Telehealth Reimbursement – The Times They Are a Changin'!

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Providence St. Joseph Health

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Conflict of Interest

Kim Swafford, MHA
Has no real or apparent conflicts of interest to report.

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Salary from InTouch Health

Agenda

- Changing telehealth reimbursement policy landscape
  - Federal legislative and regulatory activities
  - Medicare Fee-for-Service
  - Value-based payment models
- Providence St. Joseph Health Telehealth Overview
  - Reimbursement examples
- Discussion

Learning Objectives

- Explain the changing reimbursement landscape for telehealth
- Assess recent additions to telehealth reimbursement laws to capture the government's increasing acceptance and support of telehealth
- Demonstrate, through key findings of a national survey, how healthcare providers are currently addressing telehealth reimbursement in order to provide evidence of how the changing legislation is affecting how providers utilize telehealth
- Identify how to take advantage of the policy changes to maximize billing/revenue opportunities

Historical rules for telehealth reimbursement

Payment varies by payer and state

Medicare

- Section 1834(m) in the Social Security Act (1997) limits telehealth payment to:
  - Rural areas
  - Approved originating sites
  - Eligible distant site providers
  - Real-time video
  - Certain services (98 codes 2019)
- Pays professional fee and facility fee

Medicaid

- States determine respective policies
- 50+ sets of rules

Commercial Insurance / Managed Care

- Varies by plan and state laws
- Telehealth "parity" laws

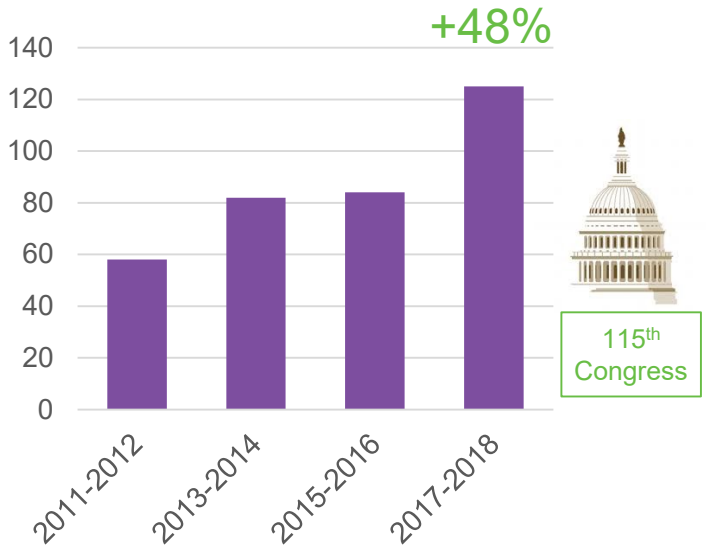
Medicare Limited to **Designated Rural Sites**

<1% of inpatient stays

1.4% of outpatient stays

2018 – A pivotal year for telehealth reimbursement

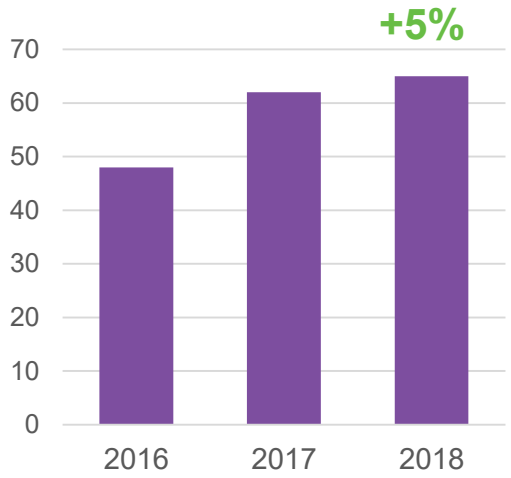
Federal legislation including telehealth



115th Congress

Source: www.congress.gov

Statewide telehealth legislation



Most states have a parity law

Source: www.cchpca.org

Several groundbreaking federal telehealth bills passed in 2018

Bipartisan Budget Act of 2018

Effective January 1, 2019

Telestroke

- Enables nationwide reimbursement
- Pays facility fee rural hospitals, CAHs
- Adds mobile stroke units

