

THE ECONOMICS OF MOBILE HEALTH

Based on a presentation by Kevin Lasser,
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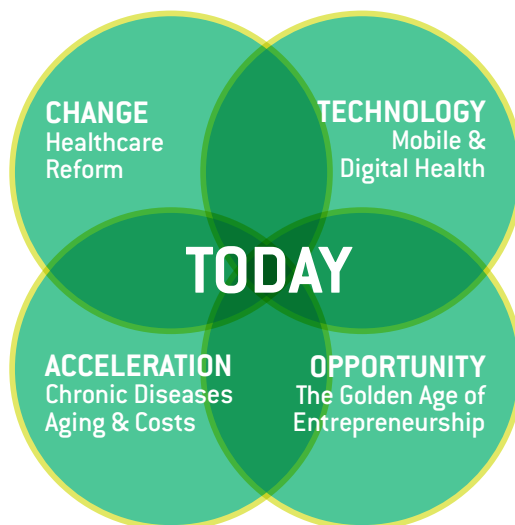
The Perfect Storm has Arrived

The idea of mobile health, or telehealth, has been with us since the 1960s and 1970s when NASA began to monitor astronauts' biometrics remotely and the federal government provided funding for seven telemedicine research and development projects. But, recently, its popularity is increasing rapidly, with 73% of healthcare providers already using mobile health for services like patient engagement, telemedicine and e-prescribing, according to research. Although certain barriers exist that must be overcome to implement mobile health solutions, healthcare providers are finding ways to use these solutions to transform the way providers and patients interact.

The phrase “there’s an app for that” has made its way into popular culture and in a consistently growing manner it is often true. If it doesn’t exist today, there is a good chance that very soon, it will. Today, mobile health is used for tracking fitness, nutrition, wellness and self-testing, i.e. heart rate, calories, etc. Additionally, mobile health is being used by physicians to access medical records, assess patient data through sensors, disease management and drug administration. The potential is endless. As with other advances in technology, mobile health can be expensive, difficult to implement, and raise data and security questions, but the general benefits are certainly compelling enough to assess the possible ROI:

- Financial savings – reducing costs – controlling the cost of care.
- Improved provider productivity.
- Greater patient access to healthcare – enhanced patient satisfaction.
- Better patient outcomes – improved quality of care.
- Reduced readmissions.
- IT compatibility with mobile health system (plug and play capability with most major solutions).
- Secure and protected medical and patient data – HIPAA compliant.

But the stage may be set for an epic era, as illustrated in this graphic to the right.



Mobile health is the use of electronic information and telecommunications technologies to support long-distance clinical healthcare, patient and professional health-related education, public health and health administration.

(www.hrsa.gov/telehealth/)

Driving New Revenue and Cost Avoidance

As the transition to value-based care continues, and the “teeth” and penalties of new government rules and mandates take hold, healthcare facilities, both big and small, are beginning to realize the value of even the simplest mobile health applications, particularly in terms of new revenue and cost avoidance, especially in the case of readmissions.

This is especially true for rural healthcare facilities. One example of a facility that has seen firsthand the positive effects of a telemedicine program is Amerinet member Montfort Jones Memorial Hospital (MJMH), a critical access hospital licensed for 25 beds, located in Kosciusko, Miss.

Mississippi’s stroke mortality rate is the 5th highest in the nation and nearly one in five of all stroke deaths occur in Mississippians under 65 years of age. Most specialty physicians, like neurologists, are located in select large medical centers, therefore, access to a stroke specialist is a primary concern in stroke care. In the evaluation of MJMH’s system of care for acute stroke, the performance improvement team initiated a plan for the development of a stroke team, acute stroke order sets, the establishment of a stroke alert program and a telemedicine program with 24/7 access to neurology services. The objectives were to recognize stroke patients as quickly as possible, identify those eligible for thrombolytic therapy and provide them with neurology expertise using telemedicine. The improved patient outcome would be that long-term effects (disabilities) and mortality for acute stroke within the MJMH rural service area would be decreased through the use of thrombolytic therapy, telemedicine and a stroke pathway.

The program that MJMH implemented was able to improve quality of care for patients by improving door to CT interpretation times, reducing door to needle times by 40% and increasing utilization of thrombolytic therapy by 200%. From a financial standpoint, MJMH received increased revenue from the treatment of acute stroke patients and administering thrombolytic therapy, based on the fact that hospitals administering thrombolytic therapy receive a larger portion of DRG payments. Cost reductions were appreciated through having access to a neurologist 24/7 without paying a large fee for salary wages versus a low monthly fee for telemedicine.

