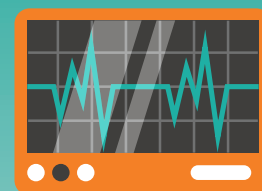




The Status of Telemedicine in Missouri

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Telehealth — the use of electronic information and telecommunications technologies to support and promote long-distance clinical health care, patient and professional health-related education, public health, and health administration.

Introduction

Technology has the power to transform health care. Big data, smart medical devices and electronic medical records technologies, along with other advances, have created a new model of health care. However, the state and federal policies governing the use of cutting-edge advances — and widespread technology adoption — often lag behind technology’s potential.

One area of promise in advanced health care delivery is telehealth. The continued expansion of broadband into rural and frontier communities has allowed the delivery of health services to expand beyond the in-person clinical visit into the virtual realm. Significant investments are being made to capture the value of the technology. However, myriad issues remain. Addressing the policy and regulatory challenges will be essential to harnessing the power of virtual care.

The federal government defines¹ telehealth as “the use of electronic information and telecommunications technologies to support and promote long-distance clinical health care, patient and professional health-related education, public health, and health administration.” The focus of this research will be the influence of telemedicine — a subset of telehealth — on patient access, the potential regulatory challenges to the adoption of telehealth, provider payment and licensure issues.

Background

Demographically and geographically, Missouri is similar to other largely rural states. Missouri currently has 42 rural counties without a hospital. Approximately 30 percent of Missouri's population resides in rural areas, but only 9 percent of Missouri's licensed physicians practice in rural areas. Rural Missourians travel twice as far for inpatient and emergency department care than their urban and suburban counterparts.² The workload of a primary care physician in a Missouri county without a hospital is almost three times higher than in counties with a hospital.³ According to the Missouri Department of Health and Senior Services, 13 Missouri counties have only one primary care physician — none of these counties have a hospital.

Shortages in the hospital workforce are adding to the challenge.⁴ MHA's 2017 Workforce Report found staff nurse vacancy rates at 15.9 percent statewide — the highest level in the 16-year history of the survey. Nurse practitioner vacancy was 11.4 percent and physician assistant vacancy was 14.7 percent.

Identifying trained health care professionals to serve in rural communities can be difficult, especially for physician specialists, but also for a variety of non-physician practitioners. According to research from Merritt Hawkins, fewer than 20 percent of final year medical residents want to locate in communities with less than 100,000 residents. Only 1 percent indicated a desire to work in communities of 10,000 or fewer.⁵ This creates a problem for rural hospitals and the patients they serve.

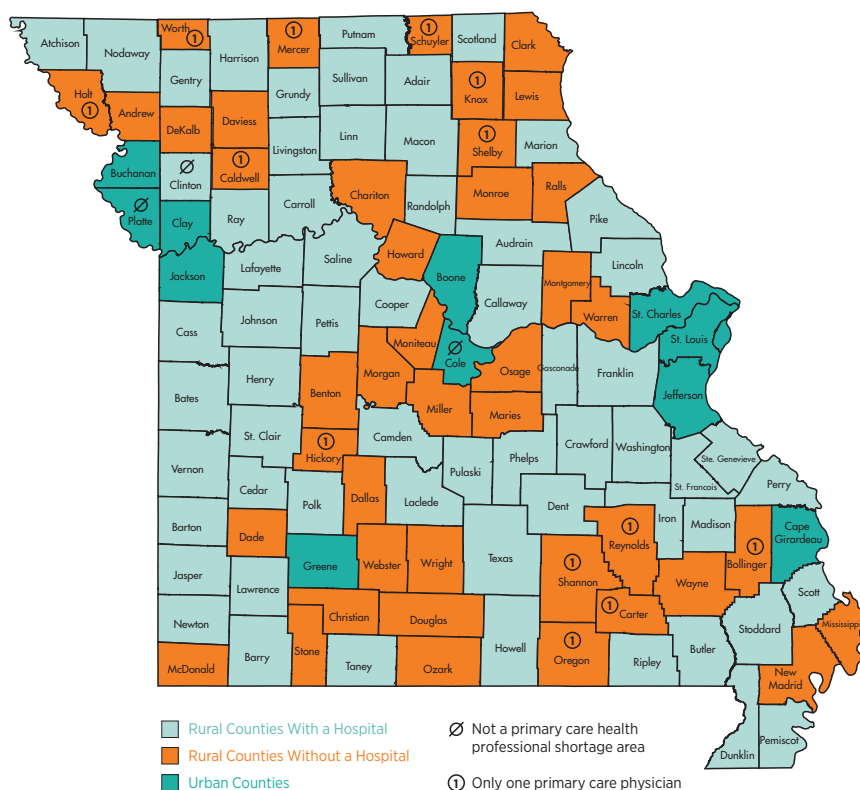
Health professional shortage areas are designated by the federal government. An HPSA designation indicates an inadequacy in the primary care, dental or mental health workforce relative to the population. Moreover, HPSAs are designated by geographic,

The workload of a primary care physician in a Missouri county without a hospital is almost three times higher than in counties with a hospital.³

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demographic and institutional considerations.⁶ HPSA designation is important to affected communities as HPSA communities can access federal funds to mitigate workforce shortages.

