

ARIZONA
TELEMEDICINE
PROGRAM



The Business Aspects of Telemedicine

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What We Will Be Covering

- Telehealth Revenue Streams
- Expense Considerations
- Billing and Reimbursement
- Final Thoughts

Revenue Streams

- Contracts and Grants
- Parent Organization Support and Philanthropy
- Patient Services Reimbursement



Contracts & Grant Funding

- There are many government contract and grant funding opportunities
- Usually the candidate needs to submit a sustainability plan to obtain funding
- This ensures the project will continue at the end of the contract or grant period
- Gov: <https://www.grants.gov/web/grants/learn-grants/grant-programs.html>
- Priv: <https://proposalcentral.altum.com/> (you must create a login)

Top Reasons Small Businesses Fail

1. Starting for the wrong reason
2. Too small or no market
3. Poor management
4. Insufficient capital
5. Wrong location
6. Lack of planning (Business plan in particular)
7. Overexpansion
8. No website or social media presence

<https://www.businessknowhow.com/startup/business-failure.htm>

What exactly does a Sustainability/Business Plan Accomplish?

1. It lays out your plan and expectations in detail
2. It illustrates the fiscal viability of the plan
 - Shows you have thought through the finances
3. Helps author to organize his/her thoughts and see if the venture is going to be profitable and if so, when (it may not be)
4. Forces author to make decision for Go/No go

Sustainability/Business Plans

- There are many formats available to produce business plans
- Be sure and point out alternatives and why you ruled them out
- Biz plans must align with organization's mission and must answer the question for your funder: **WIIFM**
- 15 Steps to Writing a Telehealth Business Plan (National Consortium of TRCs)

<https://www.telehealthresourcecenter.org/wp-content/uploads/2019/01/15-Steps-Jan.-2019.pdf>

Parent Organization and Philanthropy

- Some organizations or donors will fund the initiation of a new telehealth program
 - Must support mission
- The support will probably be time-limited and a sustainability plan will need be developed

Patient Services Receipts

- Patient billing and collections are generally not a good primary mechanism to pay for a telehealth program ...Unless
- It is a closed or capitated clinical environment where significant cost savings can be realizedOR
- Viewed as “Loss Leader”

AZ SENATE BILL 1089*

- Almost unanimously passed in Feb 2019
- Bill requires insurance providers to cover the same services for in-person and TH
 - “Covers the interactive use of: Audio, video, ASYNCHRONOUS STORE-AND-FORWARD TECHNOLOGIES AND REMOTE PATIENT MONITORING TECHNOLOGIES, for the purpose of diagnosis, consultation or treatment.”
- *<https://www.azleg.gov/legtext/54leg/1R/bills/SB1089S.pdf>

Expense Considerations



Expense Considerations

- Fixed and Variable Expenses
 - Personnel
 - Equipment and operations
 - Technology
 - Overhead
- Some expenses could fall into either category AND might need to be considered for both the referring and receiving sites
 - As TH continues to become more mobile, expenses will be reduced

Expense Considerations

Personnel – all sites

	<u>Fixed</u>	<u>Variable</u>
• Medical director	X	(NP)*
• Site coordinator	X	(NP)*
• Other clinical	X	X
• Technical	X	X
• Administrative	X	X

Equipment and operations – all sites

	<u>Fixed</u>	<u>Variable</u>
• Space cost	X	X
• Network equip**	X	
• Installation costs**	X	
• User end equip**	X	
• Transmission costs	X	X
• Supplies (clin,tech,ops)		X
• Travel and training		X

* Not Preferred

** Non-Recurring

Expense Considerations

Technical and Maintenance

	<u>Fixed</u>	<u>Variable</u>
• Maintenance contracts		X
• Help Desk	X	X
• Equip refresh fund	X	(NP)
• Other??		

Overhead

	<u>Fixed</u>	<u>Variable</u>
• Medical records	X	X
• Billing & Collection	X	X
• Human Resources	X	X
• Contracting	X	X
• Legal and Compliance	X	X
• Malpractice	X	
• Central Administration	X	
• Other ??		

Billing and Reimbursement



Patient Services

- Clinical needs identified
 - Which technology?
 - Consulting versus ongoing treatment
 - Referring provider & patient expectations
 - Payment/Reimbursement mechanism
 - Block time
 - Fee for Service
 - Collecting Co-pays
 - Protocol for uninsured (?) or denied/non-covered services?

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Billing and Reimbursement: Medicare

- After more than 20 years of glacial progress on Medicare TH reimbursement...
 - With strict restrictions on providers, patient location, CPT codes, services, licensure, modality...

• IT TOOK A WORLDWIDE VIRUS TO BREAK OPEN TELEHEALTH REIMBURSEMENT

- *“Although uptake of telemedicine services has generally been limited by providers and patients, a pandemic threat could be a tipping point that pushes such services more mainstream.”* <https://www.healthcaredive.com/news/83b-in-coronavirus-funding-set-in-motion-as-federal-agencies-ramp-up-resp/573518/>

Disclaimer and Resources

- I am not an expert on COVID-19 Telehealth changes
- Not all changes are restricted to COVID-19 patients
- The COVID-19 landscape is still changing, so watch for updates and changes to this information.
 - Implementation guidelines and waiver additions expedited & happening in real time
 - This is what I know “Now”
- References for this section can be found at:
 - The Arizona Telemedicine Program and Southwest Telehealth Resource Center
 - **COVID-19 Resources Page:** <https://southwesttrc.org/resources/covid19>