In terms of avoiding readmissions, Amerinet supplier Authentidate worked with Kennedy Home Health Center in New Jersey to introduce a mobile health solution. Kennedy had struggled previously with an unusually high readmission rate. After implementation of the solution, the provider had an average of 0.59 rehospitalizations during the one-year program, compared to 2.78 hospitalizations previously, a reduction of nearly 79%. Eight patients were readmitted to the hospital [cost: \$76,000] while 21 were able to avoid readmission [cost savings: \$199,500]. Subtracting the program cost, there was a net savings of \$176,940 and a 7.8 times return on investment. [For the Record Case Study, Sept. 2014]

Another point helping to drive adoption of mobile health in rural facilities is the creation in 2012 of the Healthcare Connect Fund. The fund provides support for high-capacity broadband connectivity to eligible healthcare providers (HCPs) and encourages the formation of state and regional broadband HCP networks. Under the program, eligible rural HCPs, and those non-rural HCPs that are members of a group that has more than 50% rural HCP sites, will be able to receive a 65% discount on all eligible expenses, which include broadband services and equipment, and HCP-constructed and owned network facilities. (FCC.gov HCF Fact Sheet)



Through the Healthcare Connect Fund, eligible rural facilities can receive up to a 65% discount on mobile health related expenses.

To assist in this effort, Amerinet supplier Virtual Health Linc has created the vHealth Linc Consortium participating in the Healthcare Connect Fund opportunity. The vHealth Linc network facilitates the collaboration of rural and urban healthcare providers, patients and physicians, making it easier to support virtual healthcare services. Sun Life Memorial Hospital, a large family health center in Casa Grande, AZ, utilizes Virtual Health Linc's HIPAA compliant communications package (including video teleconsultations) to deliver behavioral healthcare to patients in rural areas who are now seen "virtually" on any smartphone, tablet, or computer. Davis Plunkett, Manager of Integrated Behavioral Health, states: "This has helped numerous patients that otherwise would not have received proper treatment."

The Centers for Medicaid and Medicare Services (CMS) and other payers are also slowly starting to get the message that mobile health is a vital component of healthcare's future. Over the past several years, reimbursement for telemedicine has grown significantly. In January 2015, seven new covered services for mobile health including annual wellness visits, psychotherapy services and prolonged services in the office were added.

In many cases, reimbursement for mobile health can actually be more than for traditional cases. **As long as the interaction involves an authorized facility (a federally qualified health center or FQHC), the facility receives a fee, as well as the physician that provides the care.** This is potentially an enhanced new revenue stream for some providers, allowing them to expand or enter altogether new service lines through mobile health solutions. In fact, mobile health can drive revenue for a multitude of specialties.

Amerinet partner JEMS Technology had War Memorial Hospital in Sault Ste. Marie, Mich., an extremely rural facility on the northeastern end of Michigan's Upper Peninsula, deploy their mobile health system across all of its healthcare divisions, including in its emergency room, behavioral health center and intensive care unit, OB and neurology, as well as with local EMT providers to offer a mobile system for enhanced emergency care. Using JEMS' HIPAA-compliant mobile health platform, War Memorial medical professionals can send live streaming video to a specialty physician via

an iPhone, iPad or Android-based phone or tablet. The specialist is then able to review the video on their smart device in real time and respond with care instructions. The access to expertise further differentiates the facility for patients seeking the best in healthcare.

TELEMEDICINE BENEFITS TO PATIENTS

Accessibility

- Connects remote patients.
- Connects homebound patients.
- Allows access to limited and specialty doctors.
- Creates time-is-of-the-essence care for issues like stroke.

Prevention

- Can alert a care team before problems occur.
- Prevents unnecessary hospitalizations.
- Decreases emergency room visits.
- Increases patient confidence and independence.
- Improves patient quality of life.

Risk and Reward

Despite the progress, challenges still exist. CMS requires full credentialing and privileging at each mobile health originating site, which is the site where the patient is located. Facilities receiving mobile health services have to fully credential the mobile health physician as well as approve for privileging.

The time and cost of this process has a crippling effect on mobile health throughout the country and may prevent some hospitals and clinics from using mobile health services for their patients because of the undue cost and duplicative work affiliated with credentialing procedures. (NRHA Policy Document)

In addition, start-up costs for certain products and services can still be daunting, as can the technological aspects of interoperability and integration with current systems. Finally, there are still cultural challenges to overcome in terms of levels of acceptance among all involved stakeholders.

But the payoff can ultimately be tremendous. Telemedicine could potentially deliver more than \$6 billion a year in healthcare savings to U.S. companies, according to a recent Towers Perrin study. Telemedicine in its many different forms, offers the measures needed to drive cost reduction.

MOBILE HEALTH PRODUCTS AND SERVICES CAN:

- Measure and track.
- Predict.
- Prevent.
- Manage.
- Incent and influence behavior.
- Direct financial incentives to share and participate.

There is also critical mass approaching. More than 10,000 people a day are turning 65 years of age. There are less and less physicians entering the healthcare field every year. Need is growing. Supply is constricting. The answer lies in solutions that can bring easier access to care, in whatever ways possible.

Conclusion

In conclusion, healthcare facilities must continue to develop new paths to care that improve outcomes while also reducing costs. The inclusion of mobile health solutions in care plans going forward offers providers some of the best opportunities, not only for cost avoidance, but also to realize new avenues to revenue generation.

Telemedicine could potentially deliver more than \$6 billion a year in healthcare savings to U.S. companies. Source: Towers Perrin study

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