

ARIZONA
TELEMEDICINE
PROGRAM



The Business Aspects of Telemedicine & Telehealth

Gail Barker
Arizona Telemedicine Program
Phoenix, Arizona

What We Will Be Covering

- Telehealth Funding Sources
- Telehealth Business/Sustainability Planning
- Telehealth Usage and Trends
 - Medicare
 - Medicaid
 - Private Insurance
- Telehealth Satisfaction
- Telehealth Practice Considerations

Revenue Streams

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

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Contracts & Grant Funding

- There are many government and private contract and grant funding opportunities
- Usually the candidate needs to submit a business/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)

Parent Organization

- Some organizations or donors will fund the initiation of a new telehealth program
- A business/sustainability plan will be needed
- Plan must align with organization's mission and must answer the question for your funder: **WIIFM**

Patient Services Reimbursement

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

Business/Sustainability Plans

- Introduces discipline into the process and determine viability
- There are many formats available to produce business plans
- 15 Steps to Writing a Telehealth Business Plan (National Consortium of TRCs)
 - https://www.umtrc.org/clientuploads/Resources/Getting_Started_Guides/15_Step_Business_Model_June_2018.pdf

15 Key Steps for Creating a Business Proposal to Implement Telemedicine



1. EXECUTIVE SUMMARY

Concise overview (1-2 paragraphs max) of key elements:

- a. Usually written after all the other steps completed
 - i. Why is telemedicine needed at this time & for this institution?
 - ii. Who is initial target stakeholders (provider & patient groups)?
 - iii. What is the main goal that will be achieved (outcomes)?
 - iv. What will it cost & what will expected ROI be?

2. INTRODUCTION & BACKGROUND

- a. Why does your institution need telemedicine now?
Discuss gaps in patient care that can be addressed with telemedicine.
- b. Identify key players/stakeholders – providers, patients, finance, technical, admin, legal etc.
- c. Goals & metrics – what do you hope to accomplish if telemedicine implemented?

3. NEED & DEMAND ASSESSMENT

- a. All stakeholders – who needs &/or wants telemedicine & why?
- b. Surveys, focus groups can be used to capture this information.
- c. Buy-in is critical from all stakeholders – need commitment to change current processes.

5. SERVICE PLAN ASSESSMENT

- a. Delivery mode(s) – store-forward, real-time, remote monitoring, ECHO, hybrid
- b. Reimbursement – who are your payors & do/will they reimburse for telemedicine? Will you choose a direct-to-consumer model where patient pays directly?
- c. Technology platform – depending on your delivery model(s) what technology will be required? What are you willing to invest? Who will maintain? Will you invest in a commercial platform or build in-house? Consider both sides of the connection – provider & patient/other client.
- d. Champions – not just providers, but patients, C-suite, IT, finance, administrative, legal etc.

6. MARKETING

- a. Market segmentation, targeting, positioning, share availability, growth – are there others in your area providing similar services that will compete for your clients? Do you currently have enough clients that are likely candidates for telemedicine? Will they be enough to generate needed ROI or will you need to grow your client base?
- b. Brand name – what will you call your program to set it apart from everyone else? Will it convey what you want to the audience you hope to capture? Think about a name, logo, hashtag, tag line.
- c. Promotion – how will you advertise your program &

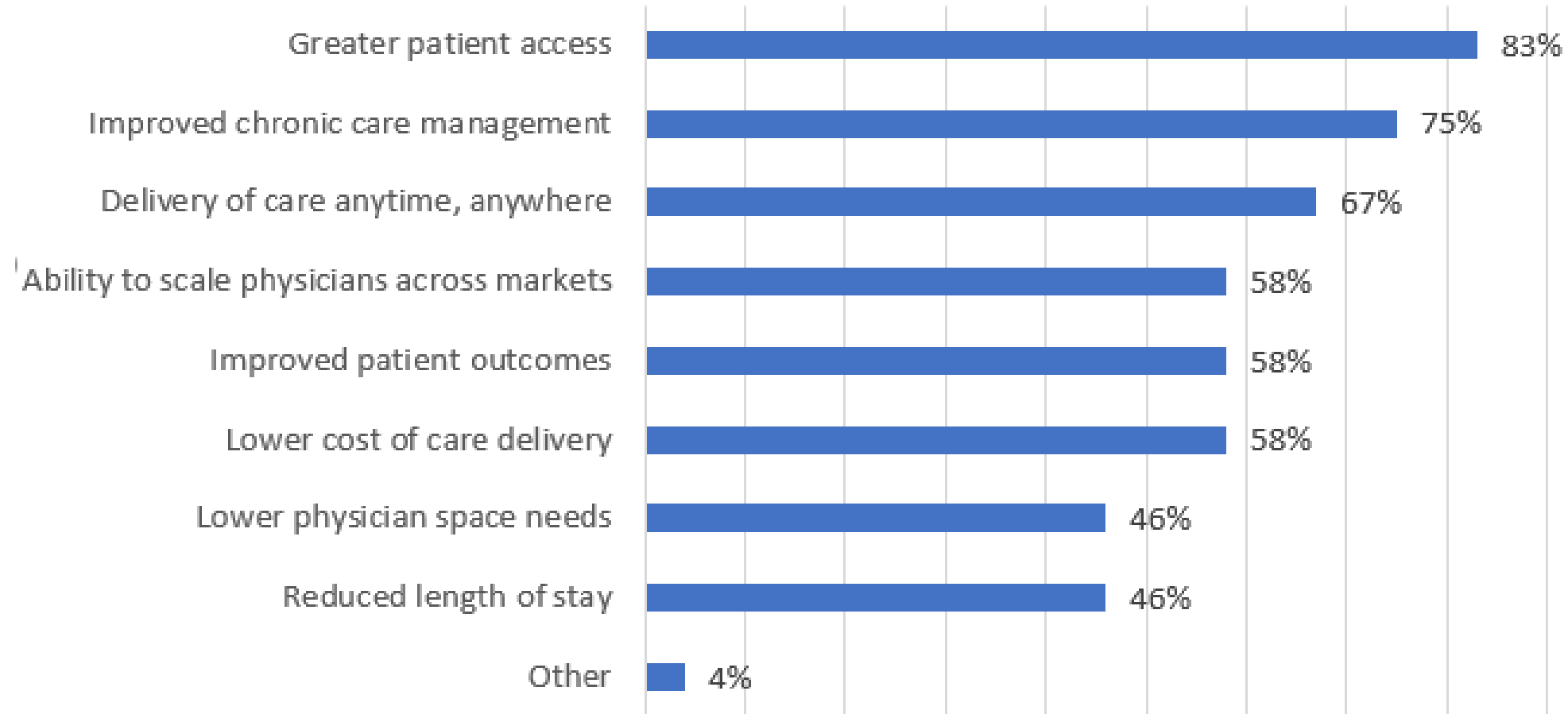
Building a Sustainable Telehealth Program



Source: Curfman A, McSwain SD, Chuo J, et al. Pediatric Telehealth in the COVID-19 Pandemic Era and Beyond. *Pediatrics*. 2021;148(3):e2020047795. doi:10.1542/peds.2020-047795

Health system executive virtual care goals*

Considering all possible use cases, in which areas do you expect the greatest impact from virtual care?



