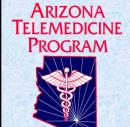# Telemedicine as a Business

Pay-Per-View

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Telemedicine or Telehealth

The U.S. Department of Health and Human Services (HRSA):

- Telehealth is broader in scope and covers remote clinical and non-clinical health care services Telemedicine refers *solely* to remote clinical services.

American Telemedicine Association (ATA): The terms are interchangeable

The World Health Organization (WHO) :

- "…recognizes telehealth as computer-assisted telecommunications to support management, surveillance, literature and access to medical knowledge while telemedicine uses telecommunications solely to diagnose and treat patients."

https://www.americanwell.com/the-difference-between-telehealth-and-telemedicine/

Rules of Engagement

1. We will be using the term Telemedicine exclusively today

2. We will be covering a lot of disparate subjects and I apologize as I will probably come across as irreverent.

3. I do not have the magic bullet for solving TM barriers

4. The opinions stated here are the presenter's and do not reflect the opinion of the ATP or other speakers

5. No, the word Payor is not misspelled

ATA TM Meeting Take Aways

1. Patients like TM
2. More standards & guidelines are needed
   - Limited research on quality outcomes
3. Industry is starting to collaborate
4. Focus shifting to practice, not shiny technology
   - Who is leading who?
5. Telemedicine is medicine
6. Physician buy-in a must
   - Added: "Suit" buy-in a must

http://www.healthcaredive.com/news/ata17-6-takeaways-on-the-state-of-telemedicine/441259/

Capital Investment Landscape

- Lack of awareness about telemedicine
- 65% of responders < $250k on TM
- Many small start ups (too many??)
  - Qualification of CEOs
  - Differentiation
  - Winners and losers
- Telemedicine is still evolving
- Keys: Improve <u>access</u> not <u>volume</u>

http://medcitynews.com/2017/04/ata-telehealth-strategic-investment-converge/?rf=1

Mixed Research Results

- Rand Teledoc study for CA state retirees
  - Increased costs and utilization
  - Teledoc's results do not agree

- Several studies show association with TM use and overuse of antibiotics

- UCSF telederm medical student study showed mistakes in diagnosis & treatment compliance

https://www.managedcaremag.com/archives/2017/4/telehealth-overview-reality-check-please
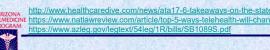
Mixed Research Results

- Half of Internists are using some type of TM but many feel they cannot easily integrate it into their workflow and they worry about patient adoption.

- Physician TM adoption up 340% (5%-22%) between 2015 and 2018)
  - Barriers: uncertain reimbursement, clinical use and provider buy-in
- MAVEN and Direct Dermatology study showed TM increased access for underserved

https://www.managedcaremag.com/archives/2017/4/telehealth-overview-reality-check-please
https://mhealthintelligence.com/news/acp-identifies-challenges-of-telehealth-adoption-among-internists
https://www.healthcaredive.com/news/physician-telehealth-use-up-340-since-2015-survey-finds/552890

Politics

- Bi-partisan support
  - TM supported by both parties nationally and at state level
  - Medicare is loosing up reimbursement but still at a glacial pace.
- Medicaid: States are still all over the map (pun intended)
  - What will happen with Medicaid ???
    - 36 states + D.C. have parity laws for coverage and 10 have payment parity
  - 4/18/19 AZ governor signed bi-partisan parity bill SB 1089

http://www.healthcaredive.com/news/ata17-6-takeaways-on-the-state-of-telemedicine/441259/
https://www.natlawreview.com/article/top-5-ways-telehealth-will-change-under-new-federal-funding-bill
https://www.azleg.gov/legtext/54leg/1R/bills/SB1089S.pdf

Consumer Acceptance

- 50M consumers would switch PCP if telemedicine services available (2017)
  - Highest for those with children <u>and</u> 35-44 year olds

  - 79% of those caring for ill or aging relative

  - 60% would use it for chronic conditions
    - 67% of those aged 45-64

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1. Article: http://mhealthintelligence.com/news/20-of-consumers-make-telehealth-prime-provider-criteria
2. Survey link: http://www.prnewswire.com/news-releases/one-in-five-consumers-would-switch-to-a-doctor-that-offers-telehealth-visits-300394562.html#continue-jump

SOUTHWEST
TRC
TELEHEALTH
RESOURCE CENTER

Payor Acceptance

- Another survey showed 86% of health systems adopted some form of telemedicine
  - Changing marketplace
  - Regulatory changes
  - Increased patient demand
  - Patient engagement
  - Patient satisfaction
  - At least equal outcomes/Cheaper????

