

Why Every SNF Should be Offering Telemedicine Services

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Meet Gertie!



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Why Telemedicine?

- Because it is the right thing to do for residents, their families, your staff and your facility
- To stay competitive ...
- Within the next 12 to 18 months, any SNF not offering telemedicine services will be significantly compromised from a marketing and revenue perspective



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Today's Objectives

- Differentiate telemedicine from telehealth
- Discuss the benefits of using telemedicine in SNFs
 - To your residents
 - To families
 - To your referral sources
 - To your facility
 - To the Medicare Program
- What does the future hold for telemedicine



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What is Telemedicine

- What is Telemedicine?
 - Two-way, real time interactive communication between the patient and the physician or practitioner at a distant site. *
- What kind of equipment?
 - Carts
 - I-Pads
 - Phones



* Source: Centers for Medicare & Medicaid Services

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What is Telehealth

- What is Telehealth?
 - The use of electronic information and telecommunication technologies to support and promote long-distance clinical health care, patient and professional health-related education, public health and health administration.*
- Telehealth is really an "Early Warning System"
 - Identifies potential medical problems and alerts the care giver with enough time to intercede and hopefully prevent a medical crisis



* Source: Centers for Medicare & Medicaid Services

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Why Telemedicine in SNFs?

- To Eliminate “Phone Medicine”
 - What is “Phone Medicine?”
 - When a physician uses a phone to diagnose and treat a patient without seeing or talking to the resident.
 - Why is “Phone Medicine” antiquated?
 - It does not allow a physician to effectively differentiate a true medical condition warranting hospitalization from a medical condition that can and should remain and be treated in the SNF

Example: Chest Pain

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Phone Medicine

- How often is Phone Medicine used?
 - All the time... especially during evenings, nights, weekends, and holidays!
- What is the result of using phone medicine?
 - Unnecessary and avoidable SNF to hospital admissions
 - CMS has estimated over 40% of all SNF to hospital admissions, when viewed in retrospect, had no medical condition to justify the admission
 - BILLIONS of wasted dollars across our health care system
 - Lost revenue at the facility
- Most significant Impact?
 - **We are placing our residents in harm's way!**

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Impact of Phone Medicine on Residents

- When we send a vulnerable resident to the hospital, we are placing them in harm's way!
- A plethora of academic studies proving the medical risk to vulnerable senior when admitted to an acute care hospital:
 - Increased delirium/confusion
 - Skin break down
 - Incontinence
 - Additional medications
 - Exposure to hospital acquired infections
 - Exposure to COVID-19 and other infectious disease

THIS IS NOT QUALITY CARE

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Why Telemedicine?

- Helps eliminate unnecessary and avoidable SNF to hospital admissions
- Reduces your facility's Return to Hospital Rate (50%)
- Typically increases referrals from local hospitals
- Increases nurse's clinical skills and self confidence
- Great marketing tool when showing your facilities to families
- Generates significant new revenue for your facility

It is the right thing to do for you residents!

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New Revenue from Telemedicine

- Three major areas of increased revenue:
 - Originating fee = \$20 per telemedicine visit
 - 50 telemedicine visits per month = \$1,000
 - Ability to bill for days that other wise would have been lost
 - 3 to 4 days of Medicare billing at \$500+ per day = \$1,500 to \$2,000/patient
 - Financial impact of preventing Medicaid residents from being admitted
 - Savings generated by specialty consults through telemedicine
 - Ability to secure a consult in days instead of weeks or longer
 - Cost savings by not having to transport to the specialist's office
 - Cost savings by not having to send a staff member with the resident

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Revenue Calculation

- Facility specific depending on these variables:
 - (A) Total # of avoided hospital admissions **(3) 2 Medicare 1 Medicaid**
 - (B) Average LOS in hospital **(4 days)**
 - (C) Average Daily Medicare Payment **(\$547)**
 - (D) Average % not returning to the SNF -25% Nationally **(30%)**
 - (E) Average total Medicare LOS in SNF **(18 days)**
- Example: New Revenue from 2 Medicare Avoided Admissions
 - $A \times B \times C = \text{New Revenue } (2 \times 4 \times \$547 = \$4,376)$
 - Plus: $D \times A \times B \times C = \text{New Revenue } (25\% \times 2 \times 4 \times \$547 = \$1,312)$
 - **Total New Revenue Generated = \$5,688**