Medicare Reimbursement: COVID-19

HHS has temporarily waived or modified certain Medicare requirements including:

- Expanded Services: >130 Temp codes /~80 TH
 - (<https://www.cms.gov/Medicare/Medicare-General-Information/Telehealth/Telehealth-Codes>)
- Expanded Providers: All health care providers billable and rates are at in-person FFS rates
 - OT/ PT/SLPs/LCSWs and clinical psychologists
- Patient geographic location (urban ok) and type of site limitation temporarily removed (home ok)
- Waiver on sanctions for collecting beneficiary cost share amounts (e.g. Co-pays)
- Temporary halt on existing relationship audits for telehealth visits
- Temporary waiver on in-person requirement for ESRD patients

Medicare Reimbursement: COVID-19

- Use of phones w/video capability (e.g. Smartphones) for patient visits
 - E/M, BH & Education services by phone (audio) only; reimbursement same for similar services
- Virtual check in services for new and established patients
 - Patient must initiate but ok for provider to educate prior to initiation
- Virtual supervision of clinical staff allowed
- RPM for both acute and chronic conditions and new as well as established patients
 - Is RPM really TH?
- Hospice and more home health services can be delivered via TH
- No changes on store-and forward restrictions – they are still in effect

Type of Service	Description	HCPCS/CPT	Patient/ Provider Relationship
Telehealth Visits	Visit between provider and patient using audio/visual telecommunication	Approved codes only codes – 80 additions (see link below)	New or established Extent of 1135 waiver
Virtual Check-In	Brief (5-10 min) provider check in via telephone or other communication device to determine need office visitor other services, remote eval of records videos and/images	HCPCS-G2012 HCPCS-G2010	New or established Extent of 1135 waiver
E-Visits	Communication between patient and provider through online portal	99421-99423 G2061-G2063	New or established Extent of 1135 waiver
Phone Calls	Audio only evaluation and assessment services	98966-98968 99441-99443	New or established Extent of 1135 waiver

(<https://www.cms.gov/Medicare/Medicare-General-Information/Telehealth/Telehealth-Codes>)

Rule of Thumb

HHS is temporarily using enforcement discretion and waiving penalties for violations against health care providers that serve patients in good faith

Other Waivers: COVID-19

- **FQHCs and RHCs Telehealth services – Check Details!**
 - Medicare: Can temporarily serve as distant site as well as originating site, virtual check-in and E-visits allowed. Remote eval of patient images/video technology allowed
 - Medicaid: Will vary state-to-state; AZ pays in-person FFS rate
 - Private Pay: Will vary state-to-state and payer-to-payer

Other Waivers: COVID-19

Critical Access Hospitals

- CMS is temporarily waiving the requirements that Critical Access Hospitals limit the number of beds to 25, and that the length of stay be limited to 96 hours

Skilled Nursing Facilities/Hospice/Home Health

- Telehealth visits approved in lieu of In-person and some frequency limitations waived
- CMS is temporarily waiving the 3-day prior hospitalization requirement for those people who need to be transferred due to a disaster or emergency
- CMS is temporarily allowing renewal authorization for SNF/Hospice beneficiaries

Patient Services Reimbursement: Medicaid

- Medicaid – significant variability, determined state by state
 - All 50 states & DC have some type of TH coverage
 - 14 allow store & forward (+4 have laws but not sure implemented); 22 allow some form of RPM
 - 22 states allow some type of RPM
 - 34 allow transmission/facility fee

COVID-19: Medicaid programs were given broad authority to utilize telehealth including using telehealth or telephonic consultations when certain conditions are met

AZ Governor's Executive Orders on 3/19, 3/25, 3/30, 4/14

- Insurers must cover TH services at a lower co-pay than in-person
- Payment parity
- Telehealth delivery cannot be more restrictive than in-person
- Telephone is included as telehealth (contrary to SB1089) and is paid at in-person rates
- Patient home is a covered site
- Expansion of health care providers

AZ Governor's Executive Orders on 3/19, 3/25, 3/30, 4/14

- Requires all AHCCCS plans to cover all “covered benefits” and by TH
- Clinical services that can be delivered via TH are covered
- Eliminates in-person exam requirement for prescription
 - TH & phone ok if clinically appropriate
- TH expansion for Workers' Compensation
- TH coverage for pets and animals

Patient Services Reimbursement - Private Insurance

Private Insurance

- COVID-19 guidelines still developing. Check in your state!
- Some PPs are rolling back T-health to pre-COVID levels, dates moving

Direct to Consumer/Self Pay

- Pre-COVID-19 largest growing TH sector
- Private payers (e.g. Blues, Aetna, Cigna) are now partnering with national direct-to-consumer telehealth companies
- Convenient for patients
- But shuts out local providers and could disrupt continuum of care

Some Telehealth COVID-19 Era Final Thoughts

Benefits:

1. Patient convenience
2. Helps ensure health care worker and patient safety
3. Reduces health system infrastructure burden
4. Telehealth on display

Challenges:

1. Health care facilities were not fully equipped for TH deployment
2. Patient high-speed internet home access
3. Life post COVID-19 – The Big Rewind??

3a. On 6/29 340 Orgs sent letter to Congress asking for continuation of TH expansion. Stakeholders in all 50 states, D.C and Puerto Rico signed on.

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Questions?

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COVID-19 RESOURCES PAGE :

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<https://southwesttrc.org/resources/covid19>