

OUTSIDE **THE** LINES

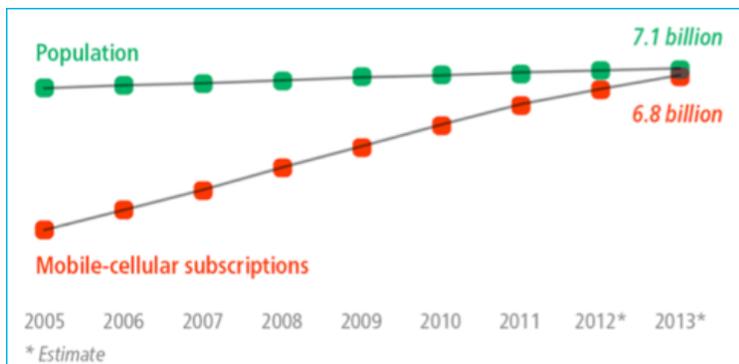
THE "GO DIGITAL" REVOLUTION IN AMERICAN MEDICINE

Our Innovation Series has so far covered the New Front Doors of "Retailized" Primary Care and the Urgent Care / Care on Demand explosion. This is Part 3 in our series, featuring telehealth innovation trends and how healthcare organizations – both insiders and outsiders – are working together to re-invent care delivery.

In 2015, more than 800,000 U.S. medical consultations were provided virtually, via people's computers, smartphones, or other mobile devices; [it is estimated](#) that these will increase four-fold by 2018, to 3.2 million patients who will "go digital" for their healthcare. Citing the nearly 7 billion worldwide mobile-cellular subscriptions, almost the size of the entire global population, [Forbes noted](#) in June 2015: "The incredible speed of mobile phone and smartphone adoption will revolutionize health education and access to care."



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Telemedicine, or “telehealth” – including real-time, store-and-forward, remote patient monitoring, and mHealth modalities – is not new for most healthcare executives. We’ve known about this trend for many years. The pace of its growth, though, and its place today in medicine, are profound. The AHA wrote a two-part *TrendWatch* series ([Part I](#) and [II](#)) that addresses and explains the current – and constantly evolving – “promises for telehealth.” The series covers the mechanisms for payment / health plan reimbursement, legislative hurdles that are being resolved every day and in every state, and the large-scale acceptability of telemedicine among physicians, patients, and consumers. To summarize:

- More than half of America’s hospitals have a telemedicine program.
- Consumers are paying out-of-pocket for virtual care, including a wide array of general tele-consults and many tele-dermatology, tele-psychiatric and other tele-care services.
- Private employers and Medicaid typically cover telehealth services.
- Traditional Medicare does not, but AARP, the AMA, the American Academy of Family Physicians, and others are pushing for change.
- Medicare Advantage plans and ACOs can opt out of CMS’ restrictions and, as a result, more and more are covering telecare for seniors.

In addition, there are many interesting hospital-based telemedicine case studies, including especially the major programs of the [UVA Center for TeleHealth](#), started in 1994, and the [Mercy Virtual Care Center](#), started just last year. Also, there are interesting examples of large health systems that have elected to partner with innovators to accelerate their telemedicine capabilities. Specifically:

- Sentara Health, a health system in Virginia and North Carolina with 12 hospitals, 5 medical groups, and more than 100 sites of care, opted to partner with MDLIVE in 2012. Through this partnership, they provide “Sentara MDLIVE” exclusively for

their patients and consumers locally. Also, as an equity owner in Sentara, they are working hand-in-hand with the MDLIVE team to offer the model for other hospitals and health systems in markets across the country.

- In April 2015, MultiCare Health System with 5 hospitals, the MultiCare Medical Associates (MMA) medical group, MultiCare Connected Care CIN, and its nearly 100 sites of care, announced a partnership with Doctor on Demand to be its exclusive provider for video doctor visits in the state of Washington.
- In December 2015, Meridian Health, owner of Jersey Shore University Medical Center and a health system based in New Jersey with more than 100 care locations, selected Teladoc to be its virtual physician visits partner.

As demonstrated by these health systems and many others, traditional medical practices are changing, whether we like it or not, whether we agree with them or not. No doubt, it took guts and determination for the physicians and administrative leaders at Sentara, MultiCare, and Meridian to add a network of tele-doctors to their care continuum and change the way they envisioned care. I know for a fact that there were quite a few difficult discussions with the medical staff and medical group doctors at these organizations, addressing their concerns about competition and care management disruptions, but they found their way through, and we applaud their pioneering steps toward transformation.

Go small digital strategy, or go big digital strategy. Either way, join this telehealth revolution.

Always looking ahead,

A handwritten signature in black ink, appearing to read "Kim King". The signature is stylized and cursive.

Kim Athmann King, MBA, FACHE

NEWS ALERT! WHAT'S HAPPENED THIS WEEK

About 6 days ago, amidst all of the hubbub of President Obama's budget proposal – including its billions of dollars in proposed Medicare cuts – a less-mentioned item is important to note on the subject of telemedicine. The budget proposal includes the ability of Medicare Advantage organizations to expand medical services via telehealth. According to the [American Telemedicine Association](#), “this marks the first time that any White House has included specific telehealth improvements in its proposed budget. The proposal is estimated to generate more than \$160 million in savings over 10 years. Also, more than 16 million Medicare Advantage beneficiaries would be impacted.”

WHO WE'RE WATCHING

In addition to MDLIVE, Doctor on Demand, and Teladoc, HealthTap is another telemedicine innovator that, according to the company, is “more than a telemedicine company.” Started in 2012 in Palo Alto HealthTap's vision is to become the worlds' most trusted online companion, “with people using their mobile or wearable devices as remote controls for all of their health needs.” The company is well-funded, having raised nearly \$40 million in capital via five separate rounds of financing. More than 75,000 licensed physicians across the U.S. are part of what they call their “Medical Expert Network.” In June 2015, HealthTap added a partnership with Quest Diagnostics to enable remote patient connections to not only prescription, but also lab, referrals.

Innovation packets on MDLIVE, Doctor on Demand, Teladoc, and HealthTap are included in our [ZIGZAG Healthcare library](#). Contact [Kala Kascht](#) if you want to receive a sample copy of either of these innovation packets and see a demo of the complete ZIGZAG Healthcare website, a one-stop source focused exclusively on new ideas and innovations in healthcare.

WHAT'S TRENDING

Back to the note related to Medicare and payment (or “non-payment”) for telemedicine services. According to a June 2015 [Washington Post story](#), while teleconferencing technology has been available for nearly 20 years, fewer than 1% of Medicare beneficiaries use it. Also, of the program's total 2012 spending of \$466 billion, only about \$5 million was paid out for telemedicine services. Other than for Medicare Advantage members, the traditional Medicare program has tightly limited telemedicine payments to patients in certain rural areas and even there, Medicare patients must already be at a clinic, which limits its utility. Congress – per the recommendation of the Congressional Budget Office – is concerned that telemedicine services would add “too much convenience” and, therefore, increase utilization and costs. But the telemedicine industry and others disagree, contending that care online would reduce doctor visits and emergency care. This is the 64,000 question – whether or not new models of care actually do transform behaviors and positively alter the value equation. Imagine, what a victory it would be for the Medicare Advantage plans to prove Congress wrong.



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