Missouri is comprised of 114 counties and the independent City of St. Louis. Except for two counties in the Kansas City metropolitan area and Cole County in central Missouri, all Missouri counties qualify directly, or have institutions that qualify, as a primary care HPSA.³ According to the Health Resources and Services Administration, Missouri needs an additional 394 full-time equivalent primary



care health professionals to meet the needs of the population. However, communities struggle to recruit and retain new physicians — primary care and specialists — when there isn't enough support to provide professional interaction, collaboration and coverage for time off. Moreover, specialists may find that demand is insufficient within their specialty.

A shortage of primary care providers can create access problems for rural communities, leading to increased wait times for appointments, increased travel to care, and difficulty in follow-up care and assessments.

Missouri's behavioral health needs are especially pronounced. One in 10 Missouri adults have a serious mental illness, and 40 percent of those adults go without treatment. Nearly 1 in 10 children between the ages of 12 and 17 in Missouri experienced a depressive episode during the previous year. At the same time, access to mental health services are particularly limited — 90 percent of counties are federally designated mental health shortage areas and 61 percent have no licensed psychiatrists.⁷ This shortage results in average wait times to see a psychiatrist of 10 to 30 days for adults in Missouri, and up to six months for children and teens.

Opportunities for Telehealth

Telehealth is an expanding segment of the health care marketplace, with an estimated compound annual growth rate of approximately 32 percent between 2013 and 2018.⁸ Telehealth has the potential to deliver otherwise unavailable medical services to remote locations, improving the penetration of specialty care and supporting existing health infrastructure in HPSAs.

Telehealth creates a two-fold opportunity for rural providers — provider education and patient access to care.⁹ According to David F. Schmitz, M.D., President of the National Rural Health Association, through telehealth, “virtual communities” like the University of Missouri's Project ECHO, can expand access to best practices and bring more support to rural hospitals and clinics.

Discussing the value of telehealth for rural access, Schmitz continued, “Telehealth is an example of one of the most important technologies for rural providers. In 2013, over 40,000 rural beneficiaries received at least one telemedicine visit, and this number is expected to continue to grow. If rural providers are to move toward an online future, they must invest in necessary technological infrastructure and systems.”

Telemedicine and telehealth offer new opportunities for rural patient access and increased interaction between practitioners. However, the challenges to implementation are manifold.

Eligibility and Payment

Requirements for telemedicine services vary by program and payer.

Medicare

Medicare restricts telehealth services to beneficiaries that live in counties outside of a metropolitan statistical area and within an HPSA. Although this would include most rural Medicare beneficiaries, the list of eligible services and authorized practitioners further restricts the scope of telemedicine delivery.¹⁰



Source: HIDI HealthStats

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While current Medicare restrictions may be preventing a broader adoption of telemedicine, there are signs that policymakers are considering changing rules and regulations to allow greater utilization. The Centers for Medicare & Medicaid Services, through the Innovation Center, has allowed certain models and demonstrations to broaden access to telehealth services. In fact, the Innovation Center already has identified that waiving requirements regarding the originating site would be the best way to provide greater access to telehealth. Congress also is realizing the benefits of telehealth, and several bills have been introduced to reduce the restrictions imposed by federal law and regulation.

Medicaid/MO HealthNet

To participate in telehealth through Missouri's Medicaid program — MO HealthNet — providers must be enrolled in MO HealthNet and approved by the Missouri Telehealth Network.¹¹ Certain provider categories and patient locations are defined. However, the MO HealthNet program has proposed new rules that will expand the number of providers that can use telehealth and increase the variety of sites where telehealth services may originate. These rules implement state legislation enacted in 2016.

Under the proposed rules, MO HealthNet would expand eligible originating sites beyond traditional facilities like physicians' offices, hospitals and clinics, to residential treatment facilities, schools, homes and designated areas in pharmacies. The rule also would expand the types of providers that can participate in telemedicine services from physicians, advanced practice registered nurses and psychologists, to include physician assistants, assistant physicians, dentists and oral surgeons, psychologists, social workers and counselors, pharmacists, podiatrists, optometrists, and speech, occupational and physical therapists. The

proposed rules also would allow for asynchronous store-and-forward technology and remote home monitoring. Store-and-forward technology allows the transfer of pictures, videos, and audio and text files through telecommunication for consultation without requiring the simultaneous presence of the patient and their provider. Remote home monitoring allows those patients with chronic conditions at high risk of hospitalization to be safely monitored without being institutionalized. In addition, the state requirement to obtain the Missouri Telehealth Network's technology and security approval of the telehealth service has been replaced with acceptance of the security and encryption standards of the National Institute of Standards and Technology.

