

CLIENT ALERT

## President Trump Signs Telehealth-Focused Executive Order to Improve Rural Healthcare Access

AUGUST 6, 2020

On August 3, 2020, President Trump signed an executive order designed to improve healthcare access in rural areas and for senior citizens during the COVID-19 pandemic. The executive order specifically focuses on improving healthcare access by expanding telehealth services and reforming payment models in rural communities, noting that approximately 57 million Americans living in rural communities “face unique challenges when seeking healthcare services, such as limited transportation opportunities, shortages of healthcare workers, and an inability to fully benefit from technological and care-delivery innovations.” The executive order details that “[t]hese factors have contributed to financial insecurity and impaired health outcomes for rural Americans, who are more likely to die from five leading causes, many of which are preventable, than their urban counterparts.” In a corresponding White House press release, President Trump stated that “expanded access to medical care through telemedicine is essential to fighting the virus.”

The executive order calls on the U.S. Department of Health and Human Services (HHS) to:

- Propose a rule by the Centers for Medicare and Medicaid Services (CMS) to extend certain parts of Medicare’s broader coverage of telehealth beyond the end of the current public health emergency;
- Propose a payment model that would assist rural healthcare providers in providing a necessary level and quality of care;
- Launch a rural health action plan that would: (1) build sustainable models for rural communities; (2) focus on preventing disease and mortality; (3) leverage innovation and technology; and (4) increase access to care; and
- Reach a memorandum of understanding with the Federal Communications Commission and the Department of Agriculture to promote rural access to telehealth by improving the physical and communications healthcare infrastructure available to rural communities.

Early in the government’s response to the COVID-19 pandemic, CMS expanded payment for telehealth services and adopted other flexibilities to enable Medicare beneficiaries to access more easily telehealth services. Prior to the public health crisis, only about 14,000 Medicare beneficiaries received telehealth services on a weekly basis. By the last week of April 2020, however, the number of beneficiaries had increased more than a hundredfold to almost 1.7 million per week. Similarly, HHS recently reported that nearly half (43.5%) of Medicare fee-for-service (FFS) primary care visits were provided via telehealth in April, an exponential increase from 0.1% in February before the

onset of the public health emergency. Even after in-person primary care visits resumed in May 2020, telehealth services have maintained their robust increase in utilization, likely signaling a dramatic, long-term shift in patient preferences for a significant segment of the market.

In order to provide greater flexibility to rural healthcare providers to provide continuous care in their communities, the executive order is aimed at increasing access, quality, and the financial economics of rural healthcare with increased access to telehealth as a key component of the Administration's strategy.

In HHS's [press release](#), Secretary Alex Azar said that "President Trump is delivering on his promise of an affordable, patient-centered healthcare system for all Americans" and noted that "[t]elehealth use has skyrocketed during the pandemic thanks to the President's actions, and the telehealth revolution is here to stay." He went on to state that "[t]he new gold standard for healthcare will be patients and providers deciding on the right blend of in-person and virtual care, when and where it makes sense for them," and that "[the] executive order on rural health will help transform care for forgotten Americans who deserve better healthcare and better access to their doctors."

CMS Administrator Seema Verma added that "CMS has dramatically expanded the availability of telehealth during the pandemic, extending a lifeline to patients and providers amid stay-at-home orders." She also reflected that, "[i]n an earlier age, doctors commonly made house calls . . . . Given how effectively and efficiently the healthcare system has adapted to the advent of telehealth, it's become increasingly clear that it is poised to resurrect that tradition in modern form . . . . Thanks to President Trump, the telehealth genie is not going back into the bottle."

We expect investments in telehealth will significantly increase going forward as providers and capital increasingly lean into the virtual mode of service delivery.

*We note that government orders on the local, state, and federal level are changing every day, and the information contained herein is accurate only as of the date set forth above.*

*All entities should consult legal counsel for compliance issues and questions related to rapidly evolving COVID-19 legislation and policy.*

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For further information or questions on the Trump Administration's executive order, please contact Amandeep S. Sidhu, T. Reed Stephens, or your Winston relationship attorney.

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