

2014 TELEMEDICINE TASK FORCE FINANCE AND BUSINESS MODEL ADVISORY GROUP

Telehealth refers to: the delivery of health education and services using telecommunications and related technologies in coordination with health care professionals, and includes real-time audio video conferencing, store-and-forward communications, and remote monitoring. Existing fee-for-service models incentivize episodic care and do not provide incentives for the investment in new models of care delivery. Value-based payment models of care delivery incentivize providers based on health outcomes rather than volume of services provided. Despite the potential of telehealth to enhance the way care is delivered, it is not expected to increase significantly absent widespread adoption of value-based care.

The Telemedicine Task Force Clinical Advisory Group has identified four innovative telehealth use case categories that intend to: have the greatest impact upon populations in need or at risk, high volume disease states, and/or preventive care; be consistent with health care reform, enhance population health management, and reduce hospitalizations; and be implementable, testable, and cost effective. The following table outlines the use case categories and includes discussion items regarding financial and business model challenges of implementing the use case categories.

Innovative Telehealth Use Case Categories	Innovative Telehealth Use Case Categories Implementation Considerations	Timeframes to Implement	Other Comments
<p><i>Clinically Focused</i></p> <ol style="list-style-type: none"> 1. Improve transitions of care between acute and post acute settings through telehealth 2. The use of telehealth to manage hospital Prevention Quality Indicators¹ <p><i>Payor Focused</i></p> <ol style="list-style-type: none"> 3. Incorporate telehealth in hospital innovative payment and service delivery models through ambulatory practice shared savings programs 4. Require value-based payment programs to factor in reimbursement for telehealth by primary care providers and specialists 	<p><i>Finance Model</i></p> <ul style="list-style-type: none"> • Payment structure • Resolution of billing process for remote facility and delivery site • Clinician blocks time for remote care delivery and monitoring <p><i>Business Model</i></p> <ul style="list-style-type: none"> • Remote care coordination • Telehealth payments linked to outcomes • Strategy for virtual care delivery • Develop a common ROI assessment model that includes financial, social, and quality components • Reengineering workflow process 	<p><i>Payors</i></p> <ul style="list-style-type: none"> • ~ 18 months required for State-regulated payors to implement • Unique challenges for national payors, it is difficult to implement State-specific requirements • Medicaid funding dependent on budget and fiscal year <p><i>Providers</i></p> <ul style="list-style-type: none"> • ~ 18 months required for providers and health systems to implement <p><i>Re-evaluation</i></p> <ul style="list-style-type: none"> • ~36 months to evaluate quality improvement and provider satisfaction 	<p><i>General</i></p> <ul style="list-style-type: none"> • Telehealth can offer comparable care, more convenient for both providers and patients • Timing the investment as technology continues to evolve • Technology investment and maintenance <p><i>Use Case Specific</i></p> <p style="text-align: center;"><i>(use case 3 and 4)</i></p> <ul style="list-style-type: none"> • Practice transformation and redesign <p style="text-align: center;"><i>(use cases 1 and 2)</i></p>

¹ Hospital Prevention Quality Indicators (PQIs) are a set of measures intended to help assess quality and access to care in communities. PQIs can be used with hospital inpatient discharge data to identify quality of care for ambulatory care sensitive conditions. These are conditions for which outpatient care can potentially prevent the need for hospitalization or for which early intervention can prevent complications or more severe disease. PQIs include: dehydration; urinary tract infections; perforated appendix; low birth weight; angina without procedure; congestive heart failure; hypertension; adult asthma; chronic obstructive pulmonary disease; uncontrolled diabetes; diabetes, and others. For more information, visit: qualityindicators.ahrq.gov/modules/pqi_resources.aspx.