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Negative Financial Impact of Medicaid

- Facilities face "Lost Revenue Potential" when Medicaid residents avoid a hospital admission due to telemedicine
 - Yes, SNFs continue to collect Medicaid rate
 - That rate is low and, often offset by "hold bed reimbursement"
 - Real loss is from possible Medicare Skilled Days lost
- How to calculate this lost revenue opportunity?
 - (A) % of Medicaid residents that return with Medicare days (**40%**)
 - (B) Average number of Medicare skilled days they receive (**7 days**)
 - (C) Average Medicare rate for returning Medicaid residents (**\$425**)
 - (D) Number of telemedicine avoided admissions were Medicaid (**1**)

Lost revenue opportunity of Medicaid residents = A x B x C x D
 $40\% \times 7 \text{ days} \times \$425 \times 1 \text{ resident} = \$1,190$

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Net Impact on Revenue from Avoided Hospital Admissions for SNFs

- New revenue from Medicare residents
 - Generated from Medicare: \$5,688
 - Added Revenue from Originating Fee
 - 50 visits/month: \$1,000
 - Savings from specialty consults
 - Estimated at \$370 per visit x 2 per month \$ 740
- Total estimated new revenue **\$7,428**
- Lost revenue from Medicaid residents
 - Lost revenue opportunity: - \$1,190

Estimated net monthly Impact = **\$6,238**

Estimated net annual Impact = **\$74,586**

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What makes a Telemedicine Program Successful in Skilled Nursing Facilities

- Top management support
- Medical Director support
- DON support
- NHA support
- Nursing Staff support
- A strong Telemedicine physician practice
 - Evening, nights, weekends, and holiday coverage
 - Day time support if local PCPs not available

Regular Monitoring to assure effective utilization a MUST

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Different Equipment Utilized in Offering Telemedicine Services

- Many different physician practices offering telemedicine
 - Strong medical skills specific to nursing home residents
 - Good communicators to staff and residents
- Many different equipment approaches
 - Chart with large screen, camera, stethoscope, pillow speaker, etc.
 - Laptops with peripherals
 - I-Pads with peripherals
 - I-Pads with no peripherals
 - Cell phones

How do they compare?

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Regulations/Reimbursement Realities

- **Emergency COVID Regulations:**
 - Did away with urban/rural distinction
 - Did away with state licensing of physicians & NPs
 - Minimize HIPAA regulations
- **Post Emergency COVID Regulations:**
 - Urban/rural distinction most likely removed forever
 - State Licensing of physicians & NPs – likely to return
 - HIPAA Regulations – Will return

WARNING*

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Use of Remote Patient Monitoring with Telemedicine Services in SNFs

- Remote Patient Monitoring = early warning system
- Alerts physicians to significant change in medical condition allowing time for meaningful and timely intervention
- Some telemedicine services are using RPM selectively with high-risk residents and showing good results
- Some early concerns over reimbursement issues but they appear to be resolved
- Also, some using DNA testing for selected situations

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If Your SNF Is Not Offering Telemedicine Services - WHY

- If your leadership is not fully behind telemedicine – Don't
- If your Medical Director is not fully supportive – Don't
- If your DON is not fully supportive and committed – Don't
- If you NHA is not fully supportive and committed – Don't
- If your nursing staff is not fully committed – Don't

If your SNF is experiencing any of the above issues, Do Not Implement Telemedicine now... However, figure out how to correct these issues or you will find yourself at a huge competitive and financial disadvantage with those SNFs in your service area who are offering telemedicine!



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**"Live like you'll die tomorrow,
work like you don't need the money,
and dance like nobody's watching" ... Bob Fosse**



There is always time to dance




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For all the Gertie's Entrusted to Us!



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Questions?


Should you have any questions about the benefits of providing telemedicine in skilled nursing facilities, please feel free to contact by email or by phone. I am personally on a campaign to replace "Phone Medicine" with virtual bedside visits made possible through telemedicine.


\It would be my pleasure to assist you in making telemedicine available to your residents!

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