The Emergence of Telehealth in Workers' Compensation

Wisconsin Workers’ Compensation Forum

The Emergence of Telehealth in Workers’ Compensation

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Presenters

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Emergency Room Physician

Key Objectives

- Background
- Overview of Telemedicine
- Impact in WC
- Savings to be Achieved
- Technology Demonstration
- Physicians View in Workers Comp
- Candidate Injuries
- Outlook for the Future
About Telehealth - Facts

- Telehealth has been around for over 40 years
- Telehealth is now the second fastest growing industry in the United States today
- The telehealth industry is predicted to grow to $34 billion by 2020

About Telehealth - Definitions

Telehealth defined: Telemedicine is the use of medical information exchanged from one site to another via electronic communications to improve a patient’s clinical health status. Telemedicine includes a growing variety of applications and services using two-way video, email, smart phones, wireless tools and other forms of telecommunications technology.

Telepresence defined: The use of a set of technologies that allows individuals to feel as if they were present, to give the appearance of being present, or to have an effect at a place other than their true location. Telepresence generally means the use of means HD quality audio/video.

Sources: 1-2 - American Telemedicine Association

Market Forces Influencing Adoption of Telehealth

- National Physician Shortage:
  - Baby boomer retirees, medical malpractice insurance, Reduction is profitability due to Affordable Care Act
  - Estimated shortage of 80,000 physicians by 2020

- US Employer Productivity Slump:
  - Productivity defined as goods and services produced each hour in US is decreasing – lowest levels since 1970
  - Productivity is a key ingredient in determining future growth in wages, prices and overall economic output
  - US Companies are not investing in new equipment, software, and facilities to increase productivity

Sources: (1) Med City News, (2) Wall Street Journal
Market Forces Influencing Adoption of Telehealth

- Economic Conditions & Profitability Pressure
  - 2008 financial crisis reduced amount of money payers invested in information technology resources
  - Workers compensation payers also reducing amount of case management on files – specifically travel and wait costs
  - Managed care executives continue to focus on mitigating claims costs and increasing utilization of outcome-based networks

- Telehealth Billing Code Adoption in Multiple States
  - 35% Average savings
  - Over 60% savings on select codes
  - WI has adopted a partial list of codes

Technological Advances Influencing Adoption of Telehealth

- Advancements in Tablet and Mobile Technology
  - Mobile apps
  - Video streaming
  - Face time – Two Way Video

- Increased Adoption of EMR Systems
  - More hospitals and private physician practices investing in technology
  - Doctors realizing technology eliminates administrative burden and increases number of visits
  - Increase in e-prescribing

- Secure HIPAA Compliant Messaging Tools
  - Email
  - Text messaging
  - Chat – Instant messaging
  - Two-way video communication – Skype-like

- Bluetooth Enabled Medical Devices
  - Visual Scopes, Height/Weight Scales, Blood Pressure, Temperature, Other

- Remote Patient Monitoring
  - Also includes wearable devices
Current Challenges in Treatment of Work Comp Injuries

- Lag in reporting time
- Subjective assessment only-off site
- Treatment with providers who don’t understand WC-ER/UC
- Loss of productivity, delays in care
- Unnecessary or excessive travel
- Gaps in care/communication
- Follow up and administrative tasks excessive

Over $1B spent on direct work comp costs – triple was spent on indirect costs.

Traditional Workers' Compensation Models in Jeopardy

- Disruptive Innovation
- Allows Objective Triage at Initial Time of Injury
- Virtual Task Assignment
- Eliminates Geographic Barriers and Time Lags
- Faster Return to Work (RTW)
- Equals Better Outcomes and Translates into More Productive Employees

According to the American Medical Association, up to 70% of all patients could be treated virtually.

Average Physician Office Visit Facts

- The average total time for a medical visit - 121 minutes
  - 37 minutes in travel time
  - 84 minutes in the clinic (This includes check in, wait time, seeing physician, etc.)
- The average total time for an emergency room visit: 2 hours.
- The average time for a televisit: 15 minutes

Adults in the US spent 1.1 billion hours of unnecessary travel to the doctor and waiting in the clinic. Resulting in lost productivity and money spent.
Average Medical Costs-Nationally

- Average Urgent care visit: $155
- Average Emergency Room visit: $2168
- Lost productivity: 2 hours

Telehealth Savings Example 1:

- Average OV-Initial In Person 60 minutes CPT 99205 $313.71
- Average Telehealth Consultation 60 MIN CPT G0426 $194.79
- 62% Savings

Telehealth Savings Example 2:

- Average OV-Follow-Up In Person 25 minutes CPT 99214 $161.74
- Telehealth Follow-up Consultation 25 MIN CPT: G0407 $103.86
- 64% Savings

Telehealth Case Study – Regional Carrier

- Network Discount Savings:
  - Midwest Regional Insurer
  - Significant Medical Spend in States Where Telehealth Billing Codes Adopted
  - Over $3 Million in Annual Medical Spend in those States
  - Net Savings of Over $200k or 10% of Paid Medical through Telehealth Utilization
- Additional Savings Considerations:
  - Reduction in Field Case Management Travel & Wait
  - Reduction in Legal Involvement in Claims Treated through Telehealth
  - Increase in Worker Productivity

Technology Demonstration - CHC Access
Medical Provider Views on Telemedicine

“2015 was the year that virtual visits went from an ‘up-and-coming trend’ to a ‘stay in business application’ for payers and pharmacy chains.”

Dr. Joseph Kvedar
Partners Connected Health

Source: Tahir D, “Telehealth services surging despite questions about value,” Modern Healthcare, February 2015; Market Innovation Center research and analysis.

Telehealth Benefits to Healthcare Providers

- Better Care Outcomes
- Less Hospital Readmissions
- Happier Patients
  - Increased convenience
  - Quicker outcomes
- More Profitable Practices

Source: eVisit

Top Treated Injuries through Telehealth in Workers Comp

- Burns
- Lacerations
- Sprains/Strains of Any Body Part
- Infections
- Contusions
- Medication Management
- Post Op Checks
**Provider Adoption in Telemedicine**

**57%**
Physicians willing to see patients via video in 2015

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**Projected Increase of Telehealth Visits from 2015-2020**

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<th>Type</th>
<th>2015</th>
<th>2020</th>
<th>% Increase</th>
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<td>Overall</td>
<td>16,900,000</td>
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<td>14,500,000</td>
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<td>Specialist</td>
<td>2,100,000</td>
<td>5,400,000</td>
<td>157.1%</td>
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**Thank You & Questions**

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**Telehealth is the fastest growing healthcare improvement model in history. Workers’ Compensation Carriers, TPAs, and Self-Insured organizations are rethinking care delivery.**