

The promise of Connected Care in the United States

Former Senator Thomas A. Daschle (D-SD), Senior Policy Adviser at DLA Piper, LLP (US), co-leads the Alliance for Connected Care with former Senator Trent Lott (R-MS), Senior Counsel at Patton Boggs LLP, and former Senator John Breaux (D-LA), Senior Counsel at Patton Boggs LLP. Senator Daschle explains the importance of Connected Care for improved and more cost-effective care, the legal and regulatory barriers to innovation and the aims of the Alliance for Connected Care, a nonprofit organisation that was formed to create a statutory and regulatory environment in which every provider in the US is able to deliver and be reimbursed for safe, high quality care using Connected Care technologies, regardless of the type of technology and location of the patient. Members of the Alliance include Verizon, WellPoint, CVS Caremark, Walgreens, Teladoc, HealthSpot, Specialists On Call, Doctor on Demand, Welch Allyn, MDLIVE, Care Innovations, Cardinal Health, and GlobalMed.

As policymakers in Washington continue to debate a number of healthcare related issues, technological innovations have advanced to new levels, presenting an opportunity for Americans to access new ways to connect with their healthcare providers.

Whether it involves patient portals, mobile apps, electronic health records or remote patient monitoring, technology has the power to bring high quality care to more people with increased transparency and patient engagement. Through greater

broadband deployment and adoption of new modalities, telehealth, or as we like to call it, 'Connected Care,' is leveraging technology to address gaps in the current US healthcare system. But, challenges exist that hinder the promise of Connected Care technologies.

What is Connected Care technology?

The enactment of the Affordable Care Act ('ACA') paved the way for transformational changes to how care is delivered and paid for in the US. For too long, our healthcare system has been driven by quantity over quality, poor transparency, high administrative costs, uncoordinated care, and caring for patients once they reach the hospital or emergency department rather than preventing those costly encounters. However, the hallmark of the ACA was to change this approach to healthcare and create a system that focused on achieving three goals - better care, better health, and lower costs.

The ACA's 'triple aim' has inspired new integrated care delivery models, such as accountable care organisations ('ACOs') and medical homes that better align provider incentives with improved outcomes and cost-efficiency. We are also seeing a greater focus on prevention and wellness, particularly with respect to chronic diseases, in an effort to curb escalating healthcare costs.

As we move toward these new models of care delivery, Connected Care will be foundational to these efforts. Improving our healthcare system will require new technologies that more easily connect providers to their patients and other providers across care settings, as well as encourage patients and their caregivers to be more involved in their own healthcare decisions. Through

these technologies, patients who need primary care, chronic disease management, or even specialty care such as dermatology or mental health consultations, will be able to communicate with their physicians remotely through a laptop, iPad, smartphone or kiosk.

Currently, there are an estimated 200 telehealth networks, with 3,500 service sites throughout the US. A patient can visit a retail clinic and connect with a healthcare provider, who is responsible for the hands-on portion of the visit, to another healthcare provider at a remote location. The remote provider is able to view the patient as if he/she was in the same room. Providers can also now connect with their patients by phone or through real-time, secure video-based applications on their smartphone, tablet, or desktop computer. Ultimately, Connected Care enables patients to receive care 24/7 in their homes or in other convenient locations.

Modernising healthcare delivery through Connected Care

Beyond increasing patient access to the healthcare system, Connected Care has the potential to improve care quality, outcomes, and generate savings for the healthcare system. Many of the benefits of Connected Care are already being demonstrated in healthcare settings across the country.

The Department of Veterans' Affairs ('VA') has been a world leader in the telehealth space. The VA's telehealth program is designed to make healthcare more convenient, more accessible, and more patient-centred. In 2012, the VA provided care to 145,192 veterans through its Clinical Video Telehealth ('CVT'), which provides patients with real-time remote access to 44 clinical specialties, and 116,729 patients in

their home with Home Telehealth services. Through these services, the VA has reduced healthcare costs and enabled the VA to realise greater efficiencies¹.

A recently published RAND Corporation study analysed the experiences of roughly 300,000 members of the California Public Employees' Retirement System (CalPERS) using telehealth services². The services were provided by Teladoc, one of the largest telehealth providers in the country. The study found that patients who participated in Teladoc 'visits' were less likely to require follow-up visits for a similar condition in any setting, with only six percent doing so compared to 13 percent who visited an office and 20 percent who visited an emergency room. While the study did not explore overall savings, the authors noted that the per visit cost of these telehealth services were less expensive for payers compared to the cost of care in other settings, while enabling patients to access care on weekends and holidays.

Connected Care's ability to connect providers and patients remotely can also help curb high readmission rates. In Indiana, St. Vincent Health - one of the country's largest not-for-profit healthcare systems - implemented a remote care management program for patients with congestive heart failure ('CHF') and chronic obstructive pulmonary disease ('COPD')³. Through the program, healthcare providers were able to care for discharged patients with CHF and COPD in their homes with Connected Care technology. After less than two years, initial results showed that the care management program reduced hospital readmissions to five percent - a 75 percent reduction as compared to the national average and non-

participating patients.

These examples represent only a few of the ways in which Connected Care can enable providers to furnish high quality, cost-effective, and more timely care to their patients.

Barriers to innovation

Despite the growing body of evidence demonstrating the benefits of Connected Care, the current statutory and regulatory environment continues to hinder its adoption among healthcare providers. The primary barriers are reimbursement and coverage restrictions and multistate licensure requirements.