End-stage renal disease / home dialysis

- Enables nationwide reimbursement
- Pays facility fee except for home
- Providers can give technology to patients

Effective July 1, 2019

Medicare Advantage Plans

- Allows flexibility to add telehealth services to "core benefits" versus supplemental

Accountable Care Organizations

- Allows flexibility to use telehealth in non-rural areas and home

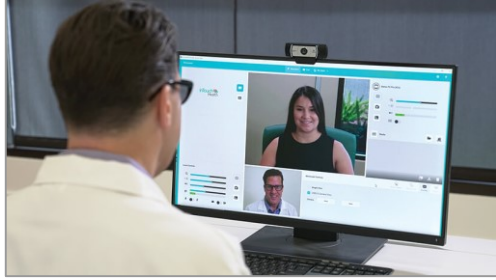
Source: www.congress.gov

Other federal telehealth legislation that passed

VETS Act	SUPPORT for Patients and Communities Act	Agriculture Improvement Act of 2018
Effective June 12, 2018	***Effective July 1, 2019***	***Reauthorized 2019-2023***
• Veteran services provided by VA licensed clinicians across state lines • Telehealth visits "from anywhere to anywhere"	• Enables nationwide payment for telemental health / substance use disorder treatments • Allows care in home setting • Requires DEA to implement special telemedicine license by October 2019	• Establishes major funding increase for telehealth grants • Expands broadband

Source: www.congress.gov

CMS creates payment for new virtual care services



Brief Communication Technology-based Services

Real-time virtual check-in

- HCPCS G2012
- Brief, 5-10 minutes
- Patient-initiated established patients
- Telephone, video or other kinds of data transmission
- Pays ~$15/visit

Remote Evaluation of Recorded Video and/or Images

Store and forward visit

- HCPCS G2010
- Patient-initiated
- Established patients
- Patient consent
- Pays ~$13/visit

Interprofessional Consultations

Provider-to-provider consult

- CPT codes 99446 – 99449, 99451-99452
- Telephone/Internet/EHR consults
- Patient not present
- Patient consent
- Pays ~$18-$73

Source: CMS Final Rules 2019 Physician Fee Schedule

CMS expands payment for RPM

- Allows payment for professional and technical components of RP
  - Example first month: $58 (or $52) + $19 + $64 = **$141**
  - Monthly thereafter: $58 + $64 = **$122**
- Allows billing RPM and CCM (e.g. CPT 99457 & CPT 99490) professional components for same patient, same month
- Not subject to 1834(m) telehealth restrictions

Payment Code	Description	Payment	Effective Date
99091	Collection, interpretation of physiologic data, 30 minutes or more per 30-day period by physician or other qualified healthcare professional (QHP) (**professional component**)	$58	2018
99457 (fixes 99091)	Collection, interpretation of physiologic data, 20 minutes or more per month requiring interactive communication with patient by physician, QHPs, and other clinical staff (**professional component**)	$52	2019
99453	Initial set-up of technology and patient education (**technical component**)	$19	2019
99454	Device supply with daily recordings, programmed alerts transmission, monthly (**technical component**)	$64	2019

Source: CMS Final Rules 2019 Physician Fee Schedule

Implications for future reimbursement policy changes

- Turning point for FFS
- New reimbursement paradigm for 2019
  - Creates incentives to adopt telehealth
  - Drives new use cases
  - Improves economic and business models
- Trends to continue
- Catalyst for change among other payers

Near Term Telehealth Payment Opportunities	
CMS FFS • Professional fee • Facility fee • Remote patient monitoring technology fee	• Stroke, home dialysis, telebehavioral health / substance use disorders • Brief virtual check-in, store-and-forward visit, provider-to-provider visit • Remote patient monitoring • Potential new areas: maternal fetal medicine, skilled nursing, genetic counseling, respiratory therapy, ED • Targeted 'Medicaid populations'
CMS Value-based	• Medicare Advantage plans • ACOs • Payment bundles

