



# Telemedicine: Opportunities and Challenges

*An Everbridge White Paper*

## Introduction

Physicians face an increasing array of non-clinical demands on their time — in some practices doctors spend as much time working on documentation and sorting through insurance denials as they do seeing their patients. With the expansion of both private healthcare insurance and Medicaid in many states under the provisions of the Patient Protection and Affordable Care Act (ACA), demand for healthcare services has increased while the amount of time doctors have to see new patients has been reduced.

Patients, too, face long wait times at their physicians' offices, often for minor ailments or routine follow-ups. Because consultations can be difficult to schedule, patients often skip follow-up visits or turn to online medical services and websites that may not provide reliable information. This not only erodes the doctor-patient relationship, but also potentially puts the patients' health at risk.

Telemedicine solutions can help physicians provide more convenient, real-time interactions with their patients while simultaneously relieving the scheduling pressure on the physician practice.

Telemedicine (sometimes referred to as telehealth) is a suite of technology solutions that enable doctors to communicate with and treat patients via text, video, and remote monitoring, while also enabling improved communication with other physicians and staff.

These solutions have ushered in a new age of medicine. This white paper will:

- ▶ Outline how telemedicine can potentially improve patient care by providing remote, face-to-face consultations that allow physicians to speak to their patients and view their physical symptoms in real time;

- ▶ Describe how telemedicine improves convenience and quality of care for patients, while also helping doctors better organize their schedules;

- ▶ Demonstrate that many telemedicine services are fully reimbursable for providers.

## The Telemedicine Opportunity

Telemedicine is one of the fastest growing segments in healthcare. According to the American Telemedicine Association, there are currently about 200 telemedicine networks with 3,500 service sites in the U.S., and nearly 1 million Americans are currently using remote cardiac heart monitors. Half of all U.S. hospitals now use some form of telemedicine.

A study by GlobalData indicates that the worldwide telehealth and telemedicine market was set to grow 14% between 2011 and 2018, while the 2014 World Market for Telehealth report from HIS Technology estimates the number of patients using such services will increase to 7 million in 2018.

BCC Research, meanwhile, put the global telehospital/clinic and telehome market at \$19.2 billion in 2014, and it could reach \$43.4 billion by 2019. Here in the U.S., Health Affairs reports that the domestic telehealth market reached \$240 million in revenue in 2013, and will grow to \$1.9 billion by 2018 (an annual growth rate of 50%).

The domestic telehealth market ...

**will grow to \$1.9 billion** by 2018

(an annual **growth rate** of **50%**).

## The Telemedicine Challenge

Telemedicine solutions have evolved that can be used over standard WiFi or cellular networks, and using readily available consumer hardware (desktop PCs, iPhones, tablets, etc.) The primary obstacles for providers that want to implement telemedicine in their practices are cost, security, and administrative and reimbursement procedures.

For providers using telemedicine solutions, security and patient privacy are paramount in order to meet HIPAA requirements. That means the solution you use to communicate with patients must meet the same security and privacy standards as your paper handling processes and electronic medical record system. Initiating a telemedicine call over an unsecured Skype or FaceTime connection could put you out of compliance and at risk of incurring violations and fines. Messages or communications sent outside of a HIPAA-compliant telemedicine solution are considered a violation, and could result in fines as high as \$50,000 per incident.

Some providers lack the staff or processes to properly manage a telemedicine initiative. Some technology solutions have proven unreliable. In some cases, users underestimate the importance of HIPAA compliance or documentation requirements. Working with a proven, reliable technology vendor can mitigate most of these challenges.

The reimbursement landscape for telemedicine has improved significantly over the past several years, making it more attractive to healthcare providers. The bulk of private insurance policies now cover telemedicine services. The American Telemedicine Association notes that 23 states and the District of Columbia actually require private insurers to cover telemedicine, and carriers elsewhere in the country have added coverage voluntarily.

Medicaid and Medicare, however, do not currently reimburse for telemedicine services, except for certain services in rural or remote areas of the country. That may change in the next several years as lawmakers push for wide technology adoption in the healthcare market.

Still, there are telemedicine services that can be billed through Medicaid and Medicare, as long as you meet certain requirements. The Centers for Medicare and Medicaid Services (CMS) has specified that services provided to patients in certain regions designated as rural health professional shortage areas (HPSAs) can be reimbursed as long as they meet certain conditions.

For eligible patients, CMS has outlined certain types of originating sites as eligible for funding telehealth services. Those sites include physician offices, hospitals, rural health clinics, federally qualified health centers, skilled nursing facilities, community mental health centers, and other similar locations. In addition to the physicians, CMS has authorized nurse practitioners, physicians assistants, nurse-midwives, clinical nurse specialists, clinical psychologists, clinical social workers, and registered dietitians to be reimbursed for telemedicine services.

Those restrictions are slowly loosening. In 2014, CMS unveiled a final rule on physician payments that included new coding for collecting and review-

ing patient data, remote patient monitoring of chronic conditions (including via telemedicine technologies). In 2015, Congress passed the Medicare Access and CHIP Reauthorization Act (MACRA), which included provisions to incentivize the use of telehealth technologies for care coordination among providers; to open reimbursement for telemedicine in "alternative payment models"; and which instruct the Government Accountability Office (GAO) to complete studies on telemedicine services in Medicaid, Medicare, and on remote patient monitoring technology within two years.





