

The Connected Health Initiative: Using Technology to Deliver Better, More Cost-Effective Care



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The Connected Health Initiative (CHI) is the leading cross-sectoral coalition of innovators and healthcare organizations. We are dedicated to policy changes that support the development and use of technology in healthcare and improve patient engagement and health outcomes. [CHI members](#) include physician groups, patient groups, device manufacturers, pharmaceutical companies, software companies, venture capital firms, and research universities. Pulling together these disparate interests, CHI finds agreement on needed policy and law changes to enable the responsible development and adoption of digital health tools. CHI is the policymaker go-to for connected health questions in areas including reimbursement and payment, privacy and security, the Food & Drug Administration's (FDA) role in addressing emerging medical technologies, health data interoperability, and the role of AI/machine learning in care delivery.

Digital health tools and services must play a far more substantial role in the country's healthcare systems to address looming crises, such as the current physician shortage, which is estimated to [increase to up to 86,000 by 2036](#). Additionally, the "silver tsunami" reached its peak in 2024 as [an estimated 11,000 Americans turned 65 each day](#). About [95 percent of seniors will have at least one chronic condition](#), while almost 80 percent will have two or more. To meet your constituents' evolving healthcare needs, each caregiver must reach a larger population using connected health technologies.


In practice areas from [kidney disease](#) to [psoriasis](#) to [diabetes](#), a well-established and growing [evidence base demonstrates that digital health tools](#) improve patient engagement and outcomes, while also enhancing accountability and reducing costs throughout the healthcare value chain. As more connected health innovations enter the marketplace, patient outcomes and consumer wellness will only continue to improve if government policies foster their advancement while protecting patients. CHI has led in advancing policy changes that brought new connected health innovations into the continuum of care, such as through Medicare payment changes, new rules to promote health data interoperability, and attaining key guidance from the FDA addressing software as a medical device, among others.

For the past several years, Americans have enjoyed the substantial benefits of being able to see their doctors using smartphones, make connections using other digital technologies, and better monitor their conditions using connected healthcare. Unfortunately, Congress has failed to make these incredibly popular changes permanent. Wrenching expanded digital health innovations away from Americans is unacceptable, and policymakers need to act to ensure broader utilization of digital health tools permanently. If the law is not permanently changed, Congress will fail its constituents by reverting to a pre-internet approach to healthcare and preventing patients from getting care when, how, and where they need it.



To Support Interoperability, Reimbursement, Security, and Privacy in the Digital Health Space, CHI Urges Congress to:

- 1** Pass measures like the **Telehealth Modernization Act (H.R. 7623/S. 3967, 118th)**, which would remove outdated statutory restrictions on the Centers for Medicare & Medicaid Services' (CMS') ability to cover telehealth services furnished to Medicare patients. CHI believes it is vital that “any site” the patient is located at the time the service is furnished be permitted, and that geographic restrictions are removed. Congress has extended most telehealth flexibilities until March 31, 2025, but permanent expansion of telehealth is necessary for providers and patients. Similarly, Congress should pass a permanent allowance for high-deductible health plans (HDHPs) to cover telehealth and other virtual services. Last year, Congress enacted an extension that expired in December 2024 via the **Telehealth Expansion Act (H.R. 1843/S. 1001)**, but permanent reform is necessary to preserve access to these services. Telehealth should not be arbitrarily limited to Medicare patients fitting a narrow set of criteria as it is in current law and should not be unavailable to patients with HDHP plans. Telehealth services have been shown to save money and make patients happy.
- 2** Pass legislation like the **Wearable Equipment Adoption and Reinforcement and Investment in Technology (WEAR IT) Act (H.R. 6279, 118th)** to ensure that taxpayers can use their flexible or health savings accounts (FSAs/HSAs) to purchase multi-function devices and connected health software apps and platforms. Currently, HSAs and FSAs cover individual devices such as blood glucose monitors, but they do not cover a device that collects blood glucose data via a sensor and an app and is capable of capturing an EKG reading. Multi-function devices and their associated software components are better suited for consumers who want to track more than one health-related variable, and these items should benefit from the same tax advantages as single-function devices.
- 3** Urge CMS to properly cover innovative digital health tools like artificial intelligence diagnostic tools and clinical decision support software that qualify as software as a medical device (SaMD) as direct practice expenses, rather than indirect practice expenses.
- 4** Improve healthcare coverage by ensuring high-deductible health plans (HDHPs) include first-dollar coverage for telehealth services. American beneficiaries with HDHPs face expiration of their ability to access telehealth and other remote care services at the end of 2024. Congress must extend the coverage of telehealth services. Similarly, we urge that Congress provide clarity—in report language or otherwise—as to what “other remote care services” includes. Live interactions are important, but platforms that enable physicians and caregivers to provide asynchronous care have also proven essential and should be included in “other remote care services.”



5 Pass measures like the **PREVENT DIABETES Act (S. 4094/H.R. 7856, 118th)** that would speed the evolution of the Medicare system to value-based care. This legislation would include diabetes prevention programs with virtual components in the Medicare Diabetes Prevention Program (MDPP), empowering patients to make use of their mobile devices and internet connectivity to access key prevention services. A five-year version of this bill became part of the Telehealth Modernization Act last Congress, and we urge policymakers to support permanent extension of this program.

6 Expand access to remote patient monitoring services by removing the requirement for providers to charge patients a 20 percent copay for asynchronous remote patient monitoring services. While remote patient monitoring use is growing, mandatory cost-sharing requirements imposed on Medicare patients discourage socioeconomically disadvantaged populations from benefiting from these services. Several bills in the 118th Congress would have achieved this goal, including H.R. 2829 (which would provide that Medicare pays for 100 percent of chronic care management [CCM] services) and H.R. 6801 (which would eliminate the 20 percent copay for five years and require a study on patient outcomes and cost).

7 Safeguard patients' health information by enacting a federal privacy law of general applicability that sets a strong set of rules to prevent and penalize privacy and data security harms outside the HIPAA umbrella. Congress must also prioritize secure, fully encrypted services for voice and video platforms to protect patient safety.