Opportunities for Improved Health Service Delivery
Healthcare Commission Ideas for Governor Freudenthal
June 29, 2005

Provide Reimbursement For Physician E-Consultation

1) What is the problem?

a) Many areas in Wyoming are designated as health professional shortage areas and medically underserved areas and populations.[1]

b) Patients desire convenient, timely access to their healthcare providers.

c) Patients are increasingly using the Internet to communicate and obtain medical information and have repeatedly stated they would prefer to use a physician who communicates with them via email.[2] [3]

d) The majority of U.S. physicians are using email to communicate with a wide range of stakeholders including other physicians, drug companies, hospitals and health plans. *The Connected Physician: Email, Communication and Connectivity*, a recently released analysis (derived from interviews with more than 1,200 physicians) by Manhattan Research, a healthcare marketing information and services firm, found that 85% of physicians are currently using email to communicate for professional purposes. However, the same analysis showed the market for physicians emailing with their patients remaining fairly stagnant with little increase over the past 2 years, leaving significant unmet consumer demand.[4]

e) Lack of reimbursement for online consultation is a factor keeping providers from adopting online consultation.[5]

2) Describe your ideas.

a) Allow reimbursement within Medicaid, SCHIP, Worker's Compensation and the state employee health plan for online, secure, structured, cognitive e-Consultations – **NOT** appointment scheduling or e-prescribing or electronic claims submissions.

b) Develop a patient cost share or co-payment for the visit, if allowed, to foster appropriate use of the online consultation.

3) Who are your partners?

a) State sponsored health benefit plans – Medicaid, SCHIP, Worker's Compensation and the state employee health plan. Each plan would need to set a reimbursement fee based upon constraints such as federal regulation or benefit plan design and existing fee schedule reimbursement structure.

b) Vendors of online e-Consultation services such as Relay Health or Medem.

4) Please provide supporting evidence and data for the proposal.

a) The private sector is increasingly reimbursing structured, online e-Consultations.[6]

b) An independent research study revealed statistically significant reduction in both office-based and total cost of care as compared to a control group by one vendor.[7]

c) Studies at UC Davis have shown that payers and employers are willing to reimburse for online consultations because participating patients incur fewer costs and are significantly less likely to call the physician office, have an office visit or miss work. And for participating physicians, total reimbursable visits have increased because of the online consultations. Reimbursement is increased because online consultations are an effective tool used to acquire new patients (patients seek out physicians who will provide e-consults), which translates into a revenue-generator for physicians.[8]

d) The American Medical Association CPT panel has recently approved a reimbursement code for e-communication.

e) Many researchers and medical organizations, including the AMA, have published material indicating the potential for e-communications to enhance patient-clinician relationships, promote greater involvement by patients in their own care (including self-monitoring), and ultimately improve the outcomes of care.[9]

5) Funding/Staffing needs.

a) A projection of e-Consultation utilization and costs and cost reductions will need to be developed by each health benefit plan to determine the appropriate fee and copay.

6) Who is better off and how could you measure the improvement?

a) Patients are better off due to convenient access, less time taken off from work and perhaps a better relationship with their practitioner. This could be measured by both patient and employer satisfaction surveys.

i) RelayHealth found that 77% of patients who consulted their physicians online via a web visit reported it took less than 10 minutes – substantially less time than to travel to a doctor's office.[7]

b) Employers are better off due to fewer worker sick days for medical appointments. This can be measured with a pre/post- benefit implementation time-off analysis.

c) Structured visits allow provider offices to triage patients, apply evidence-based guidelines and push patient educational information targeted to address the patients' individual needs. A provider and patient survey could measure this.

d) The health benefit plans should see a decrease in total claims costs. The plans could develop pilot programs and control groups to measure the cost of consultations and total claims cost over a period of time to determine the correlation of e-Consultations to claim utilization and costs. Blue Shield of California reported reductions of $1.92/patient/month for physician office claims and $3.69/patient/month for overall health claims after the introduction of e-communication.[7] This means that if 80% of the citizens of Wyoming are insured and 20% of those insured individuals use this feature, annual savings of approximately $3.5 million would parallel the savings realized by Blue Shield of California in overall health claims.

7) Could this proposal be included in the Children and Families Initiative?

a) The result should include improved health status for children and adults.

8) Potential drawbacks and political considerations.

a) Providers need to pay a monthly fee of roughly $50 for use of the vendor's secure system. Providers may need to interface the vendor's system to the provider's electronic medical records system or print hard copies of each consultation for inclusion in the patient's paper medical record.

b) Issues of patient privacy may be raised, but have been resolved in other areas of the country.

c) The Commission has not explicitly examined issues associated with extending malpractice coverage to these procedures. However, it is not mentioned in the literature as an issue.

---

[1] U.S. Department of Health and Human Services, Health Resources and Services Administration, Health Professional Shortage Area Database as of 5/18/2005, available at http://bphr.hrsa.gob/shortage/. Accessed 5/24/2005.

[2] Pew/Internet & American Life Project, "Health Information Online," Susannah Fox, Associate Director, Pew Internet & American Life Project, available at www.pewinternet.org. Accessed 5/24/2005.

[3] Harris Interactive, Patient/physician online communication: Many patients want it, would pay for it, and it would influence their choice of doctors and health plans. *Health Care News* 2002;2(8):1-4.

[4] Manhattan Research. "In the Age of Online Convenience, The Doctor Visit Has Yet to Go Digital," New York. 6/17/2004, www.manhattanresearch.com/Connected%20Physician%20_061704_.pdf. Accessed 5/24/2005.

[5] Manhattan Research, "In the Age of Online Convenience, The Doctor Visit Has Yet to Go Digital"

[6] iHealthBeat, California Healthcare Foundation, Modern Healthcare Looks at Online Physician Consults, 2/2/2004, available at www.ihealthbeat.org. Accessed 5/24/2005.

[7] RelayHealth, "The RelayHealth webVisit Study: Final Report," available at www.relayhealth.com. Accessed 5/24/2005.

[8] Health Data Management, "Doc to Docs: e-Consults Work," 2/15/2004, available at http://healthdatamanagement.com/html/news/NewsStory.cfm?DID=12358. Accessed 5/24/2005.

[9] National Center for Ethics in Health Care, Veterans Health Administration. "Online Patient-Clinician Messaging: Fundamentals of Ethical Practice," July 2004.