

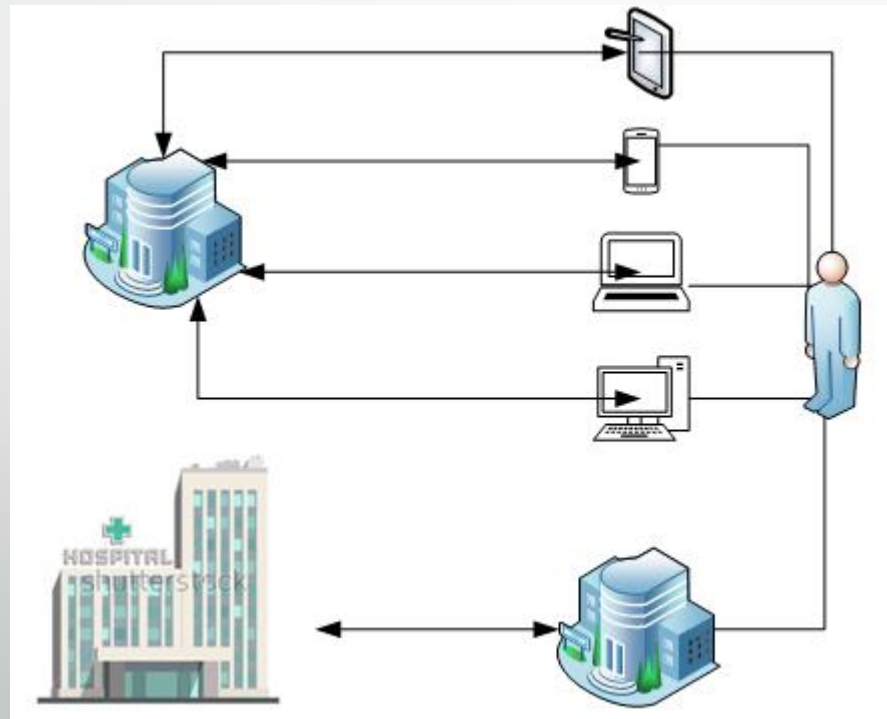


Telehealth

Is it the future of healthcare or just a fad?

What is Telehealth?

The use of electronic information and telecommunications technologies to support long-distance clinical health care, patient and professional health-related education, public health and health administration. Technologies include videoconferencing, the internet, store-and-forward imaging, streaming media, and terrestrial and wireless communications.



Top 10 Health Industry Issues of 2016

<http://www.pwc.com/us/en/health-industries/top-health-industry-issues.html>

1. Mergers: How Consolidation Impacts Consumers
2. Drug Pricing
3. Mobile Care
4. Cybersecurity
5. Consumer Money Managers
6. Behavioral Health
7. Lower Cost Settings
8. Data Analytics
9. Biosimilars
10. True Cost of Care

Healthcare Costs at a Glance

<https://www.debt.org/medical/emergency-room-urgent-care-costs/>

<http://www.pwc.com/us/en/press-releases/2015/healthcare-spending-growth-rate-projected-to-dip.html>

- 54% decline since 2007 - Healthcare spending increases (12% increase in 2007 to 6.5% in 2016)
- \$18 billion dollars – Money spent on non-emergency visits to the ER according to the CDC
- \$570 - ER average non-emergency visit cost
- \$155 - Urgent Care average non-emergency visit cost
- \$40 - Virtual visit average visit cost
- 90% - Value-based care for Medicare reimbursement by 2018
- Merit-Based Incentive Program (MIPS) – Medicare part B incentive with bonus if met or 4%- 9% penalty if not met

Telehealth Advantages: Patient

- Patient-Centered Care
 - Convenience for patients
 - Flexibility for patients
 - Increased services
 - Personalization for patients (for participating organizations)
- Virtual visit same price as a copay, less than urgent care
- Virtual visit care for common medical conditions – cold, cough, allergies, back pain, pink eye, cold sore, rash, flu, sore throat, headache, UTI, bites and stings
- Virtual visit is 24/7

Telehealth Advantages: Facility

- Virtual visit is cash based – No money no service
- Virtual visits reduce ER/Urgent Care visits/costs
- Beyond borders of office(s) - Rural health/additional services
- Reduced readmissions
- Can increase referrals
- Virtual visits fill in gaps of care
- Virtual visits free up providers for higher billability
- Increased patient volume
- Patient engagement

The Telehealth Market

<https://www.advisory.com/research/market-innovation-center/the-growth-channel/2014/07/virtual-visits-the-new-data-on-demand>

Percentage of those surveyed who would use Telehealth:

- **Younger:** 54% of those 18-29
- **Older:** 35% of those 65 or older
- **Wealthier:** 49% of those making \$71,000+
- **Less Wealthy:** 42% of those making less than \$24,000
- **Ethnically diverse:** 60% of Asians, 58% of Hispanics, 55% of African Americans, 43% of non-Hispanic white
- **Busier:** 53% of those that work 35 or more hours, 48% of those working less than 35 hours and 41% of those currently not employed

Telehealth Example: Virtual Hospital

<http://money.cnn.com/2016/09/12/technology/mercy-hospital-virtual-care/>

Mercy Hospital's \$54 million hospital without any beds

- Launched October 2015
- Goal: Avoid expense and hassle on both sides by providing care when and where the patient needs it, preventing some of the hospital re-admissions that add \$41.3 billion to hospital costs annually
- Care for patients remotely around the clock
 - Monitor vital signs
 - Determine who is capable
 - Build relationships by keeping the same navigator
 - Work closely with the patients PCP
- 33% decrease in emergency room visits and hospitalizations since last year's launch

Show Me the Money: Readmissions

- Reduce patient readmission rates with a focus on CMS Hospital Readmissions Reduction Program (HRRP) *(For more information on these readmission measure-related policies, please refer to the IPPS Final Rules)*

HRRP	Cost per Readmission	Rate of Readmission
Heart Disease: Congestive Heart Failure	\$13,000	25.1%
Heart Disease: Heart Attack	\$13,200	17.1%
Pneumonia	\$13,000	15.3%
COPD	\$8,400	7.1%
Hip Replacement (THA)	\$12,300	8.2%
Knee Replacement (TKA)	\$10,200	5.1%

(Statistics from <http://www.beckershospitalreview.com/quality/6-stats-on-the-cost-of-readmission-for-cms-tracked-conditions.html>)

Show Me the Money: Examples of Success

(The Promise of Telehealth For Hospitals, Health Systems and Their Communities, *TrendWatch*, January 2015)

- After telemedicine services were employed by the Veterans Health Administration post-cardiac arrest care program, hospital readmissions decreased by 51% for heart failure and 44% for other illnesses.
- According to a study on the Geisinger Health Plan, patient readmissions were 44% lower over 30 days and 38% lower over 90 days, compared to patients not enrolled in the telemedicine program.
- The Geisinger Health Plan study found that implementation of a telemedicine program generated about 11% in cost savings during that study period. This led to an estimated return on investment of about \$3.30 in cost savings for every \$1 spent on program implementation.



Telehealth IS The Future!



Questions?

