



State of Louisiana

Department of Health and Hospitals Office of the Secretary

January 30, 2013

The Honorable Scott M. Simon, Chairman
House Health and Welfare Committee
Louisiana State House Representatives
P.O. Box 44486, Capital Station
Baton Rouge, LA 70804-4486

The Honorable David Heitmeier, Chairman
Senate Health and Welfare Committee
Louisiana State Senate
P.O. Box 94183, Capital Station
Baton Rouge, LA 70804-9183

Re: House Concurrent Resolution No. 96 of the 2012 Regular Session

Dear Chairman Simon and Chairman Heitmeier:

House Concurrent Resolution No. 96 (HCR 96) requires the Department of Health and Hospitals (DHH) to submit a report to the House and Senate Committees on Health and Welfare regarding means to expand access to telehealth services in Louisiana. Telehealth is more comprehensive than telemedicine. Telehealth can include innovative methods to deliver health services through home monitoring, synchronous (real-time) or asynchronous¹ interactions. This report recommends a comprehensive telehealth model developed by stakeholders. DHH organized a diverse group of leading health care professionals to serve on the Telehealth Technology Solutions Workgroup (TTS Workgroup). During the past six months, workgroup members researched, studied, and discussed current Louisiana telemedicine policies, telehealth policies in other states and state-of-the-art technologies. From this research the TSS Workgroup developed recommendations for Louisiana's telehealth model.

Currently, telemedicine is defined by R.S. 37:1262 as *"means the practice of health care delivery, diagnosis, consultation, treatment, and transfer of medical data using interactive telecommunication technology that enables a health care practitioner and a patient at two locations separated by distance to interact via two-way video and audio transmissions simultaneously. Neither a telephone conversation nor an electronic mail message between a health care practitioner and patient, or a true consultation as may be defined by rules promulgated by the board pursuant to the Administrative Procedure Act, constitutes telemedicine for the purposes of this Part."*

The current telemedicine definition is limited only to medical care. While these limitations were needed in 2005 when telemedicine was in early development, with the emergence of improved

¹ Asynchronous Interaction – the electronic transfer of medical information that is stored and reviewed at a later time by a consulting specialist. The consulting specialist evaluates stored information and recommends treatment to the primary provider without the patient being present.

technology and the increased use of telehealth, the telemedicine definition has created barriers. The current telemedicine definition does not consider recent technological advances.

Telehealth Model Recommendations

The TTS Workgroup was the result of a collaborative effort by representatives of DHH, nine stakeholder organizations listed in HCR 96, as well as Acadian Monitoring Services and TeleMD360. These organizations believe the utilization of telehealth will reduce health care cost, expand access to health care, and improve quality. The TTS Workgroup thoroughly studied telehealth programs implemented in other states, such as, Georgia, Arkansas, California, and Arizona. The recommendations included in this report redefine telemedicine by expanding the varieties of innovative technologies utilized, suggesting reimbursement options, and incorporating covered health services.

The recommendations are:

- Repeal the provisions of the August 2005 Telemedicine Rule (LAC 50:I.501-503) in its entirety. This Rule has a narrow definition of telemedicine limited only to live interactive audio and video. The provisions do not provide guidance on provider types, reimbursement policies, or location of health services.
- Develop and adopt a new comprehensive Rule redefining “telemedicine” to “telehealth” which incorporates the provisions governing the entire telehealth system—including location of services, modes of delivery, provider types, and reimbursement protocol to encourage private health insurers and Medicaid Program to reimburse for encounters between health care providers and clients regardless of location of patient and, when appropriate health care providers.
- Secure federal approval from Centers for Medicare and Medicaid Services (CMS) for Louisiana Medicaid to reimburse for additional modes of delivery, i.e., (home monitoring, asynchronous interactions) through the submission of a State Plan Amendment if proven to be budget neutral.
- Revise the Louisiana Medicaid Provider Manuals and other agency resources to reflect program changes.
- Identify and recognize a "Face-to-Face" Consultation Standard - An evaluation and management service performed by a clinician and a patient when both are simultaneously located in the same room; allows direct visual contact during interview and hands-on physical examination.
- Identify and recognize a Telehealth Consultation Standard - An evaluation and management service performed by a Clinicians and patients separated physically or in time during the consultations (e.g., live videoconferencing from two locations, or asynchronous communication relying on "store and forward" systems to share clinical information).

- Assure that all telehealth consultations be performed in accordance with the same standards of care as “Face-to-Face” consultations so as to not compromise patient safety and confidentiality. Performed telehealth services must also be documented using established evaluation, management, documentation and coding standards.
- Recognize pre-existing doctor-patient relationships as criteria for patients to connect with their doctors from home or remote locations on private telehealth conferences to address straightforward problems or follow-up consultations.
- Assure that all telehealth consultations must be performed in accordance with State, Food and Drug Administration, Health Insurance Portability and Accountability Act (HIPAA) and/or other existing regulatory requirements designed to protect the safety and privacy of patients and their personal health information.
- Establish reimbursement for in-home telehealth monitoring based on specific criteria:
 - Eligibility (i.e. 3 hospitalizations in past year, repeated use of ED, certain disease processes, etc.)
 - Face –to- face visits
 - Type of equipment utilized
 - Frequency of data transmission
 - Clinician/patient encounters for data review.
- Develop a model of telehealth to redesign the current infrastructure in Louisiana- migrate from the current series of separate ‘silo’ telemedicine networks to a shared/joint arrangement.
 - Establish a 501(c) (3) entity to administratively manage telehealth services and infrastructure.
 - Conduct analysis of projected savings in transportation costs and emergency room visits.
 - Continue workgroup efforts to plan and implement shared telehealth network.
- Continue research and gather fiscal information on host/presenter facility reimbursement fees.

