Learning from the Pioneers
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Chris Budig, Tower Health
Rob Sprang, University of Kentucky
Gene Sullivan, University of Virginia
Joe Tracy, Lehigh Valley Health Network
In the Beginning

• **Non Existent:**
  • Reimbursement
  • Delegated Credentialing and Privileging
  • Licensure Compacts (Nursing and Physician)
  • No FCC Discounts on Communications
  • HIPAA and HITECH

• **Technical/Equipment/Communication**
  • $89,000 for a Video System
  • Telehealth Carts were BIG and Heavy
  • No Internet (T1 Lines/ISDN/Frame Relay)
Welcome to Today!

• Reimbursement
• Mergers and Acquisitions
• Competition
  • New Players via Partnerships
  • Direct to Consumer
  • Unusual Suspects
• EMRs
• Analytics and Metrics
• FCC
• Technology
  • 5G
  • AI
Today – Reimbursement

- Fee for Service
  - Fading, but how fast?

- Fee for Value
  - At-Risk Contracts
  - Bundles
Today – Mergers and Acquisitions

LVHN TeleBurnSM – 2008-2018

TELEBURN HOSPITALS 2008

Independent 86%

Networked 14%

TELEBURN HOSPITALS 2018

Independent 14%

Networked 86%

N = 74
Today - Competition

Amazon Holds Wholesale Pharmacy Licenses in 12 States
How valuable was experience?
Direct to Consumer (DTC)

• 20+ years experience in telehealth
• Make Telehealth “as good or better” to convince providers & payers
• DTC met a consumer need, but some went to war against the model, with legal battles in some states
• Health plans and employers adopted DTC
• Cerner partners with AmWell
• Epic has an integrated DTC in MyChart
• DTC is here to stay
Today – Who are your competitors?

- **Insurers** – United Healthcare, Anthem, Aetna, Cigna, Humana, Highmark…
- **Employers** – Walmart, Home Depot, State of KY, U of KY…
- **Retailers/pharmacies/public spaces**
  - Walmart (*Mucinex, Delsym, Airborne, others*) = free Doctor on Demand consult
  - CVS, Walgreens, Rite Aid
  - Kiosks in grocery stores (Publix, Giant, Hy-Vee) and airports…
- **UberHEALTH** – vaccines in the home
- **Any healthcare provider using a DTC platform**

and your newest potential competitor or partner…
Haven

Amazon $232B

J.P. Morgan $131B

Berkshire Hathaway Inc. $247B
Today – FCC/USAC-RHCD

- UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
- RURAL HEALTH CARE PROGRAM
- FY 2019 funding $593,782,000.
- Telecommunications Program Urban Rural difference
- Healthcare Connect Fund 65% of eligible expenses
- Funding year is July 1, 2019 to June 30, 2020
Today – Eligible Health Care Providers

- Post-secondary educational institutions offering health care instruction, teaching hospitals and medical schools
- Community health centers or health centers providing health care to migrants
- Local health departments or agencies
- Community mental health centers
- Not-for-profit hospitals
- Rural health clinics
- Dedicated emergency departments of rural for profit hospitals
- Part-time eligible entities
- SNFs
- Consortia of the above entities
• 65% support for broadband communications including hardware

• Consortia can:
  • Include urban health care providers (over 50% must be rural)
  • Off site data centers and administrative offices are supported
  • Can request multi year funding support
Today – FCC/USAC-RHCD

Rural Health Care Program

Filing Window closes May 29, 2019
Today – Technology

• New Advances in Technology are Propelling Interest in the industry of Medicine and in Telehealth

• Reality check: *If Hospitals stop leading the way in Telehealth growth, Tech Giants will.*

• Fertile ground for profits are shrinking.
  • Who would have thought 20 years ago State supported growth and use of marijuana would not get you a lengthy jail sentence?

• Amazon, Apple, Google, Microsoft, IBM, Facebook, UPS all are seeing the potential of Telehealth and advances in AI as fuel for future profits
Notable 2017 Telehealth FDA Clearances

- **KardiaBand**: Medical device accessory that uses Apple Watch to capture an EKG
- **Cochlear Nucleus Implant System**: Remote programming capabilities for cochlear hearing implants
- **Abilify MyCite**: Ingestible “smart pill” with digital sensors designed to monitor medication compliance
- **IDx-DR**: Via a kiosk with a tech, anyone can have their eyes photographed to diagnose for Diabetic retinopathy. FDA approved and currently only allowable “non practitioner” way for payment in CMS history
The future of Health IT will be driven by Data

- Personal data is fueling the potential for AI
- As more products for Telehealth combine personal data with predictive analytics, that mixture will fuel the engine of change
- Cheap/passive/easy/autonomous the buzz words of AI
- 2.2 Billion invested in AI development in 2018 - Dr. David Brailer
- Will technology innovations make health care better for all of us?
Original Cost - $89k

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ITSR Goals
Year 1

- Create an organizational infrastructure to effectively deliver telemedical services
  - Clinical scheduler
  - Technical help desk
  - Needs-based research and development
Principles That Have Held True

• **Passion** for doing it the right way
• **Open for innovation** and making telemedicine a tool
• **Had to push** forward telehealth process and technologies so Telemedicine adoption across the country would continue to grow.
  • Federal and State policies
  • creation of needed infrastructure, resources
  • research, publications
  • a lot of grant writing and reporting
  • while tending to our own gardens to assure we all remained employed! (kids got to eat!)
A Few Final Thoughts

• Is it healthy for your EMR to be a one stop shop for telehealth?
• Protect what intellectual property you have!
• Is it less expensive and more efficient to outsource than build it internally?
• Analytics/Metrics/Data – are we reducing patients to numbers?
Moving Forward

• Understand your Environment
• Anticipate Change
• Evaluate and Plan Out your Options
• Think Partnership(s)
• Execute on your Strengths
See The Bigger Picture

Picture – courtesy of Robert Schosser, MD, East Carolina University
Let’s Talk