Telehealth Services
Financials and Value

Telehealth Symposium
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Telehealth Services – Financials and Value

Session Outline

• Key Considerations and Assumptions
• Connect Care Case Study
• Infectious Disease/Antibiotic Stewardship Case Study
• Other Value Considerations
• Reimbursement – Current and Future State
• Conclusions
Telehealth Services – Financials and Value

Key Considerations and Assumptions
Telehealth Services – Financials and Value

Considerations
• Infrastructure Investment is Significant
• Leadership Buy-in is Essential
• All Staff Must Be Engaged
• Requires New Processes
• Return on Investment is Measured in Years

Assumptions
• Telehealth is Most Efficient Form of Care
• In the Absence of Telehealth, System Would Invest in People and Processes
• Patients Move to the Least Expensive Care Points
• Insurers Pay for Value Gains
Connect Care Case Study

Key Factors

• ED Fees – about $1,700 per patient
• Instacare Fees – about $120 per patient
• Connect Care Fees - $39 per patient
• Unnecessary ED Visits – about 11,000 per month
## Connect Care Case Study

### Potential Savings Versus ED and Instacare Utilization

<table>
<thead>
<tr>
<th>Annual Excess ED Visits</th>
<th>132,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assume 50% qualify for Instacare and 50% could use Connect Care - Also assume 40% Penetration</td>
<td></td>
</tr>
<tr>
<td>Cost Savings for Instacare Use</td>
<td>$41,712,000</td>
</tr>
<tr>
<td>Cost Savings for Connect Care Use</td>
<td>$43,850,400</td>
</tr>
<tr>
<td>Total Potential Cost Savings</td>
<td>$85,562,400</td>
</tr>
</tbody>
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Infectious Disease and Antibiotic Stewardship

Case Study
Infectious Disease and Antibiotic Stewardship

Key Considerations

• Antibiotic Stewardship Required by Joint Commission Jan. 1, 2017
• CMs is Expected to Mandate Through COP in 2017
• Shortage of ID Physicians
• Exotic Infections and Antibiotic Resistant Infections are Becoming Much More Common
Infectious Disease and Antibiotic Stewardship

Issues
• Each Hospital Requires an Antibiotic Stewardship Program
• ID Physician Salary about $400k with Benefits
• Intermountain would Require 10-12 New ID Docs to Build Out Physical Service
• Telehealth Enables Physicians to Consult in All Facilities

Benefits
• Using 4 Physicians – Saving at Least $2MM per Annum
• Speed to Rollout – ABS Plans in Place Much Faster
• Consistency in Care – Patients Receive Same Sophistication of Care as Urban Hospitals
• Immediate Response to Problem Cases
Other Value Considerations

Telehealth = Financial Potential

• Direct To Consumer
  o Connect Care
  o Physician Video Visits

• Intrafacility Efficiency Enablement
  o Patient Hand-off – ED to Unit

• Interfacility Skillset Leverage
  o ICU, Stroke, ID, Crisis Care, etc.
Reimbursement

Current State
• Medicare and Medicaid do not pay directly for Telehealth except for very specific situations
• Some Insurers will pay for Telehealth, but on a case by case basis
• Coding is complex with many pitfalls and is behind the curve of actual practice
• Consequently, most Telehealth services are provided on a facility fee arrangement, bypassing the patient, which does not allow for true representation of cost of care provided

Future State
• There are a number of proposals on the table at Medicare to expand site of service options for payment – This will continue until payment system has caught up with practice patterns
• CPT-4 codes and modifiers will catch up to practice and more fully describe the type of care rendered
• Insurers are already moving to partial or full payment for Telehealth services
• In a fully integrated environment like Intermountain Health, PMPM cost reduction considerations will continue to drive Telehealth adoption
Conclusions

Telehealth is Here to Stay

• Substantial Financial Payback after Infrastructure Buildout
• Leverages Intellectual Capital Across Spectrum of Care
• Provides Significant Value in Population Health Scenario
Thank You