Between Nov. 1 & Dec. 31, 2021 the AMA presented 1,545 physicians with a list of potential barriers to Telehealth

- 1. Rollback of COVID-19 waivers, coverage and payment policies (77 percent)**
- 2. Lack of insurer coverage of telehealth services (76 percent)**
- 3. Low or no reimbursement (64 percent)**
4. Technology challenges for my patient population (54 percent)
5. Licensure in additional states (40 percent)
6. Liability (29 percent)
7. Integration with the EHR (22 percent)
8. Lack of technical support (21 percent)
9. Telehealth-specific workflows (18 percent)
10. Integration of additional technologies (18 percent)

Telehealth Usage and Trends

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Medicare



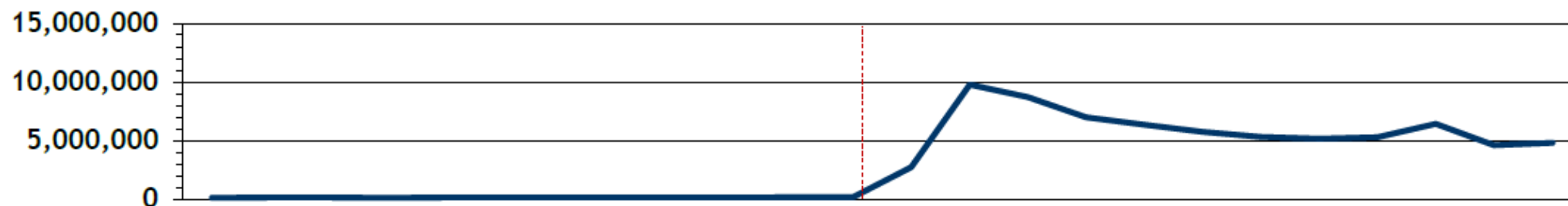
Image: Road to Mt.
Lemmon, AZ
(personal photo)

Medicare Telemedicine Snapshot

Medicare Claims and Encounter Data: March 1, 2019 to February 28, 2021, Received by September 9, 2021

Telemedicine Users: Pre-Pandemic and Pandemic Period				
	Total	Telehealth	E-visit ¹	Virtual Check-In
Pre-pandemic (March 1, 2019 - Feb 29, 2020)	910,490	892,121	5,220	14,088
Pandemic (March 1, 2020 - Feb 28, 2021)	28,255,180	27,691,878	367,467	1,601,033

Two Year Trend - Telehealth



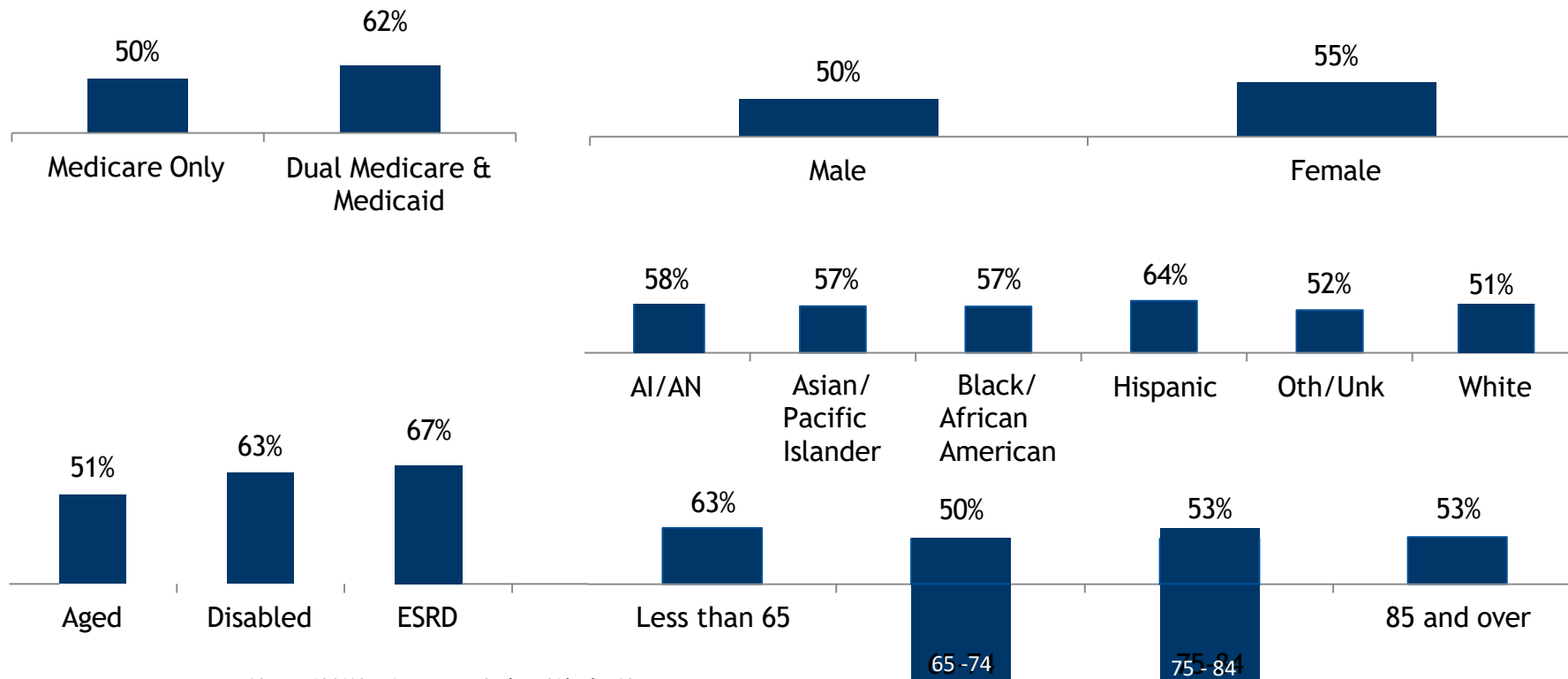
Medicare Telemedicine Snapshot

Medicare Claims and Encounter Data: March 1, 2020 to February 28, 2021, Received by September 9, 2021

28,255,180 Unique Telemedicine Users

53% of Medicare Users

Percentage of Medicare Users with a Telemedicine Service¹ by Beneficiary Characteristics



Note: AI/AN = American Indian/Alaska Native

Disclaimer: All data presented in this update are preliminary and will continue to change as CMS processes additional claims and encounters for the reporting period. Please see page 4 and view the methodology document available [here](#).