Providence St. Joseph Health Telehealth Initiatives

Providence St. Joseph Health

51 Hospitals

829 Clinics

90 Non-acute services

14 Supportive housing programs

111k Caregivers

38k Nurses

20k Physicians

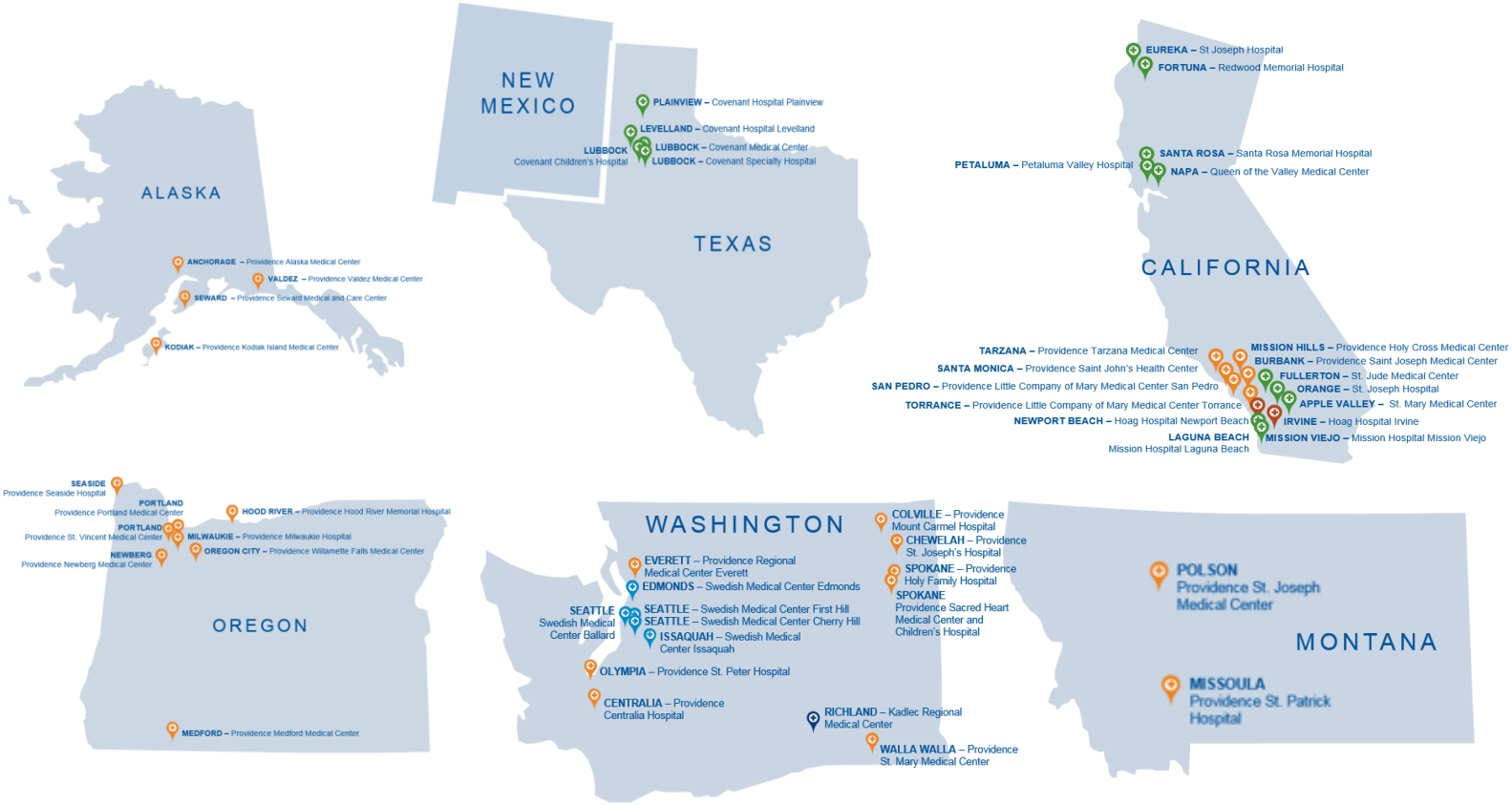
High school, nursing schools, and university

