

Wisconsin Workers' Compensation Forum

The Emergence of Telehealth in Workers' Compensation



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Presenters



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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 in profitability due to Affordable Care Act
 - Estimated shortage of 90,000 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



Source: (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



Technological Advances Influencing Adoption of Telehealth

- **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

TeleHealth Market Facts

76% of patients prioritize access to care over need for human interaction with providers.

Over \$1.24B is Spent Weekly on Direct Work Comp Costs – \$3X– \$4X 's additional spent on indirect costs. Totalling over \$4B weekly.



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

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

Source: Deloitte Customer Experience Report, 2013

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 time traveling to the doctor and waiting in the clinic. Resulting in lost productivity and money spent.

Source: Harvard Medical Journal

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

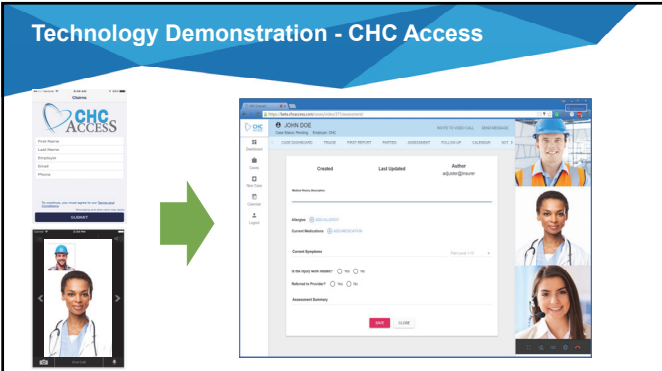


Telehealth Case Study – Regional Carrier

- **Network Discount Savings:**
 - Midwest Regional Insurer
 - Significant Medical Spend in States Where Telehealth Billing Codes Adopted
 - Over \$1 Million in Annual Medical Spend in those States
 - Net Savings of Over \$100 K or 15% off 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 O, "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



Projected Increase of Telehealth Visits from 2015-2020

Type	2015	2020	% Increase
Overall	16,900,000	26,900,000	59.2%
General Care	14,500,000	21,500,000	48.3%
Specialist Consults	2,100,000	5,400,000	157.1%

Sources: McCann E, "Telehealth Sees Explosive Growth," Healthcare IT News, June 2013; Market Innovation Center research and analysis.

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.