¹Only beneficiaries with at least one telemedicine-eligible service are included in the denominator.



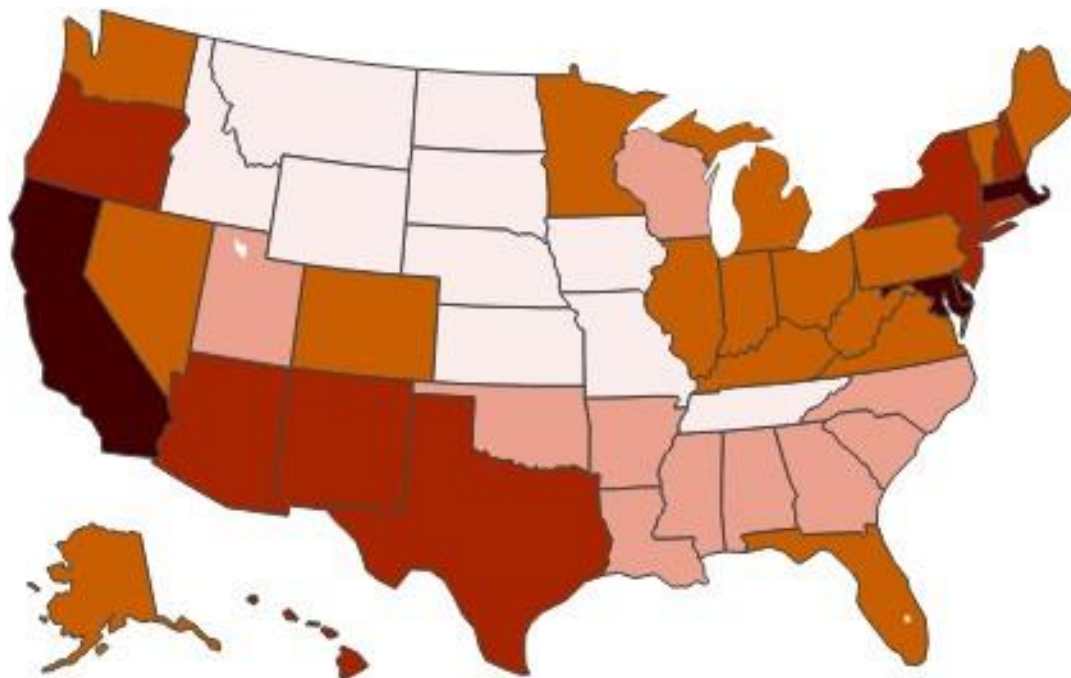
Medicare Telemedicine Snapshot

Medicare Claims and Encounter Data: March 1, 2020 to February 28, 2021, Received by September 9, 2021

28,255,180 Unique Telemedicine Users

53% of Medicare Users

Percentage of Medicare Users with a Telemedicine Service¹ by Geography



Rural Areas: **44%**

Urban Areas: **55%**

Map Scale: Percentage (%)



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2022 Medicare Beneficiary Usage

- Medicare beneficiary usage has fluctuated
 - 2020; Q1 7%, Q2 = 47%, Q4 = 28%
 - 2021: 16% - 18% throughout the year
 - 2022: 15% - 19% (spike in Q1)
 - In Q4, nationally usage dropped 3.7%
 - All regions except Northeast experienced a decline
- Females usage > male usage
- Urban usage > rural usage

2022 Medicare Beneficiary Usage

- Telehealth adoption is 6% higher in non-Medicare population, although gap is closing.
 - No need for transportation, easy scheduling and use, more M-care beneficiaries using technology, provider encouragement
- Advantage plans are promoting telehealth

Telehealth Usage and Trends

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Medicaid



Image: Road to Mt.
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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

During PHE: Medicaid programs were given broad authority to utilize telehealth

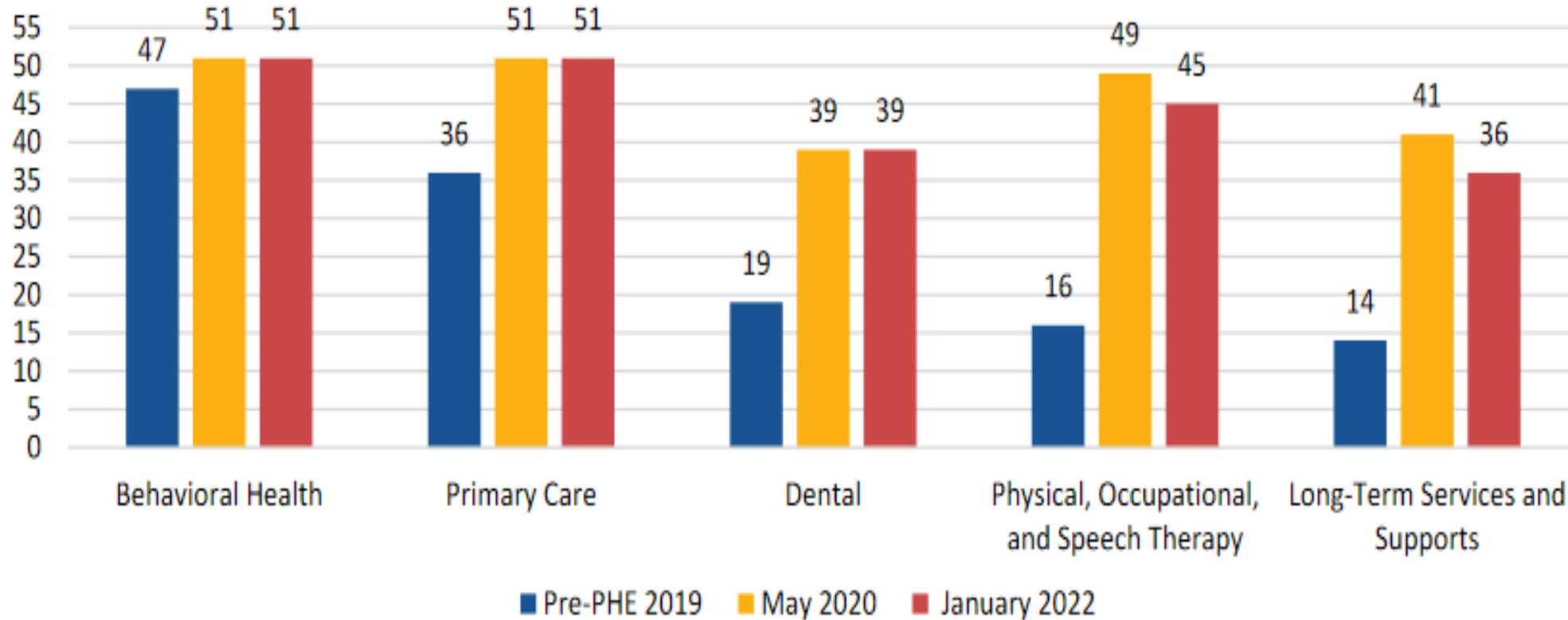
Status of Medicaid Services Delivered Via Telehealth as of January 2022