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http://mhealthintelligence.com/news/20-of-consumers-make-telehealth-prime-provider-criteria

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Health System-Provider-Consumer Acceptance

- "The Exchange": On-line telemedicine marketplace connects health systems, providers and consumers
  - HC Delivery being "Amazoned"
    - Watch history of Amazon
  - Early adaptors:
    - Anthem Blue Cross Blue Shield,
    - The Cleveland Clinic
    - Florida's Nemours Children's Hospital
  - Current challenge: Licensure & portability

http://mhealthintelligence.com/news/is-telehealth-ready-for-the-amazon-approach

TM Growth Areas

- Direct-to-Consumer
  - Pay to Play (more on this coming up)
  - Quality reviews mixed, underuse of diagnostic testing but similar levels of antibiotic prescribing
  - E-prescribing regulations still confusing
- Employer-based TM
  - Favorable ROI for employees not having to leave work for doctor visit or use ED after hours
  - What do to with employees at home/chronic diseases
  - Must work with insurers and determine TM coverage

https://www.managedcaremag.com/archives/2017/4/telehealth-overview-reality-check-please

TM Growth Areas

- On-Demand Services
  - Again, Pay to Play (ED, mental health) services
    - Patients w/minor conditions are triaged and seen virtually
    - Impatience
  - Younger generation demands
  - Parents with young children
  - Caregivers
  - Retail Clinics (Including Kiosks)
- Virtual post surgery follow up
- Virtual urgent care

https://www.managedcaremag.com/archives/2017/4/telehealth-overview-reality-check-please

Advantages

- Improved access
  - Specialty services
  - Underserved areas (both rural and urban)
- Controlled costs due to efficiency
  - Shared staff & infrastructure
  - Reduced travel, shorter hospital stays
- Better chronic disease management
- Improved quality by improved access (mental health, intensive care, stroke)

http://finance-commerce.com/2017/03/telemedicines-prognosis-good-advocates-say/

Challenges

- Interstate licensure (getting much better)
- Clinical provider resistance
- Third party reimbursement (more on this)
- Infrastructure issues
- Reimbursement
- Legal

AND…………..

Reimbursement!

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3rd Party Reimbursement is <u>Still</u> the Biggest Challenge Facing TM

- Payors need to lighten up
  - Although much improved, Medicare's glacial progress is unacceptable
  - Medicaid Programs should share successes & stop reducing coverage
  - Private insurers must reduce coverage variability
  - Parity Laws help but must include payment
    FEAR OF OPEN FLOODGATES MUST END

https://www.managedcaremag.com/archives/2017/4/telehealth-overview-reality-check-please

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Areas to Watch

- Payor models
  - Cash/Self Pay
  - FFS to quality based – Risk to Hosp/Providers
    - Pay for performance (P4P)
    - Bundled payments –CMS
    - Total cost of care (Capitation 2.0)
  - Focus Change to
    - Reducing Costs
    - Improved Access

1. http://urologytimes.modernmedicine.com/urology-times/news/telemedicine-reimbursement-fee-service-quality-models?page=0,0 2.Silversmiith J, 2011.Five Payment Models, The Pros, The Cons, The Potential. Minnesota Medicine, 2011 Feb; 94(2): 45-8

Areas to Watch

- Shift to:
  - Quality for Payment
    - <u>National Quality Forum Telehealth Framework Report:</u>
    - Travel
    - Timeliness
    - Actionable
    - Added value
    - Evidence-based
    - Patient empowered
    - Coordinated Care
  - How will these be used to determine payment???

1. Telehealth Morning Updated, ATA, Aug 10, 2017. http://www.infoinc.com/AmerTeleMed/08102017.html

Areas to Watch

- Legal and regulatory
  - Interstate licensure
  - New payment models
- Comfort with all things technical
- Smaller, quicker, cheaper technology
  - Remote medical exam hardware in Best Buy
- Mobility (Don't forget HIPAA)
- Convergence of IT, retail, providers, consumers
- Increased demand

https://www.fiercebiotech.com/medtech/tyto-care-to-stock-best-buy-shelves-its-telehealth-device-for-remote-doctor-s-exams

Keys to Success

- Create efficiencies for providers and patients
- Reduce expenses, facilitate reimbursement
- Evidence-based research
  - Quality, Outcomes
  - Cost Savings
- Keep informed of the changing landscape
- Integrate TM in mainstream medicine, and please omit "Tele"

Questions??

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