In addition, Medicare Advantage recipients do have the flexibility to use telemedicine services if their providers offer them. Many state Medicaid plans also offer some provision for telehealth, although it can vary significantly from state to state. If your practice is considering a telemedicine strategy, it is imperative to investigate reimbursement policies with private payers, as well as with the state Medicaid administrator.

### **The Telemedicine ROI Case**

Utilizing telemedicine to conduct consultations and to monitor patient health can provide numerous benefits to both physicians and patients.

There have been a number of studies over the past several years demonstrating that telemedicine can generate hard dollar benefits for health systems. For example, a study by the Center for Information Technology Leadership at Partners HealthCare System showed that connecting patients and physicians via telemedicine could save millions in costs by reducing transfers between emergency departments, or from nursing facilities to physician offices.

By providing a way for patients to interact with doctors without the need for in-person visits, practices can improve patient convenience for busy professionals, and increase access to health services (and specialist treatment) for patients in remote, rural areas or for patients that might have transportation challenges. Patients are also able to consult with their physicians while traveling.

Telemedicine also improves care quality and outcomes. By making it easier for patients to conduct follow-up visits, they are more likely to check in with their physicians and comply with any post-treatment testing and medication orders. That can improve outcomes and reduce hospital re-admission rates. Further, patients know they can use technology to access their own personal physicians, rather than relying on anonymous providers that may issue recommendations on generic healthcare websites.

The Veterans Health Administration (VHA) operates a telehealth program called Care Coordination/Home Telehealth (CCHT)

that coordinates care for patients with chronic conditions and reduces unnecessary admissions to long-term care facilities. Analysis of 17,025 patients showed that the program resulted in a 25% reduction in number of bed days of care, a 19% reduction in the number of hospital admissions, and a significant reduction in costs accompanied by an increase in quality.

Telemedicine also greatly increases scheduling flexibility for a physician's office by providing alternatives for follow-up visits or for patients with less serious medical issues. That gives doctors more time to spend with the sickest patients while reducing wait times at the office.

If there is an emergency, patients can speak to the doctor immediately rather than trying to schedule a visit that may require several days of waiting or a trip to the emergency room. In turn, doctors are able to address these emergencies without trying to cram those patients into an already over-booked office schedule. Finally, unlike phone interactions, telemedicine interactions are 100% reimbursable under most private insurance plans (and, in some cases, via Medicaid or Medicare). Doctors are already consulting with their patients over the phone. By deploying a HIPAA-compliant telemedicine solution with video, text, and voice capabilities, they can be fully reimbursed for these services.

### **Conclusion**

Physicians and patients are looking for ways to increase the quality and convenience of basic healthcare activities. Telemedicine can help physicians consult with and treat patients from any location. The technology also provides a way for hospitals to offer specialized treatment to patients outside of their immediate geographic area.

With remote, real-time video consultations, doctors can improve scheduling, improve patient satisfaction and compliance with treatment plans, increase reimbursements, and more efficiently share information with other providers. More importantly, telemedicine can help provide their patients with better, faster, and more specialized care in a safe, secure, digital environment.



*An Everbridge White Paper*

## About Everbridge

Everbridge is the leading unified critical communications platform trusted by corporations and communities of all sizes that need to reach the right people for immediate action, collaboration, and decision-making. Connecting more than 100 million people and internet-connected devices, the company provides reassurance that secure, compliant messages are delivered, locally and globally, received and responded to, no matter the recipient's location. Everbridge is based in Boston, Los Angeles, San Francisco, Beijing and London. For more information, visit [www.everbridge.com](http://www.everbridge.com), read the company blog, <http://www.everbridge.com/blog>, and follow on [Twitter](#) and [Facebook](#).

### THE ONLY END-TO-END PLATFORM

- **HipaaChat:** Use HipaaChat to quickly send secure messages, patient information reports, images or conduct telemedicine calls without incurring HIPAA violations.
- **Mass Notification:** Use Mass Notification to reach clinicians and employees about emergency situations and mass casualty events – across smartphones, email, SMS, push notifications and other modalities.
- **IT Alerting:** Use IT Alerting to help restore system outages and quickly keep internal and external stakeholders informed.
- **Incident Management:** Use Incident Management with pre-defined notification procedures to speed up STEMI alerts and notify necessary hospital personnel faster to ensure patients receive life-saving treatment in record time.
- **On-Call Scheduling:** Use On-Call Scheduling for real-time shift calendars and integrated on-call notifications to automate the tedious process of contacting off-duty staff.

## About Everbridge HipaaChat

In the medical field, saving time can also mean saving lives. Protect your patients from long transfers, wait times and misdiagnosis with Everbridge's HIPAA compliant texting and telemedicine application — HipaaChat. This mobile messaging solution eliminates the need for pagers and other single use devices by enabling healthcare professionals to send text messages to colleagues, hold video calls with patients and share photos, medical imaging, EKGs, lab results and other critical information all without violating HIPAA privacy rules. Simply put, with HipaaChat, you can be in two places at once, enabling you to triage, transfer and refer more effectively, reducing costs and improving patient outcomes.

Equally important, HipaaChat delivers faster, higher quality and more specialized patient care by enabling telemedicine. Patients and physicians can conduct secure and compliant video calls via a simple app on their iPhone, iPad or Android device. A “telemedicine in your pocket” device, HipaaChat reduces the need for office visits, improving ED throughput and readmissions, and decreasing overall healthcare costs.