liabilities.

<sup>1</sup> <https://pitchbook.com/news/articles/trump-telemedicine-virtual-health-startups-coronavirus>

<sup>2</sup> <https://www.ibisworld.com/industry-statistics/market-size/telehealth-services-united-states>

<sup>3</sup> <https://abcnews.go.com/Health/facing-coronavirus-pandemic-us-confronts-cyber-attacks/story?id=69653329>

<sup>4</sup> <https://www.cms.gov/newsroom/fact-sheets/medicare-telemedicine-health-care-provider-fact-sheet>



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Jennifer underwrites a wide range of risks found within the miscellaneous healthcare sector including categories such as healthcare staffing, home health, behavioral health, chemical detox, tissue/blood banks, organ procurement organizations, contract research organizations (CROs), correctional healthcare, medi-spas, occupational health, dialysis clinics, ground and air ambulances. Jennifer is the lead underwriter and manager of the Beazley Virtual Care product, a pioneering insurance policy that covers all organizations involved in the provision of telemedicine/telehealth.

Prior to joining Beazley Jennifer worked for a Program Manager, who is a Lloyd’s of London coverholder, developing programs for Allied Health, Products Liability and Medical Spas. She has over 20 years market experience with 12 of those years focusing on Professional Liability.

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