Reimbursement and coverage limitations

The Medicare program - the US federal government's insurance program for people age 65 and older or under age 65 and living with certain disabilities - sets forth a number of parameters around the reimbursement and coverage of telehealth services. The Social Security Act ('the Act'), which authorises the program, is continuously updated to reflect new Medicare policies. However, Section 1834(m) of the Act still largely reflects Medicare fee-for-service policies that would have been appropriate at the turn of the century - when iPads and tablets were a flicker in someone's imagination and smartphones were just starting to gain popularity.

Despite advances in technology that make it possible to connect to almost anyone from almost anywhere, section 1834(m) still unnecessarily restricts reimbursement of connected care services to rural areas and certain sites of care.

Under section 1834(m), providers are only reimbursed for telehealth services provided to patients located in certain rural areas or in

a county that is not located in a metropolitan statistical area ('MSA')⁴. Recently, the definition of 'rural' area was expanded to include certain rural areas located within an MSA⁵. Still, these geographic requirements prevent Medicare beneficiaries living in urban areas from accessing needed telehealth services.

Section 1834(m) also limits reimbursement for telehealth services based on the site where the Medicare beneficiary is receiving such services. Under current rules, a beneficiary must be located at a designated 'originating site' for the provider to be eligible for reimbursement. These sites include a practitioner's office, rural health clinic, hospital, skilled nursing facility, and federally qualified health centre.

In addition, the Medicare program limits the coverage of telehealth services to a list of primarily consultative services and specific Connected Care modalities. In most cases, such Connected Care must be an interactive technology that allows for real-time communication between the patient and provider. As a result, 'store and forward' technology is only covered in limited instances and remote patient monitoring is not a covered technology for fee-for-service telehealth services.

Regrettably, other payers, including private insurers and State Medicaid programs often set reimbursement and coverage policies that align with the Medicare program. While these payers tend to be more expansive in their coverage - 46 states provide some level of reimbursement for telehealth services and 20 states and the District of Columbia mandate some level of private coverage⁶ - the requirements for coverage and reimbursement vary from state to state and from payer

to payer. Consequently, there is no widely accepted definition of Connected Care or 'telehealth services' across payers, creating an environment where patients and providers in one state are unable to benefit from the services that might be covered and reimbursed in a neighbouring state.

Multistate licensure

Further, state medical boards are currently tasked with regulating the practice of medicine within each state. In order for a licensed physician to provide telehealth services to a patient located in another state, the physician must be licensed to practice medicine in the state where the patient is receiving care. As a result, with limited exceptions, telehealth consultations with a physician across state lines requires multiple licences. The process for applying for multiple licences is both administratively burdensome and costly.

A solution is needed to enable licensed physicians and other practitioners to deliver telehealth services to patients seeking such services, even if they are located across state lines. A framework that can more efficiently allow for multistate licensure would lessen the burden on providers and ensure that more patients can benefit from telehealth services.

Advancing access to Connected Care

Achieving the true promise of Connected Care requires addressing the legal and regulatory barriers that preclude patients from accessing these innovations. Our current rules never anticipated what is possible today and must be modernised to keep pace with advancing technology.

The Alliance for Connected Care is a 501(c)(6) (the Alliance) nonprofit organisation that was

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formed to create a statutory and regulatory environment in which every provider in the US is able to deliver and be reimbursed for safe, high quality care using Connected Care technologies, regardless of the type of technology and location of the patient. Members of the Alliance include leading companies across the healthcare industry - Verizon, WellPoint, CVS Caremark, Walgreens, Teladoc, HealthSpot, Specialists On Call, Doctor on Demand, Welch Allyn, MDLIVE, Care Innovations, Cardinal Health, and GlobalMed.

The Alliance believes that now is the time to change the dialogue around Connected Care and expand its reach across the country by addressing the abovementioned barriers to its widespread adoption. To that end, the Alliance aims to:

- Demonstrate the importance of Connected Care as a tool for improved quality and efficiency;
- Build significant and high-level support for Connected Care among influential policymakers;
- Include telehealth, remote patient monitoring and other Connected Care technology as a tool to support new models of care and payment;
- Lift federal and state regulatory and statutory barriers to Connected Care (e.g., geographic limitations, licensure); and
- Establish a non-binding and standardised definition of safe, secure high quality Connected Care through a multistakeholder process.

Conclusion

Technology can be a powerful tool in meeting our healthcare challenges. Through Connected Care, we can embrace new platforms for the delivery of healthcare and improve prevention and wellness efforts to curb escalating rates of chronic disease and rising healthcare costs. But, to

do so, we must move beyond outdated restrictions that limit access and reimbursement, while implementing the right safeguards to ensure the privacy and security of patients' healthcare information. The Alliance's efforts are intended to strike this important balance, while ensuring that Connected Care technologies are made available to support our ever-changing healthcare system.

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1. See Adam Darkins, Telehealth Services in the Department of Veterans Affairs (VA), VA Presentation.
2. See Lori Usher-Pines and Ateev Mehrotra, Analysis of Teladoc Use Seems to Indicate Expanded Access to Care for Patients Without Prior Connection to a Provider, HEALTH AFFAIRS (Feb 2014).
3. Greg Slabodkin, mHealth Summit 2012: Remote Monitoring Invaluable for Reducing Readmissions, FierceMobileHealthcare (5 December 2012) available at <http://www.fiercemobilehealthcare.com/story/mhealth-summit-2012-remote-monitoring-invaluable-reducing-readmissions/2012-12-05>
4. See 42 USC § 1395m(m).
5. 78 Fed. Reg. 74230 (Dec. 10, 2013).
6. See National Telehealth Policy Resource Center, Medicaid available at <http://telehealthpolicy.us/medicaid>; see also American Telemedicine Association, State Policy Toolkit available at <http://www.americantelemed.org/docs/default-source/policy/ata-state-policy-toolkit.pdf>