“As of January 2022, the status of state Medicaid telehealth flexibilities related to the COVID-19 pandemic was mixed.

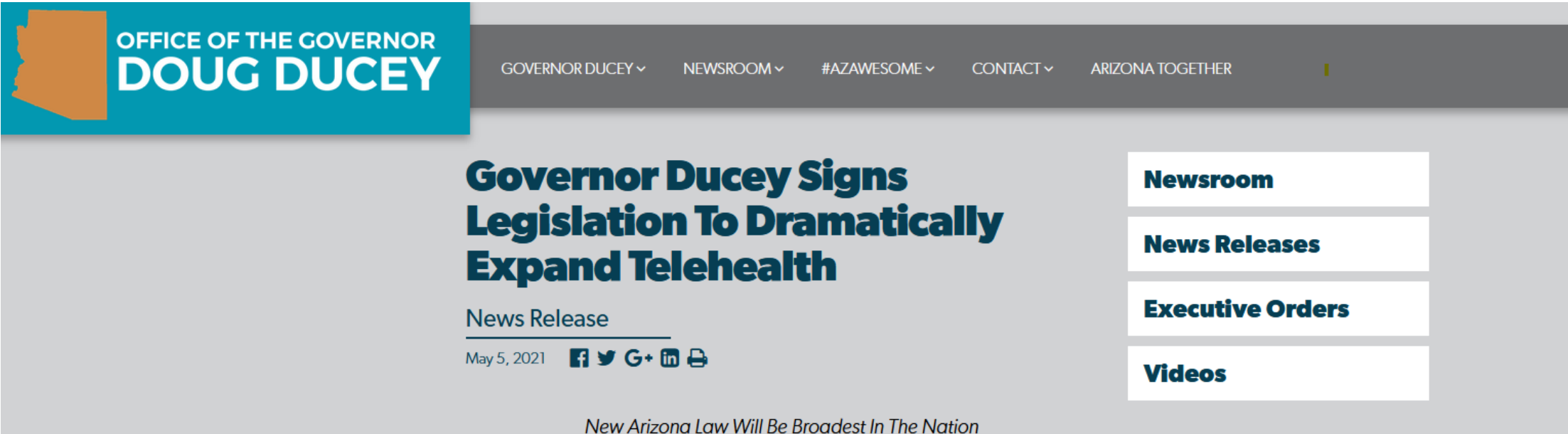
Some states had rescinded all or some of their telehealth flexibilities, while others were ongoing but contingent on either state or federal PHE

Still others have been made permanent via state legislation or guidance.” (ASPE Office of Health Policy, 2023)

Figure 1. Number of States: Medicaid Telehealth Services and Providers



Telehealth in Arizona



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Governor Ducey Signs Legislation To Dramatically Expand Telehealth

News Release

May 5, 2021 [f](#) [t](#) [G+](#) [in](#) [p](#)

New Arizona Law Will Be Broadest In The Nation

- Newsroom
- News Releases
- Executive Orders
- Videos

In 2020 Four TH Executive Orders were Passed in AZ

- 1. 3/11/2020 E.O. 2020-07: *Proactive Measures to Protect Against Covid-19***
 - Required insurers to cover TM payments at same rate as in-person
- 2. 3/25/2020 E.O. 2020-15: *Expansion of Telemedicine***
 - Required insurers to fully cover TM services, patient home was an approved location and expanded types of healthcare providers able to use TM
- 3. 3/25/2020 E.O. 2020-19: *Telemedicine for Pets and Animals***
 - Ensured individuals had access to TM to treat their pets and animals
- 4. 4/11/2020 E.O. 2020-29: *Increased Telemedicine Access for Workers Comp***
 - Ensured injured workers could utilize TM within WC system



In May 2021: AZ HOUSE BILL 2454

- One of many bills introduced in states throughout the country this year to continue TH coverage allowed in the post PHE
- HB 2454 permanently sustains the emergency measures put into place in response to the PHE in March 2020

Telehealth Usage and Trends

Other Payers

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Image: Road to Mt.
Lemmon, AZ
(personal photo)

Private Insurance

Private Insurance

- PHE billing guidelines are "fluid"
 - Some Priv Ins are starting to roll back some TH services; moving dates
 - Check what is going on in your state!

Direct to Consumer/Self Pay

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








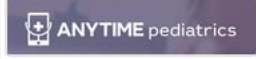
IMPACT

Virtual First Care (V1C) Directory

Welcome to IMPACT's Virtual Care V1C Directory!

