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Has telemedicine's time finally arrived?

By Peter Barnes | June 13, 2016

Few spaces are more intimate than an exam room. And not long ago, most health systems assumed that a quiet, private clinical setting was essential to the doctor-patient relationship.

But over the last 15 years, trends in personal technology have changed patients' expectations. Payment reform is making virtual care more attractive to healthcare networks. And providers are using telemedicine for a widening range of services — in areas as diverse as pediatric autism consultations and patient monitoring in intensive care.

"We were taught a way to take care of a patient and a way to see a patient, and there was a path that we were all expected to follow. A lot of that was really designed around how we get paid," says Wesley Valdes, D.O., the CEO of Blackspot Labs and the former medical director for telehealth services at Intermountain Healthcare.

Now, as healthcare moves from fee-based to risk-based models, Valdes says, "people are really starting to look at telemedicine and virtual care opportunities as a better way, a more efficient way to do it."

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The question is how soon regulation — and reimbursement — will catch up to those ideas.

"The good news is that every year there is a better and better outlook on payment," says Jonathan Linkous, CEO of the American Telemedicine Association. "The bad news is that not everyone pays for these services yet, particularly Medicare."

Growing fast

How big is telemedicine today? It's hard to estimate the precise size of the market, since it encompasses a wide array of inpatient and outpatient services enabled by communication technology. But this decade, by some estimates, telemedicine has been growing by up to 30 percent per year. An American Hospital Association survey found that 52 percent of American hospitals used telehealth services in 2013, with another 10 percent in the process of implementing them.

Some of the broadest telemedicine initiatives have come from large healthcare networks. In 2008, Kaiser Permanente Northern California introduced phone, email, and video tools integrated with its electronic health records. Those tools generated 4.1 million virtual visits in the first year, with their use more than doubling to 10.5 million visits in 2013.

And at Intermountain Healthcare, a Salt Lake City-based system with 22 hospitals, Valdes' team set up an e-visit service: a website where patients could talk to physicians and go through the same clinical workflow that they'd experience in person. Intermountain also experimented with 3-D videoconferencing and used remote video to connect parents with babies in the neonatal ICU.

"Consumers were starting to expect this from healthcare," Valdes says. It's even trickled to, and benefited, rural communities.

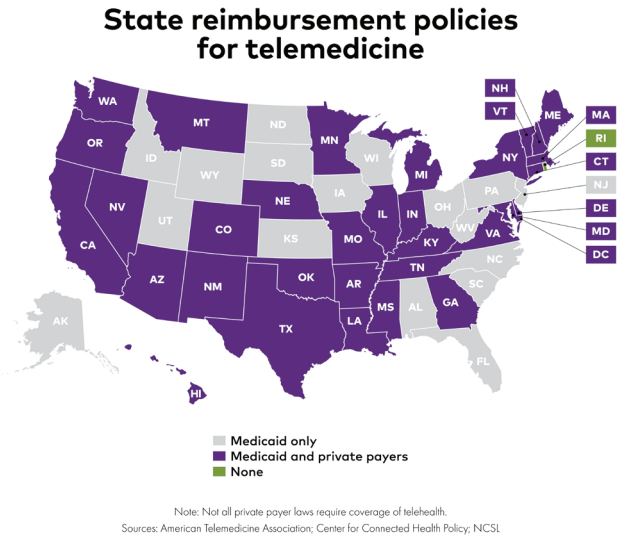
Rules and reimbursement

Valdes and other telemedicine advocates point to studies showing that telehealth can reduce costs and improve patient outcomes (PDF). But they complain that, so far, regulation has lagged behind demand.

For instance, Medicare typically pays for telehealth services only in clinical settings located in rural areas. But change could be coming.

This year, the Centers for Medicare and Medicaid Services fee schedule added six new payment codes for telemedicine related to home dialysis and prolonged inpatient physician visits. Additional changes under consideration would add certified registered nurse anesthetists to Medicare's list of approved off-site practitioners.

Meanwhile, multiple bills pending in Congress would improve physicians' ability to provide telemedicine across state lines and would expand telemedicine coverage through Medicare and veterans programs.



Note: Not all private payer laws require coverage of telehealth.
Sources: American Telemedicine Association; Center for Connected Health Policy; NCSL

Individual states enjoy much broader leeway in how they spend Medicaid dollars on telemedicine. By the National Conference of State Legislatures' count:

- 49 states and the District of Columbia offered some coverage for telehealth through Medicaid in 2015.
- Nearly all of them reimburse for video telehealth services, including some mental health services.
- Half of states provide for telemedicine services that take place at home.
- 17 states pay for remote patient monitoring.
- Nine states pay for store-and-forward services, where interaction does not happen live.

As with Medicare, some legislatures have restricted Medicaid telemedicine services to rural areas, although Nevada, Missouri, Michigan, and Colorado removed this requirement in recent years.

On the private-insurance side of the equation, the Center for American Progress reported that 22 states and the District of Columbia require insurers to reimburse for telehealth at rates comparable to those for face-to-face services.

But licensing poses a challenge to the spread of virtual care. Only a handful of states allow for physicians to practice under a license issued by another state, eliminating the potential for remote access to providers elsewhere in the country.

A 2015 compact by the Federation of State Medical Boards, though, could make it easier for doctors to care for patients across multiple states in the future.

Looking ahead

Though a patchwork of regulations makes adoption complex, advances in technology are making telemedicine more accessible for healthcare organizations of all sizes.

"You don't have to be a Kaiser or an Intermountain or a VA with all that technical prowess and investment," says Valdes. "It's possible these days for an individual solo practitioner or a small clinic group to purchase this equipment and make it work — very similar to what we've all seen with computers that have become smaller, and now they're all in our pockets."

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In urgent care, for example, Nebraska's Bryan Health and CHI Health St. Elizabeth both introduced services in the last year that allow patients to speak with physicians, send photos, and receive diagnoses and prescriptions at home.

And in South Carolina and Tennessee, an urgent care company called Doctors Care began offering telemedicine services on site to help cut patients' time in the waiting room and spread out demand among its 55 clinics.

Assisted by nurses and medical assistants present with the patient, equipment at Doctors Care clinics has allowed remote physicians to conduct otoscope and dermatology examinations. Off-site doctors also have listened in to Bluetooth-enabled stethoscopes and analyzed X-rays taken at the patient's location.

Since introducing telemedicine in 2013, Doctors Care reported it has reduced wait times and increased patient satisfaction.

Indeed, patient demand could be a driving force in telemedicine's growth. Research cited by the American Hospital Association indicates that roughly three quarters of U.S. consumers would use telehealth services — and the same share say that, for them, access to care takes priority over the need for personal interaction with healthcare providers.

Valdes sees a not-so-distant future where remote care becomes a fixture of the services patients expect from their providers. "We have 45 years of experience doing this. Over 13,000 to 15,000 published articles. The information's there. The data's there. We know how to do this and do it very well," he says. "Soon it's going to be a customer expectation to have this as one way to interact with the healthcare system that they choose."

Peter Barnes is a writer in Portland, Oregon.