Commercial Insurance

In 2013, Missouri law was updated to require private insurers to cover services provided through telemedicine if they cover the same services in-person.¹¹ This is not the case in all states. However, there is no specific requirement that commercial providers pay a facility fee, which is allowed under the state's Medicaid program.

Telehealth in Missouri

An MHA survey of rural hospitals found that more than half of participating hospitals used telemedicine. Among this same sample, more than 80 percent indicated that telemedicine helped them retain patients within their community. Nearly all indicated that reimbursement was an obstacle in telemedicine use, while one-third indicated access to broadband was an issue.¹¹

Outpatient telemedicine with the MO HealthNet program as the primary payer included 1,700 patient visits between Oct. 1, 2014, and Sept. 30, 2016. The year-to-year increase between the periods was more than 17 percent among the participating hospitals.¹² All of these Medicaid patient encounters occurred in HPSA areas or facilities. Moreover, most of the activity was within hospitals that are part of a larger hospital system. Among these system-affiliated hospitals, more than half were affiliated with a system that has made a significant investment in virtual care.

The American Telemedicine Association publishes an annual scorecard rating the 50 states on the adoption

and utilization of telemedicine and telehealth, and listing the gaps that may prevent full implementation of these services.¹³ Missouri has earned a grade of “B” for 2017. This better than average grade is a reflection of Missouri’s policies towards telemedicine and telehealth. Items included in the scoring process were the presence of parity laws, inclusion of telemedicine in the state employee health plan, and allowable covered providers, services and settings in the state’s Medicaid program.

REACHHealth, a telemedicine software company, conducted a nationwide survey of health care executives, physicians, nurses and other professionals,



Source: MHA survey of Missouri rural hospitals

to benchmark the telemedicine industry.¹⁴ Participants rated their successes as providing rural patients' access to specialists, improving patient convenience, and increasing patient engagement and satisfaction. Major challenges reported were Medicare and Medicaid reimbursement, inadequate parity laws, and lack of common electronic health record platforms between hub and spoke hospitals.

It appears that in Missouri, those that are embracing telemedicine are looking beyond the service line return on investment. Current reimbursement rates at the originating site cannot justify the investment of financial and human capital required to implement telemedicine services. The success of telemedicine must be measured outside a line item on a financial statement. Missouri's rural hospitals are investing in telemedicine to increase patient access to professional and clinical services not available in local communities. They are taking advantage of clinical expertise available remotely to supplement the care being delivered locally. Hospitals and health systems are looking at telemedicine as an opportunity to build relationships between patients, providers, employers and payers. Increased technological capabilities are allowing for smart systems that can help doctors, nurses and other caregivers to monitor and respond more quickly to changing patient situations.

Policy Considerations

Reimbursement

MO HealthNet has taken a proactive approach to reimbursement for telemedicine, and Missouri statutes require payment parity for telemedicine services. Medicare has participated in demonstration activities to assess the value of telemedicine and telehealth, but continues to have strict limits on services by provider and beneficiary class.

Both the "originating" location and the "distant site" of telehealth have fixed costs of investment in equipment, yet reimbursement for the distant site is small. There is no requirement for a facility fee among commercial providers for delivery of telemedicine services to a distant site.

Telemedicine should be considered and reimbursed the same as in-person care. The technology is not a low-cost substitute for in-person care, but an opportunity to extend access.

Workforce and Staffing

Rural providers indicate that telemedicine has allowed them to keep patients within the community. However, provider availability at the originating and distant sites are required for an effective system. Rural providers must have access to broadband, in addition to the technical and clinical staff to make telemedicine operational. Originating sites must have appropriate clinical staff to deliver the service.

Physicians' buy-in is essential. Physicians and physician extenders — including APRNs and PAs — must be trained on the technology and embrace its use. Obstacles to reciprocity should be addressed to increase the pool of available providers. This will expand the capacity of originating sites to additional venues, and allow distant sites wider opportunity to accept telemedicine services in Missouri and elsewhere. Interstate licensure compacts could open opportunity for telemedicine delivery across state lines and nationally.

Behavioral health services are a significant portion of telemedicine delivery. Expanded access to telemedicine for behavioral health services could help mitigate the significant shortage of providers in behavioral health HPSA counties.

Broadband

Access to broadband has the potential to expand the availability of numerous technologies to rural and frontier hospitals and the communities they serve. MO Broadband Now is a public-private initiative to expand broadband to all of Missouri's communities. Through the initiative, all Missouri hospitals now have access to broadband. To fully realize the value of telehealth, broadband must be expanded throughout rural Missouri. The state and federal governments should continue to partner with hospitals, other providers and the private sector to ensure rural communities have the bandwidth to capitalize on advances in health care technologies. Rural communities have a higher percentage of Medicare beneficiaries and Medicaid enrollees than suburban and urban areas. Improvements in delivery of care and value are linked to broadband technology access.

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