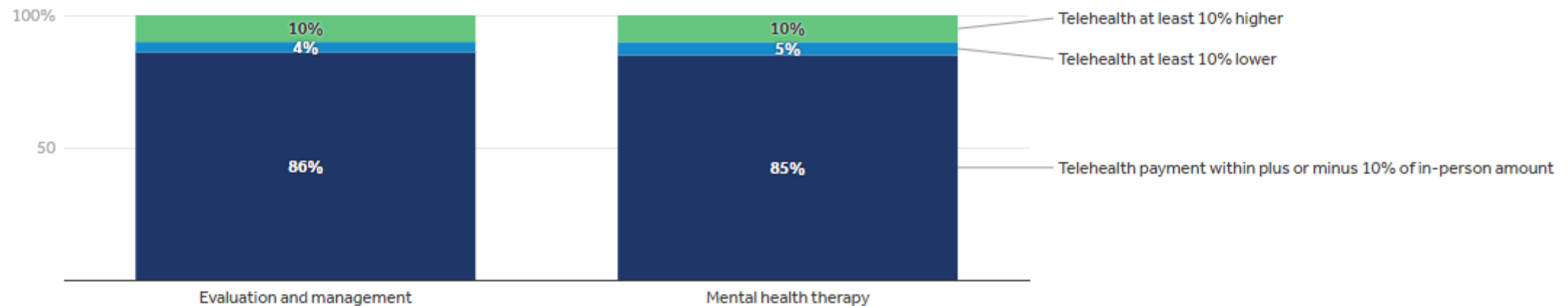
You'll find information on key players across the ecosystem who are committed to a virtual-first approach to healthcare — one that will allow us to provide care for people centered on their needs rather than the needs of the healthcare system.

Browse to learn more about these leaders, what they are working on, and how they are advancing the promise of V1C. Then, [learn more](#) about V1C and what you can do to advance this promising approach in today's healthcare.

<input type="checkbox"/>	Company Name	Yea...	Logo	Company Description	URL	V1C Ecosystem Segment	Clir
<input type="checkbox"/>	 9amHealth	2021		Provides on-demand expert medical support for prediabetes, diabetes, hig...	https://join9am.com	V1C Provider	Cl M
2	98Point6	2015		98point6 is pioneering a new approach to primary care. By pairing AI and ...	https://www.98point6.com/	V1C Provider	Pr Be
3	Accolade	2007		Accolade is a confidential, third party health advocacy service that can assist ...	https://www.accolade.com	V1C Enabler/Infrastructure V1C Provider	Pr Inf
4	Alpha	2017		Alpha is a virtual primary care platform for women. Alpha's platform connects ...	https://helloalpha.com/	V1C Provider	Be De
5	Amazon Clinic	2022		Amazon Clinic will operate in 32 states and provide virtual care for more than ...	https://clinic.amazon.com/	V1C Provider	De W
6	Amwell	2006		Amwell is a leading digital care delivery platform connecting and enabling all o...	https://business.amwell.com/	V1C Provider V1C Enabler/Infrastructure	Be De
7	Anytime Pediatrics	2016		Anytime Pediatrics is a complete pediatric virtual care solution ...	https://anytimepediatrics.com	V1C Enabler/Infrastructure	Pe

Telehealth and in-person payment amounts were similar among most providers offering both virtual and in-person care in 2020

Among providers offering both telehealth and in-person care, comparison of telehealth and in-person claims payment, among privately insured, 2020



Notes: Average paid amounts were compared within provider offering both in-person and telehealth care for evaluation and management established patient severity level 3 (99213) and psychotherapy 60 minutes (90837) claims. Numbers may not add to 100% due to rounding.

Source: KFF analysis of HCCI data • [Get the data](#) • [PNG](#)

Peterson-KFF
Health System Tracker

Most employers do not expect telehealth to affect health spending

Among firms offering telemedicine health benefits, as a result of telemedicine how have the firm's costs changed, 2022



Note: Among firms offering health benefits, the plan with the largest enrollment at 87% of small firms (50-199 workers) and 96% of large firms (200 or more workers) cover telemedicine. Small firms have 50-199 workers and Large Firms have 200 or more workers. Percentages may not add up to 100% due to rounding.

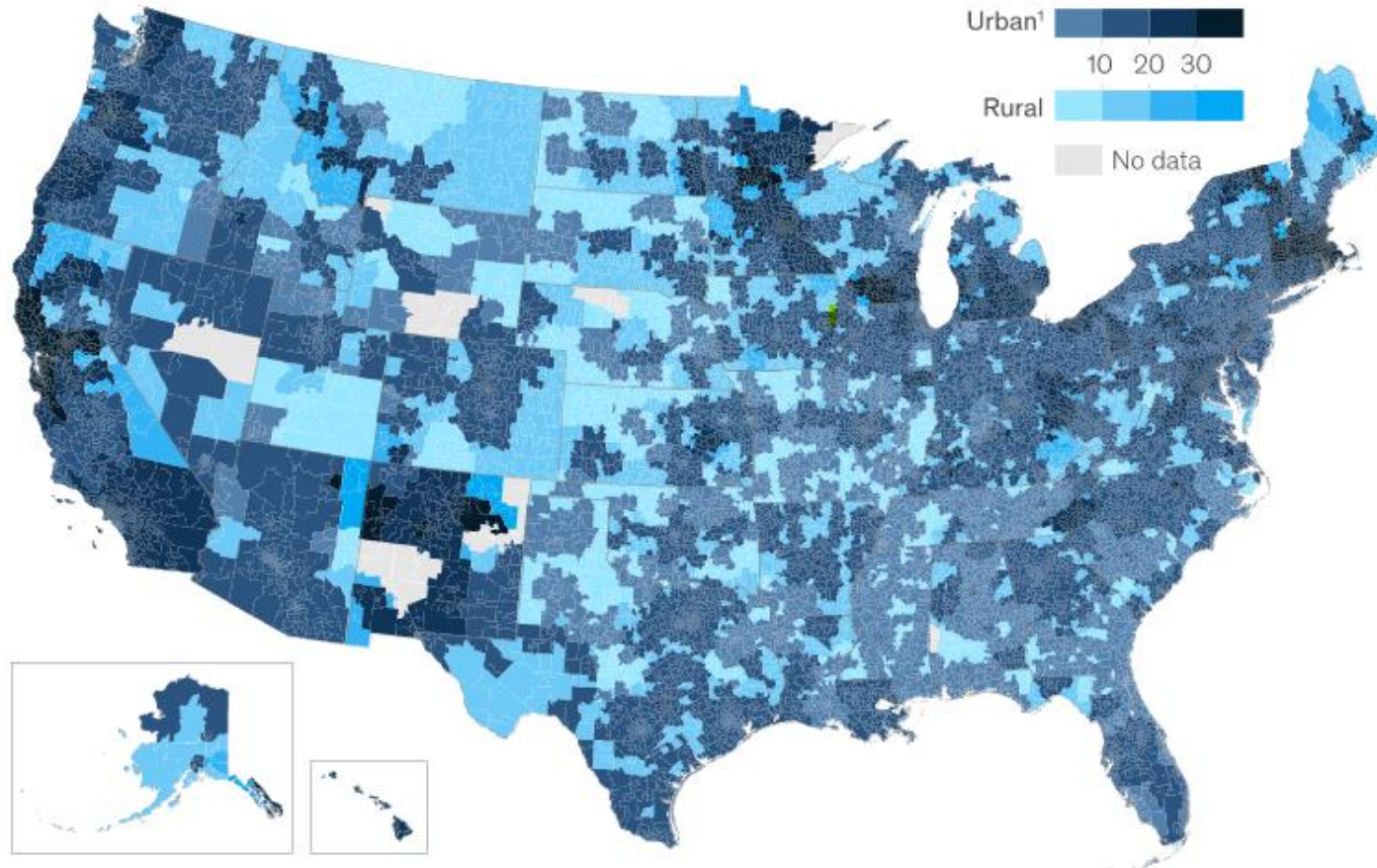
Source: 2022 KFF Employer Health Benefits Survey • [Get the data](#) • PNG

