

Telemedicine
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Telemedicine Assessed by HHAs, HCFA*

By Perry Frank

Telemedicine has the potential to bring home healthcare costs down, a study conducted by the Visiting Nurse Association (VNA) of Philadelphia shows. A 30-minute “televisit” with homebound patients via two-way video costs about \$25-\$30, versus \$90-\$100 and mileage expenses for an in-person session. At the same time, the VNA is finding patients who receive televisits plus the regular visits under their care plan are less likely to be hospitalized. Telemedicine has evolved “from a cumbersome and marginally effective alternative, to the preferred method for monitoring many types of patients,” says **Jan Hertzog**, the VNA’s Director of Education and Training.

Telemedicine or the delivery of medical services via two-way electronic communication, is lowering costs and redefining standards of care across the country. The VNA of Philadelphia is participating in a two-year study funded by the U.S. Department of Commerce to assess the impact of telemonitoring on health outcomes of diabetic patients being treated at home. The \$1 million grant covers teleconferencing and monitoring equipment, as well as the clinical and research staff.

“Our first challenge was to overcome skepticism,” says Hertzog. “Although we explained that the number of planned home visits would not be reduced, about 30 percent of the clinical trial group declined to participate because the project was described as ‘experimental.’”

Homebound diabetics receive “visits” from health-care staff via a two-way televideo module, supplemented by equipment that records and transmits vital signs and blood glucose levels electronically. Nursing staff make the “house calls” from a central monitoring station on a prearranged schedule to discuss patient care and provide education; if the patient’s condition warrants more intense care, a nurse is dispatched

to the home or the patient is transported to the hospital. The monitor also keeps track of the health indicators that the patient submits between visits, and alerts staff when values are outside of predetermined limits.

Today's telemedicine is an outgrowth of the now-standard technique of supplementing personal visits with Aphone checks[≡] for home health patients. Although obviously limited in utility, phone visits have improved care and patient satisfaction. The revolutionary advances in information technology over the past 10 years spurred companies such as American TeleCare (Eden Prairie, Minn.) to experiment with two-way transmission and devices such as electronic stethoscopes, blood-pulse meters, and glucose meters.

"Telemedicine systems now function over both analog and digital lines," says **Lisa Abrams**, Associate Marketing Manager for American TeleCare. "This allows use in homes with only one telephone line, removing a big barrier for some patients."

Patient units cost between \$1,500 and \$2,000 and the central monitor, which can handle up to 20 patients, costs between \$5,000 and \$10,000. None of the telemedicine equipment is covered by Medicare Part B. Home health agencies (HHAs) purchase the modules and distribute units to patients as needed. Installation in the patient's home takes about 30 minutes. "We had a few glitches, but for the most part the equipment worked well and was easy to use—as it must be to serve our population," says Hertzog.

Initial capital costs may appear high, but Hertzog says telemedicine offers high value for the dollar. The experience of the Philadelphia VNA parallels that of other studies. A large study by Kaiser Permanente conducted from May 1996 to October 1997 involved about 200 patients with a variety of diagnoses. Ninety percent of the patients who received televisits in addition to personal visits reported high satisfaction with the system. As in Philadelphia, the patients in the control group were hospitalized more often, and had higher mean medical costs excluding home health care expenses.

Total costs of care were higher for the experimental group because they included the capital costs of purchasing the equipment, and also because the program did not reduce personal visits to patients who also received televisits. However, Kaiser calculated that a standard visit required an average of 45 minutes, while a televisit took only 18 minutes.

Despite the promise of providing cost-effective quality care, “televisits” for homebound patients are *not* reimbursed under current HCFA guidelines and will almost certainly not be covered under PPS. **Thomas Hoyer**, head of HCFA’s Chronic Care Policy Group, answered a recent Internet listserv query on the issue by pointing to Medicare law, which “speaks of specific services rendered to human beings.” Hoyer also noted that HCFA’s own regulations “define a home health visit as an episode of personal contact with the beneficiary by staff of the HHAs or others. . . .”

Robert Wardwell, director of the Post Acute Care Division under Hoyer’s group, confirms that the likelihood of HCFA reimbursing HHAs for telemedicine under PPS is virtually nil, at least for now. “We have a definitional problem,” says Wardwell. “What is telemedicine? Is it someone calling up and saying, ‘How are you doing?’ Is it the transmission of heart and blood information electronically? What really constitutes a visit?” Nevertheless, says Wardwell, “We know that telemedicine is not going away—it is part of the future. We are looking closely at the results of demonstrations.”

“Home health advocates are working with HCFA to clarify clinical standards,” says **Bonnie Britton**, Supervisor of Special Programs, University Home Care, Greenville, N.C. While still in the drafting stage, Britton expects the standards to be ready before the October implementation of PPS on October 1.

HCFA itself is now funding a major research project to assess benefits and costs of the new approach. The \$28 million grant was awarded last month to a group headed by New York’s Columbia University to conduct the four-year “Informatics, Telemedicine, and Education Demonstration Project.” The program will use telemedicine units in patient’s homes to transmit voice and pictures, as well as check blood pressure and read blood sugar levels. A software program will store data to be used in development and application of care plans and clinical guidelines. “It’s far too early to come to any conclusions about the efficacy of this technology,” cautions **Peter Ashkenaz**, a HCFA spokesperson.

There is some indication that events on Capitol Hill may overtake HCFA's telemedicine policy. Sens. **James Jeffords** (R-Vt.) and **John D. Rockefeller IV** (D-W.Va.), ranking majority and minority members of the Senate Health, Education, Labor, and Pensions Committee, have proposed legislation intended to ease restrictions on telemedicine reimbursement for Medicare beneficiaries, beginning with those in underserved areas. Called the Telehealth Improvement and Modernization Act of 2000 (S. 2505), it proposes revisions to the Balanced Budget Act of 1997 that would require Medicare to reimburse physicians and others providing telemedical care. The bill also calls for a study of appropriate use of telemedicine with a report to Congress in two years.

Section 8 of the proposed law specifically addresses home health agencies, and would in essence give HHAs permission to use telemedicine while making clear that televisits would not be counted toward the treatment required in the patient's plan of care under PPS. The bill has been referred to the Senate Finance Committee for consideration. "Where it goes from here depends in part on whether a larger Medicare bill takes shape, where it could be incorporated," says **Joe Karpinski**, press secretary for the Health Committee.

While only about 100 HHAs are currently using telemedicine, amidst all the ambiguity many more are evaluating its benefits. Community Nursing Services (CNS) in Salt Lake City, Utah, began exploring telemedicine a year ago. "We found televisiting to be an effective way to sustain and monitor patients in remote areas of the state," says **Dale Evans, RN, Ph.D.**, and Vice President of Hospice/Corporate Relations for the HHA. "The new technology allows us to take detailed pictures with a camera the size of a flashlight," she says. "Children love it because it's a 'computer,' and the elderly are comfortable with the process, because it's like their television."

CNS uses a portable monitoring station, which allows on-call nurses to service patients from their homes. "This is the wave of the future," says Evans. "Even though our visits and equipment are not currently covered, we are still saving money and improving the quality of care by making telemedicine available to patients hundreds of miles away." ##

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