2 Health plans

1.9M Covered lives

$1.6B Community benefit

Footprint spans across 7 states



PSJH Overview

+118
Live sites

11
Thrombectomy centers

34,000+
Encounters in 2018

30 min
T-Psych average response time for pre-consult

12%
tPA rate

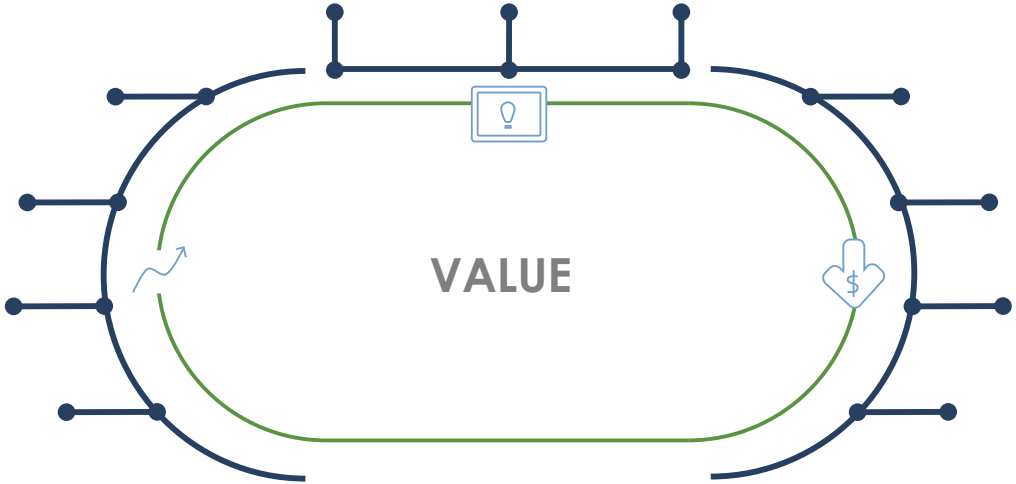
2m:02s
T-Stroke average provider response time

3 Core Services (Behavioral Health, Neurology, Acute Care)

50 Regional Programs (7 States)

Telehealth Roadmap

How do we get there?



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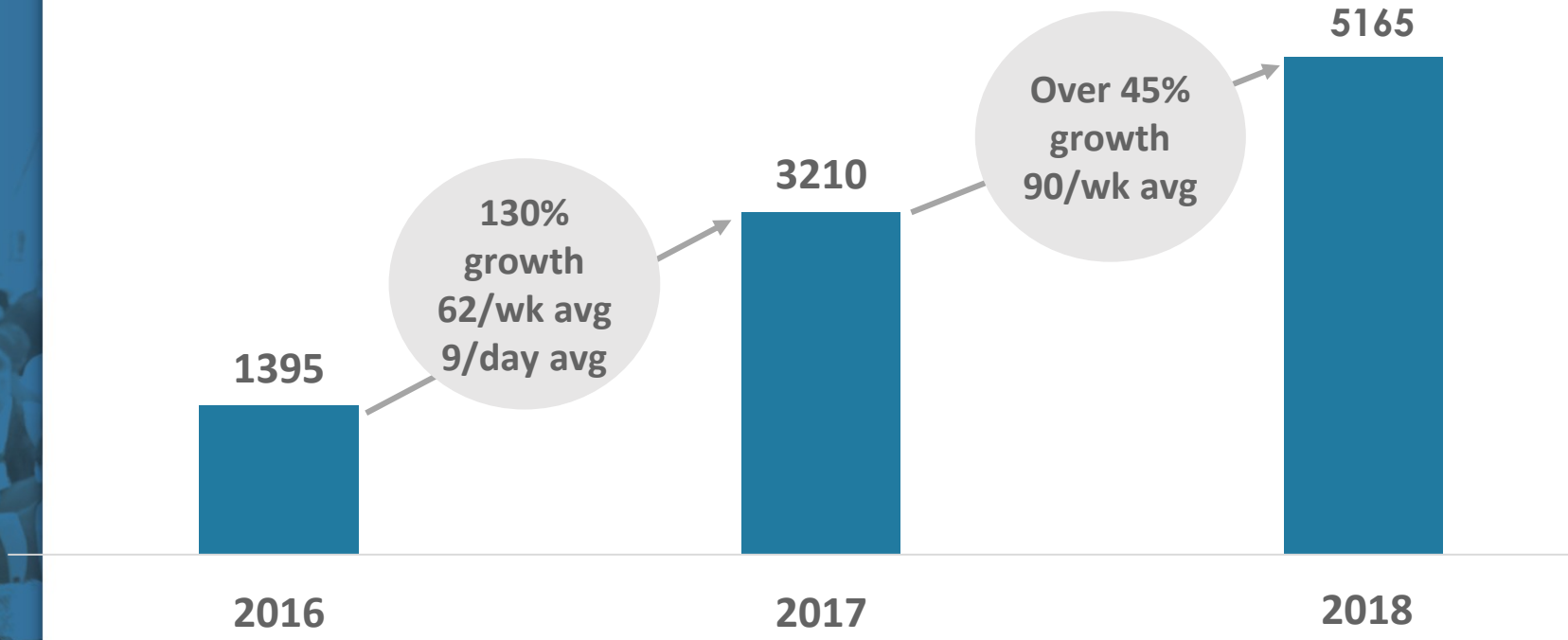
TeleStroke Annual Volumes & Growth