Peterson-KFF
Health System Tracker

90% of Employers also felt telehealth will be important from providing access for BH, PC and specialty care and in remote settings.

There is considerable variability in virtual-healthcare adoption across the United States at the zip code level.

Share of healthcare visits in US that are virtual, by location, %



¹Defined as territories under any of the metropolitan statistical areas, as defined by US Office of Management and Budget. Any other territory considered rural.
Source: 2020 Census, US Census Bureau, accessed Dec 2020

McKinsey & Company

Source: <https://www.mckinsey.com/industries/healthcare-systems-and-services/our-insights/is-virtual-care-delivering-on-its-promise-of-improving-access>

Results:
Telehealth use is higher in Urban vs Rural areas.

Continuing Challenges

- Quality technical infrastructure variable (*broadband*)
 - Telehealth adoption has not been uniform
 - Disparity in clinical conditions, age groups, geographical locations, income, types of insurance
 - Lack of telehealth options
- Estimate >50 million in-person visits could be converted to telehealth if adoption was uniform across all segments.*

Recommendations

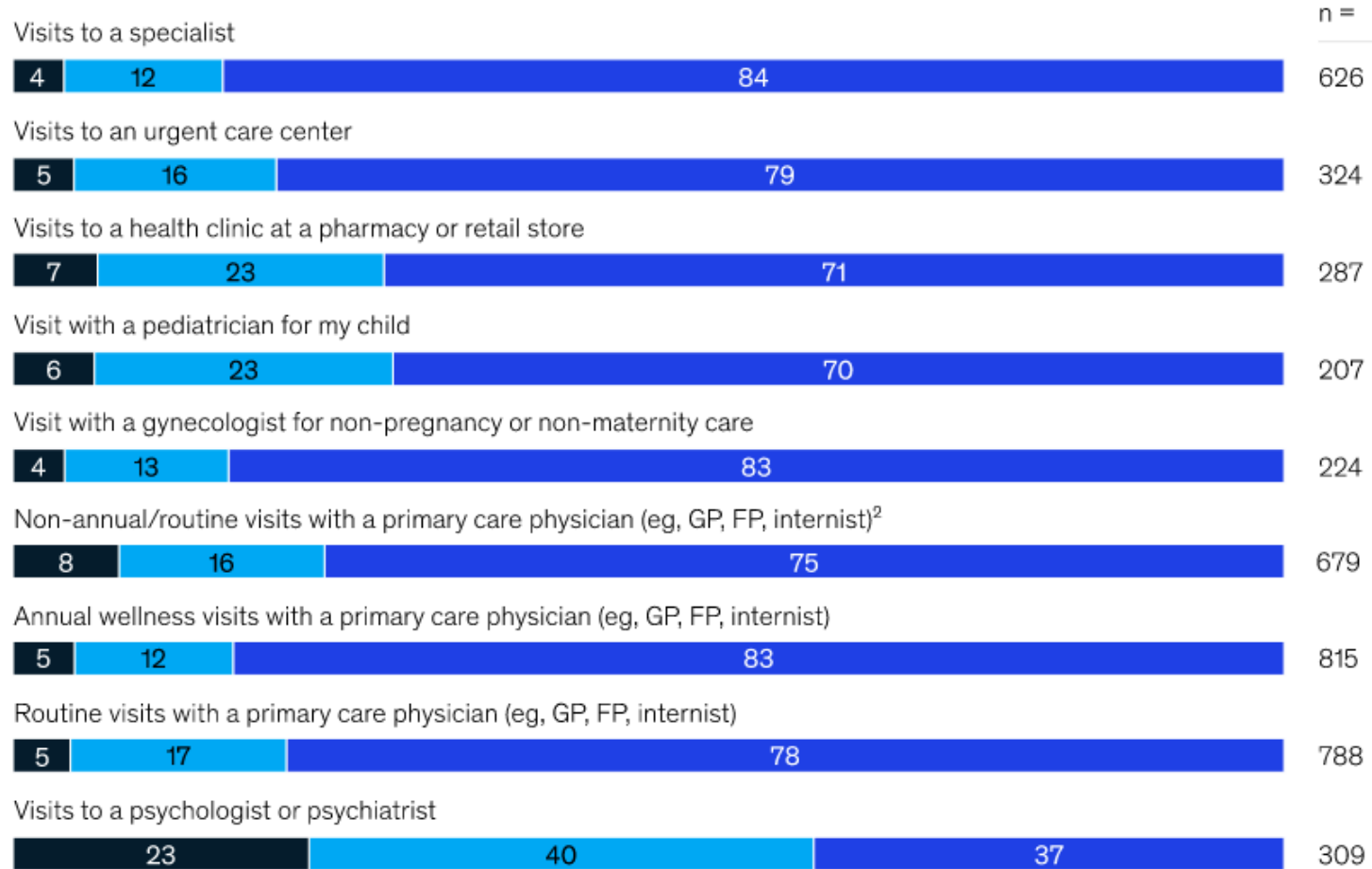
- Assist with set up services at in-person visit
- Small outpost clinics (kiosks) for services
- Implement specialties not requiring a comprehensive eval or intervention (e.g. BH)
- Offer lower tech options (phone calls, texts)
- Expand asynchronous options
- Waiving co-pays and implementing other incentives
- Multilingual assistance and cultural awareness

Most recent care received utilized telemedicine, with some moderate increases since January.

