

ARIZONA
TELEMEDICINE
PROGRAM



The Business Aspects of Telemedicine and e- Health

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Revenue Streams

- Contracts and Grants
- Parent Organization Support and Philanthropy
- Billing and Collection Activities



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)

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>

ATP Membership Model

(example of a telehealth business model)

- Structured after an Application Service Provider (ASP) model
- ATP has initiated several partnerships with independent providers and agencies across the state
- Shared communications infrastructure results in economies of scale

Business Model

Application Service Provider Enterprise

Client Layer

Professional Services Layer

Operational Services Layer

Infrastructure Services Layer

Vendor Services Layer

Membership based

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 TM 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

*Not Preferred

Expense Considerations

Equipment and operations – all sites

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

* Non-recurring expense

Expense Considerations

Technical and Maintenance – all sites

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

Expense Considerations

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 ??		

Other Considerations

- Reduced transportation costs
- Improved access to clinical/specialty services
- Convenience for customers and providers
- Network availability for other services
 - (As mentioned: education, administration, clin conferences, support groups)
- Value added list
- Expanded market base

Patient Services Reimbursement

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

Patient Services Reimbursement: Medicare

- After more than 20 years of glacial progress on Medicare telehealth reimbursement...
 - With strict restrictions on 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
- The COVID-19 landscape is changing rapidly, so watch for updates and changes to this information.
- 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 authority to temporarily waive or modify certain Medicare requirements:

- Patient geographic location (urban ok) and type of site limitation temporarily removed (home ok)
 - no facility fee for home
- Out of Pocket/Co-pay fees still apply but temporary provider flexibility to reduce or waive
- Temporary halt on establishment of existing relationship audits for telehealth visits

Medicare Reimbursement: COVID-19

- Virtual check in & E-visit services, brief, established patients only,
 - Patient must initiate but ok for provider to educate prior to initiation
- No Changes:
 - Eligible providers and services
 - Store-and forward restrictions
 - Remote Patient Monitoring & Digital Evaluations (not considered TH)

TYPE OF SERVICE	WHAT IS THE SERVICE?	HCPCS/CPT CODE	Patient Relationship with Provider
MEDICARE TELEHEALTH VISITS	A visit with a provider that uses telecommunication systems between a provider and a patient.	<p>Common telehealth services include:</p> <ul style="list-style-type: none"> • 99201-99215 (Office or other outpatient visits) • G0425–G0427 (Telehealth consultations, emergency department or initial inpatient) • G0406–G0408 (Follow-up inpatient telehealth consultations furnished to beneficiaries in hospitals or SNFs) <p>For a complete list: https://www.cms.gov/Medicare/Medicare-General-Information/Telehealth/Telehealth-Codes </p>	<p>For new* or established patients.</p> <p>*To the extent the 1135 waiver requires an established relationship, HHS will not conduct audits to ensure that such a prior relationship existed for claims submitted during this public health emergency</p>
VIRTUAL CHECK-IN	A brief (5-10 minutes) check in with your practitioner via telephone or other telecommunications device to decide whether an office visit or other service is needed. A remote evaluation of recorded video and/or images submitted by an established patient.	<ul style="list-style-type: none"> • HCPCS code G2012 • HCPCS code G2010 	For established patients.
E-VISITS	A communication between a patient and their provider through an online patient portal.	<ul style="list-style-type: none"> • 99421 • 99422 • 99423 • G2061 • G2062 • G2063 	For established patients.

Medicare Reimbursement: COVID-19

Licensure:

- Temporary waiver issued on requirement that providers to have license in state where they provide services if they have a equivalent license from another state (guidance coming)
 - Check your State Board
 - Many states have implemented their own declarations

Other Waivers: COVID-19

- **State Medical Boards:** Many states have temporarily waived provider licensure requirements in response to address heightened service demand.
 - There are conditions of service so please check
- **FQHCs and RHCs Telehealth services – Check Details!**
 - Medicare: Originating site only, geographic restrictions still apply, virtual check-in and some of the chronic care management codes ok, but not eConsult. Technology codes paid at FFS rate, not PPS.
 - Medicaid: Will vary state-to-state; some allow distant site status
 - Private Pay: Will vary state-to-state and payer-to-payer

HIPAA: COVID-19

HIPAA:

HHS will temporarily use enforcement discretion and waive penalties for HIPAA violations against health care providers that serve patients in good faith through everyday communications technologies, such as FaceTime or Skype

- Does not impact state laws – separate state action might be necessary
- No public-facing technologies TikTok, Facebook Live, Twitch, or a chat room (i.e. Slack) as they are designed to be open to the public

Temporary HIPAA COVID-19 Expanded Use of VC Systems

Vendors Who Represent Their Applications Are HIPAA Compliant	COVID-19 Examples of HIPAA Applications For Use In Good Faith Professional Judgement
Skype for Business	Apple Face Time
Updox	Facebook Messenger Video Chat
VSee	Google Hangouts Video
Doxy.me	Skype
Google G Suite Hangouts	
Zoom for Healthcare	

During this time, use is not just for COVID-19 related services

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

- 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 some SNF beneficiaries who recently exhausted their SNF benefits without starting a new benefit period.

Patient Services Reimbursement: Medicaid

- Medicaid – significant variability, determined state by state
 - All 50 states & DC have some type of TM 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.

- Guidelines still being developed

Patient Services Reimbursement - Private Insurance

Private Insurance

- 41 states & DC, but variable and inconsistent, even pre-COVID-19
- COVID-19 guidelines still developing. Few details available – so check

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 COVID-19 Thoughts

Pros:

1. Patient convenience
2. Helps ensure health care workers and others safety
3. Potentially reduces health care burden
4. Telehealth on display

Challenges:

1. Sickest patients still need in-person care
2. Health care facilities not fully equipped for TH deployment
3. TH deployment with little or no training.
4. Life post COVID-19 (will the genie really go back into the bottle?)

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Questions?

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COVID-19 RESOURCES PAGE :

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