Concerns about the Recommendations

Health care providers and administrators are often enthusiastic about telehealth adoption; however remote health care facilities are usually hesitant to implement telehealth due to the lack of a host/facility reimbursement fee. To implement a telehealth program, remote health care facilities will need to purchase equipment and have staff available to coordinate telehealth services. These additional costs and resources to the remote health care facilities have limited their adoption of telehealth services.

Due to current budget restraints, the Medicaid Program will need to thoroughly assess recommendations related to reimbursements for host/facility fees and home monitoring. Telehealth has shown to have a significant savings on travel costs, emergency room visits, and length of acute hospital stays. It is important to consider leveraging the above savings and cost shift to cover potential reimbursement fees.

This report does not suggest insurance mandates, reimbursement or contractual obligations to be considered in the expansion of telehealth access. The private health insurers and the Medicaid Program will need to evaluate their current policies and adopt guidelines to enhance telehealth utilization among health care providers to improve patient access and quality of care based on their respective business models.

Benefits of Telehealth

Recent developments in technology have enabled telehealth to increase access to high-quality health care services and produce economic benefits. Research cites three methods telehealth can produce an economic benefit. The first is patients can avoid hospital transfers by receiving telehealth consultation services, therefore reducing transportation expenses. In emergency situations, like stroke care, telehealth can provide guidance to physicians to administer life-saving drug therapy. The second method is home monitoring of patients with chronic diseases which can result in decreased hospitalizations. Finally, telehealth can enhance the marketability of rural health facilities and keep more health care dollars in the local economy.

In addition to telehealth economic benefits, results in patient health outcomes have been optimal. Recent studies have found that new telehealth applications, such as, remote patient monitoring, have reduced overall costs, and improved health outcomes for target populations.² Two recent studies in Louisiana and Indiana, respectively, had very promising results related to home monitoring:

- Louisiana State University Health Care Services Division and Acadian Monitoring Services conducted a study on home monitored congestive heart failure (CHF) patients and concluded that the home-monitored group had less than half as many inpatient stays and inpatient days as the control group.³
- St. Vincent Health in Indianapolis experienced a 5% readmission rate in CHF and chronic obstructive pulmonary disease patients that were home monitored after hospital discharge

² Darkin, A., et al., "Care Coordination/Home Telehealth: The Systematic Implementation of Health Informatics, Home Telehealth, and Disease Management to Support the Care of Veteran Patients with Chronic Conditions," *Telemedicine and e-Health*, p. 1118-1126. (Dec. 2008).

³ Arcement L, J Besse, W Rasmussen, C Arabie, T Church, F Cerise, M Kaiser, R Horswell. Use of Care Coordination and Home Tele-monitoring to Improve Outcomes for Heart Failure Patients within a Public Hospital and Clinic System. (Publication in development)

compared to 20% in the control group; the national average is about 20% or 21% for those two diagnoses.⁴

DHH will utilize every opportunity to engage public-private partnerships to expand telehealth access in Louisiana. DHH regularly facilitates meetings and maintains an ongoing relationship with the following stakeholders and partners listed in HCR 96:

- (1) The Health Care Services Division of the Louisiana State University System.
- (2) The Tulane University School of Medicine.
- (3) The Louisiana State Medical Society.
- (4) The Louisiana Primary Care Association.
- (5) The Louisiana Health Care Quality Forum.
- (6) The HomeCare Association of Louisiana.
- (7) The Louisiana Hospital Association.
- (8) The Louisiana Association of Health Plans.
- (9) The Louisiana Cable and Telecommunications Association.

The Department is committed to facilitating efforts to build the infrastructure and capacity for Louisiana to have a robust telehealth system. Telehealth is crucial to addressing issues of statewide healthcare provider shortages and improving health outcomes. DHH would like to continually assist with advising on telehealth state policies that will stimulate adaptability to integrate new health care technologies and financing options.

Thank you for allowing us to present information that shows the efforts DHH has made in studying means to expand telehealth services access. Should you have any questions about this correspondence, please contact Carol Steckel, DHH's Center for Health Care Innovation Director, at (225) 342- 5275.

Sincerely,



Kathy Kliebert
DHH Deputy Secretary

Cc: The David R. Poynter Legislative Research Library

⁴ Shaw, G. "Remote Monitoring to Cut Readmissions: One Year later Beacon Pilot Preps for Future," Fierce HealthIT. (Nov. 2012). <http://www.fiercehealthit.com/story/remote-monitoring-cut-readmissions-one-year-later-beacon-pilot-preps-future/2012-11-14>