Modality of most recent appointment by setting, current as of June 14, 2021

Respondents who reported receiving care in the specified setting (sample size varies by row),¹ %

■ Telephone ■ Telemedicine ■ In-person



APPT1. For each of the following types of care below, indicate whether your most recent appointment was either at an in-person appointment, or an online/video visit with a physician (eg, Doctor on Demand, Skype, FaceTime); also called telemedicine, or a telephone (voice call) appointment.

¹ Figures may not sum to 100%, because of rounding.

² FP, family physician; GP, general practitioner.

Source: McKinsey COVID-19 Consumer Survey 1/15/2021, 6/14/2021

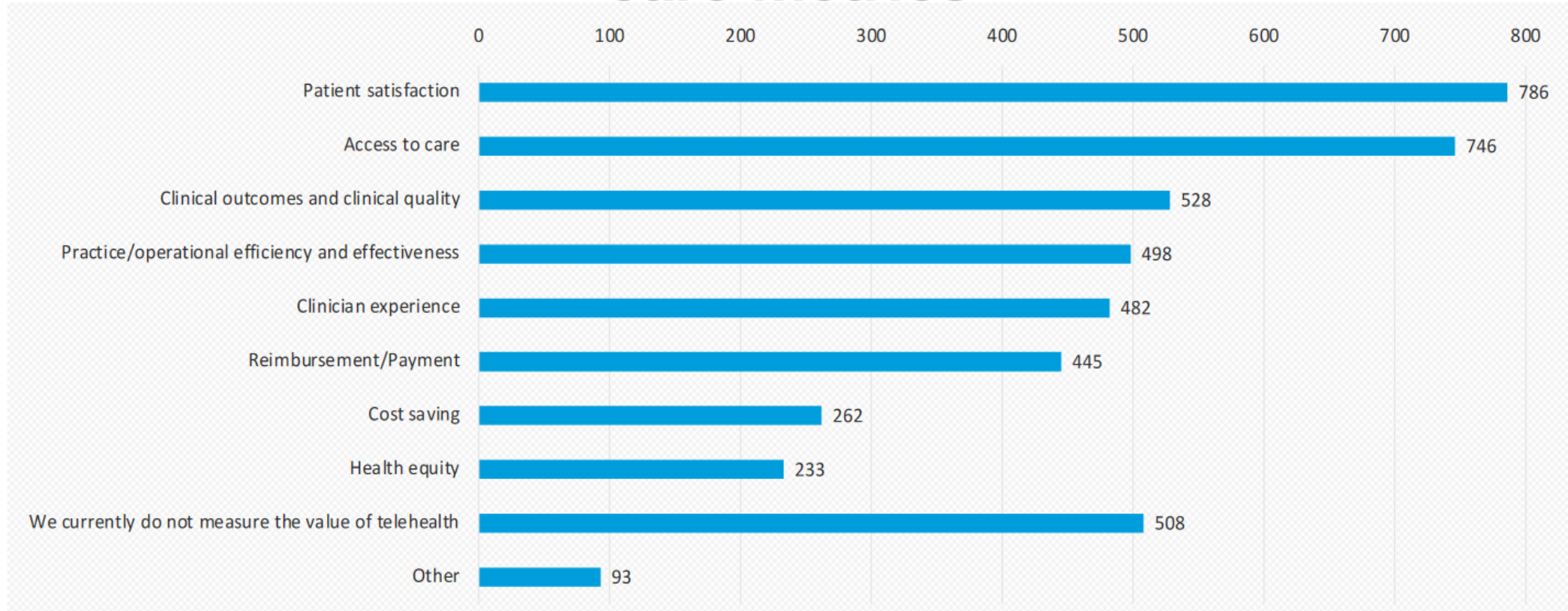
Telehealth Satisfaction

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Image: Road to Mt.
Lemmon, AZ
(personal photo)

Most practices are measuring the value of telehealth via patient satisfaction and access to care metrics



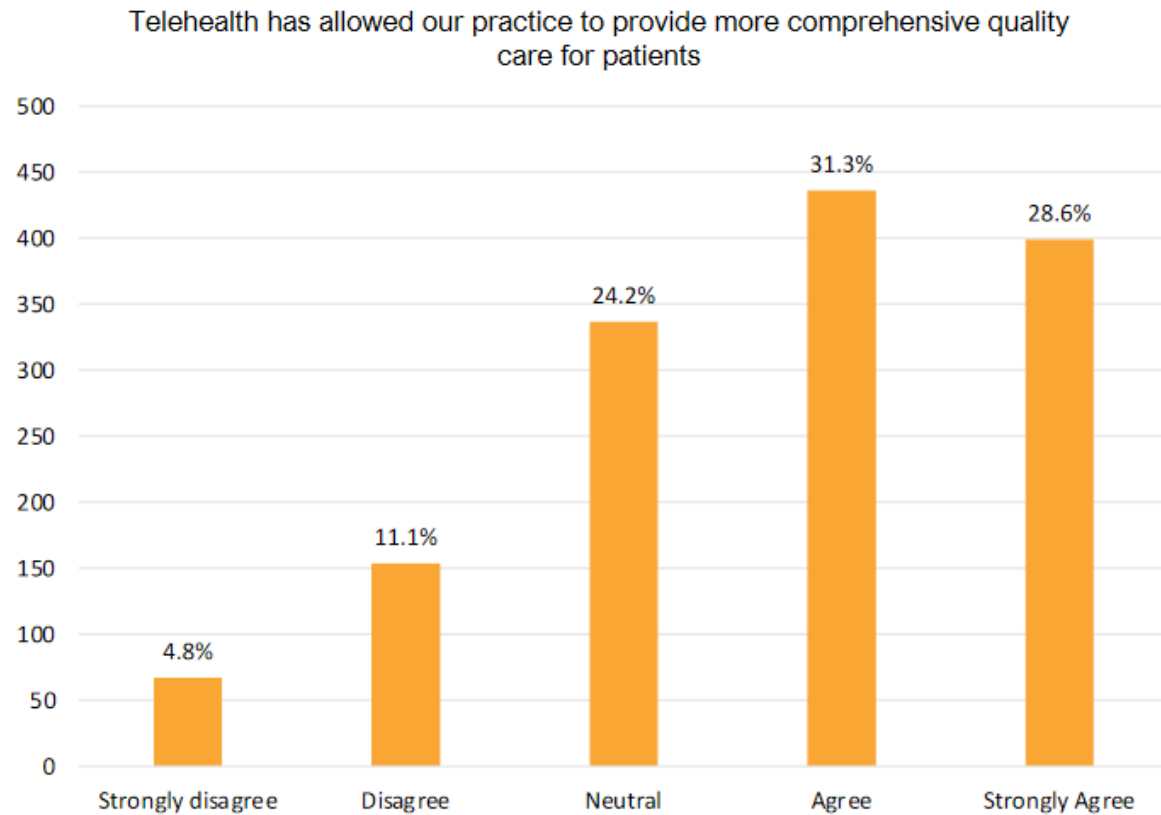
How do you currently measure the value of telehealth in your practice or organization? N=1,558

