

Memo

To: Members, House Health Policy Committee
From: Adam Carlson, Senior Director, Government and Political Affairs
Date: Feb. 27, 2020
Re: HB 5412 - 5416
Position: Support

Telemedicine continues to be one of the fastest growing and most popular methods of delivering medical services. American Hospital Association data shows that between 2010 and 2017, the percentage of hospitals offering virtual care services grew from 35% to 76%. Telemedicine adds value and affordability for patients, helps address physician burnout and delivers savings to payers. Despite the clear benefits that have led to virtual care expansion, policy barriers remain in place for the reimbursement of telemedicine services in Michigan. House Bills (HB) 5412 – 5416 would seek to address some of those barriers.

Store and Forward – HB’s 5412 through 5414

Store and forward visits, or asynchronous visits, improve efficiency and access by allowing virtual care to be provided without the use of real-time interactions between the patient and provider. Michigan statute currently requires providers to have real-time interaction with a patient to receive Medicaid reimbursement for telemedicine services. HB 5412 - 5416 would allow for health history and patient-provider discussions to be transmitted through secure electronic means asynchronously, and allow for Medicaid reimbursement of those services.

Store and forward interaction provides an easy way for patients and providers to share questions and provide preventative care without costly office visits. According to American Medical Association data, nearly 75% of all doctor, urgent care and Emergency Department visits “are either unnecessary or could be handled safely and effectively over the phone or video.” Asynchronous telemedicine visits further promote efficiency of resources, as the Veteran’s Health Administration experienced a 51% reduction in readmission rates after implementing telemedicine visits for post-cardiac arrest care. The MHA supports allowing for store and forward messaging to facilitate telemedicine visits.

Remote Patient Monitoring – HB 5415

Remote patient monitoring (RPM) is technology used to collect health data from an individual that is automatically transmitted to a healthcare provider in a different location for assessment and recommendations. These tools can drastically improve the quality of telemedicine visits, as the health professional can electronically receive patient-generated health data such as vital signs, temperature, and more. There are currently no Michigan regulations that touch on RPM. HB 5415 would direct the department to provide for Medicaid reimbursement of RPM devices.

Brian Peters, Chief Executive Officer

The benefits of RPM devices are already being seen, with more than 61% of hospitals reporting RPM capability in 2017. A 5-year study from St. Jude showed that implantable RPM devices produced cost savings of more than \$370,000 per 100 patients each year, 10 fewer hospitalizations and 119 fewer days in the hospital. RPM devices would potentially reduce readmission rates, improve the quality of telemedicine visits and save taxpayer dollars. The MHA supports allowing Medicaid reimbursement for RPM devices.

Originating Site – HB 5416

A major obstacle to the adoption of telemedicine services is that insurance coverage is based on the originating site, or the location of the patient when they receive virtual care, and accepted sites are limited. Currently in Michigan, Medicaid only reimburses for telemedicine services when patients are located at certain approved health facilities. HB 5416 would expand the originating site definition to allow for Medicaid reimbursement when the patient is at home or in a school, as well as eliminate geographic restrictions on which provider a patient may interact with.

Allowing patients to access health professionals from home or school could have significant positive impacts on health outcomes, efficiency and quality of care. Telemedicine addresses multiple barriers of access, such as lack of transportation, difficult work or school schedules and certain comorbidities that might delay service. Recent trends show significant growth in telemedicine utilization among patients 85 years and older and that 85.4% of all beneficiaries of telemedicine services had at least one mental health diagnosis. It can also be beneficial in managing physician resources, as more patients can have access to specialists without wait or travel for the patient or provider. The MHA supports expanding the definition of “originating site” to allow for reimbursement of telemedicine services provided to a patient who is at home or in a school.