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Evolving Telestroke Value Proposition

- Continued emphasis on “door to needle time” & keeping care close to home
- HOWEVER, reimbursement paradigm is shifting…new **FAST Act** will require Medicare to reimburse for pro fees regardless of where the patient is located

EXAMPLE | *Impact of physician payment*

2018

Currently the number of urban encounters for telestroke is approximately 60% of our cases, no reimbursement for those cases

2019

By end of 2019 approximately 1000 video encounters per year = ~$150K in professional fees annually

Remote Patient Monitoring (RPM)

- **Care for our Communities & Innovate with the Times**
- **Improve Patient Outcomes | Decrease Readmissions | Increase Engagement**
- **Affordable, Reliable, Easy-to-Use**
  - Develop a holistic and multidisciplinary approach
  - Engagement with Telehealth, Regional Clinical Leaders, Heart Institute, Home Health, and Nursing
- **Align strategic vision and care plans throughout**
  - Standardized Workflows, KPI's, Tracking Mechanisms

RPM Expansion | KPIs

Key Performance Indicators

- Reduce unnecessary 30-day readmissions for CHF & COPD by 30%
- Decrease Length of Stay by 50% for CHF program
- Improve Patient Engagement and Satisfaction
  - Increase provider and staff satisfaction
  - Increase patient adherence

Clinical Service Offerings

- Remote monitoring and engagement with patient for adherence to care plan
- Remote monitoring of patients vitals
- Escalation support for elevated vitals

Staffing Models Options

- Local nursing monitoring of patients vitals
- Outsourced remote monitoring of patients vitals
- Critical: Physician endorsement and support of RPM program

Platform

- Platform requirements include ease of use, multiple disease management options
- Back end data and analytics
- Streamlined back end dashboard for daily clinical review

Financial Implications

- Opportunities to decrease cost by preventing low acuity readmissions
- Decrease low acuity chronic disease LOS
- Reimbursement for RPM chart review

EXAMPLE | RPM Financial & Reimbursement Opportunity

Average Direct Variable Expense Saved: **~$9,000**

- For avoidable readmission
- Mean per-patient CHF related hospitalization is **~$14,500**

Average Cost/RPM Kit: ~$135/patient/month

- Average patient enrolled in program: 90 days

Provider Reimbursement $60/month

- Requirement: 30 minute patient chart review
- Involved ECG, blood pressure, and glucose monitoring

Can be billed along side:

- Chronic Care Management CPT Codes- $47/patient/month
- Transition Care Management CPT Codes - based on local physician fee schedule

Questions

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