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AMA | Physicians' powerful ally in patient care

Source: <https://www.ama-assn.org/system/files/telehealth-survey-report.pdf>

Most physicians feel telehealth allows them to provide *more comprehensive quality care*



“As a pediatrician, it gives me an opportunity to see children and their families in a setting (home) in which they feel comfortable, and this sometimes reveals strengths of the family.”

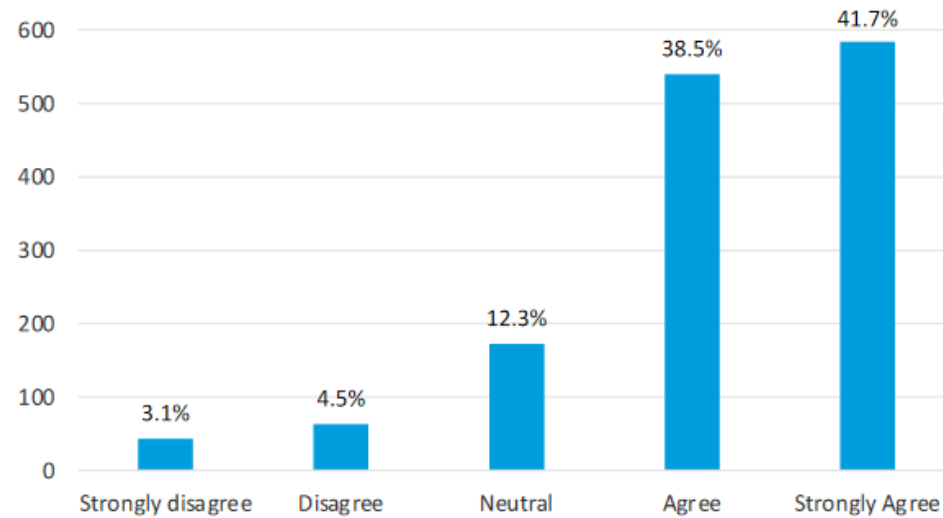
“At-home blood pressure monitoring has enabled us to diagnose more white coat and masked hypertension”



To what extent do you agree or disagree with the following statements? Telehealth has allowed our practice to provide more comprehensive quality care for patients. N=1,393
Is there any additional insight or thoughts you would like to share regarding the impact of telehealth on you, your practice, or your organization?

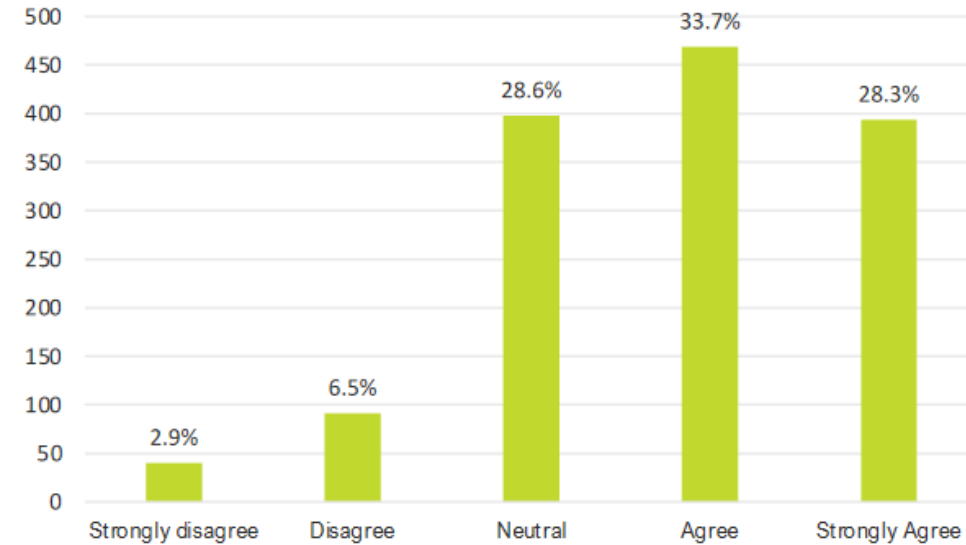
Telehealth offers *access to care* and convenience that contributes to *improved patient satisfaction*

>80% agree or strongly agree patients have better access to care since they began using telehealth



“Telehealth increased access for our specialty care. Reducing first visits to under 4-5 days compared to 4-5 months.”

62% of physicians agree or strongly agree their patients are more satisfied since using telehealth



“Telehealth has been great for my patients with disabilities that impact their mobility. Transportation is a challenge for them, and I can see how they interact with their home environment, which is crucial for my job.”

To what extent do you agree or disagree with the following statements? Patients have better access to care since our practice began using telehealth. N=1,402

To what extent do you agree or disagree with the following statements? Patients have higher satisfaction since our practice began using telehealth. N= 1,392

Is there any additional insight or thoughts you would like to share regarding the impact of telehealth on you, your practice, or your organization?

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Telehealth Practice Considerations



Image: Road to Mt.
Lemmon, AZ
(personal photo)

Considerations for Practice

- Create efficiencies & keep things simple for providers and patients
 - Key: Convenience
- Integrate TH into care delivery
 - Digitally Enabled Care
- Reduce barriers
 - Study PHE experience
- Evidence-based research
 - Quality Outcomes

Considerations for Practice

- Keep informed of the changing landscape
 - Amazon, Walmart, Pharmacies, Payers
- Watch Payment Models
 - Value-Based Care
- Evolving Focus
 - Reducing Costs
 - Improved Access
 - Efficiency

What is The Future of Telehealth?

It is still being built!



Image: <https://pixabay.com/images/search/construction/>

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Thank you!

Questions?

Gail Barker

barkerg@arizona.edu