The Business Aspects of Telemedicine

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What We Will Be Covering

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

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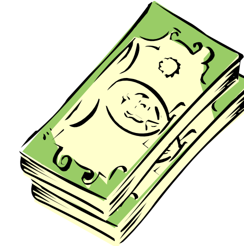
Revenue Streams



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

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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.com/ (you must create a login)

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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 profitable and if so, when (it may not be)

4. Forces author to make decision for Go/No go

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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

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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 realized ….OR

- Viewed as "Loss Leader"

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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

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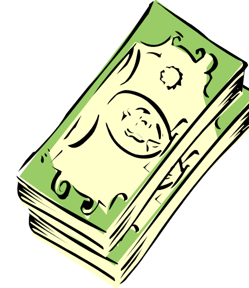
Expense Considerations



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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

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Expense Considerations

Personnel – all sites

	Fixed	Variable
Medical director	X	(NP)*
Site coordinator	X	(NP)*
Other clinical	X	X
Technical	X	X
Administrative	X	X

Equipment and operations – all sites

	Fixed	Variable
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

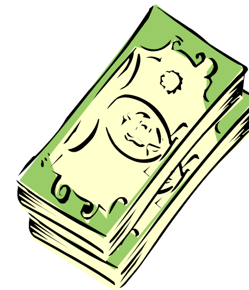
Technical and Maintenance

	Fixed	Variable
Maintenance contracts		X
Help Desk	X	X
Equip refresh fund	X	(NP)
Other??		

Overhead

	Fixed	Variable
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



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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/*

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Disclaimer and Resources

- I am not an expert on COVID-19 Telehealth changes

- 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**

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Medicare Reimbursement: COVID-19

HHS has <u>temporarily</u> 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

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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

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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)

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Rule of Thumb

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

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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

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SOUTHWEST TELEHEALTH TRC RESOURCE · CENTER

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

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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

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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 heath care providers

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

- Requires all AHCCCS plans to cover all “covered benefits” and covered 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

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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

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CMS Proposed Revisions to PFS for 2021

- Add 9 new permanent codes & 13 new provisional codes
  - 74 codes eliminated when PHE ends
- Three categories:
  - Cat 1: Services are similar to those already approved on M-Care TH list
  - Cat 2: Services not similar to those approved but could provide significant benefit to patients, need to study, seeking input
  - Cat 3: Temporary - remain in place until end of PHE Year (2021?) to further assess clinical benefit; need data

- Congress has authority to make more sweeping changes but volatile environment
  - Comment Period Ends October 5, 2020

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2021 CMS PFS Billing Proposal Summary

Category 1	Category 3
GPC1X - Visit Complexity with certain Office/Outpatient E&M Services	99336-37- Domiciliary, Rest Home or Custodial Care Services (Established Patients)
99XXX – Prolonged Services	99349-50 – Home Visits (Established Patients)*
90853 – Group Psychotherapy	99281-83 – Emergency Department Visits
96121 – Neurobehavioral Status Exam	99315-16 – Nursing Facility Discharge Day Management
99483- Care Planning for Patients with Cognitive Impairment	96130 – Psychological and Neuropsychological Testing
99334-35 – Domiciliary, Rest Home or Custodial Care Services	96131-33 – Psychological Testing Evaluation Services
99347-48 – Home Visits	

*Only for Substance Use or Co-occurring Mental Health Disorders

Source: https://www.cchpca.org/sites/default/files/2020-08/Proposed%20CY%202021%20Physician%20Fee%20Schedule%20PDF.pdf

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2021 CMS PFS Billing Proposal Summary – Seeking Comment

Miscellaneous	Miscellaneous	Remote Patient Montoring
Expand continuation of a variety of codes Concerns: Initial/Discharge interactions, High Level ED Visits, Hosp, ICU, ED care, Observation Stays	SNF Frequency Limitation Changes SNFs (30-3 days?)	Back to Est patients only (Can TH be used to Establish?); 99457-58 Must Include 20min RT video/phone with patient
PT/OT/SLP continue as Providers Post PHE; bill TH as Incident To?	Hospital IP Services Frequency Limitations (From 3 days to unlimited?)	RPM Can Only be Billed by E/M Providers 99453-54 Can Only Be Billed Once; Provider's Aux employees ok to Bill; Cannot Be Billed Until > 30 days
Some Services like Virtual Check-In etc., Need Longer Time and Higher Reimbursement? Phone Only Services (Eliminate codes 99441-43?)	Communication Technology Based Services (CTBS): Make Perm PT/OT/SLP/LCSW, Psychologists doing e-Visits, Brief Assessment, Mgt. Serv, Virtual Check-in and 2 new Remote Eval & Check in Codes (G20X0/G20X2)	RPM Approved for Acute and Chronic Conditions RPM 99454, Med Device Must Meet FFDCA; data cannot be reported by Patient
Teaching Physician Interaction w/ Residents Being Considered Through End of 2021 & Could Be Made Permanent	Exec Order to Expand TH services in Rural Areas/Ensure Perm Post PHE	RPM 99453-54 data collection =/>16 times in 30 days Determine Whether RPM Codes Adequate?
Remote Clinical Direct Supervision ok Through 2021. Looking At Options for Future Including Incident To Billing (Safety Concerns)		

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Questions?

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Additional Detail on CMS Proposed (Other) 2021 TH Billing Changes

COVID-19 RESOURCES PAGE :

The Arizona Telemedicine Program and Southwest Telehealth Resource Center

https://southwesttrc.org/resources/covid19

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