

# Health Care Reform Advisory: Bringing Health Care Technology Home—Senate Holds First Hearing on the National Broadband Plan and Health IT

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With comprehensive health care reform legislation completed, Congress has now turned its focus on other initiatives that may ultimately have an impact on the implementation of health care reform. Released last month shortly before the health care reform finale, the Federal Communications Commission (FCC)'s National Broadband Plan (NBP) contains many provisions targeting health IT and encouraging more streamlined, widespread adoption of health IT technology. In spite of congressional action in the fields of financial regulation, climate and energy, and immigration reform, Congress has also been devoting a significant portion of its time to holding hearings on the NBP and assessing its potential impact if it were to be enacted as law.

While many of these hearings have focused primarily on broadband adoption, the Senate's Select Committee on Aging recently held the first hearing specifically focusing on how the NBP can impact health care. With the title *The National Broadband Plan and Bringing Health Care Technology Home*, senators engaged a list of expert witnesses and asked questions on a range of issues related to health IT and the NBP. Among the concerns discussed were the current barriers to adoption of health IT, concerns with e-care technologies, and the coordination of the different government agencies, such as Health and Human Services (HHS) and the FCC, with jurisdiction over health IT.

## A Summary of the April 21 Hearing

### *Opening Statements*

**Chairman Herb Kohl (D-WI)** said that communications and medical technologies have the ability to keep more seniors healthy at lower costs, especially in rural areas. He said that the federal government's efforts to expand broadband will enable more people to take advantage of these technologies. However, he admitted that there are several stumbling blocks that stand in the way of widespread adoption in the home and he hoped the witnesses would suggest potential solutions.

**Ranking Member Bob Corker (R-TN)** said that these technologies will help more seniors have access to better health care at potentially much lower costs to the federal government. He said that he looked forward to reviewing the recent breakthroughs in e-care technology and hearing about the impediments to adoption.

**Sen. Ron Wyden (D-OR)** said that he hoped the committee could work in a bipartisan fashion to deal with this issue. He said that new health care technologies have the potential to meet the

growing needs of seniors and that a number of these technologies will save Medicare money in the years ahead. However, Wyden said that he recognized that not every gadget invented should be made eligible for Medicare reimbursement and that each technology needs to be scrutinized in order to determine the benefits it would provide to patients, providers, and the Medicare system. Wyden commented that the Medicare reimbursement system is fundamentally flawed and that it rewards inefficiency and only pays providers when patients actually make office visits. He said this must be changed. He also said that 70% of physicians in rural areas do not have access to affordable broadband and that the federal government should deploy significant public resources to deploy broadband in these areas and give physicians subsidies in order to purchase broadband services.

**Sen. Susan Collins (R-ME)** said that Congress needs to unlock the value of broadband in order to bring telehealth into the home. She said that the NBP states that the development of broadband networks and health care technology can transform our nation's health care system and reduce health care costs by \$700 billion. She said it also has the ability to improve the quality of life for seniors. Collins commented that rural states have a serious shortage of primary care and specialized service providers and that e-care technologies can address these issues. However, she recognized that the U.S. lags far behind other countries in adoption of these technologies and wanted to hear the reasons for this unfortunate reality.

### *Witnesses*

- [Mohit Kaushal](#), Digital Healthcare Director, Federal Communications Commission, Washington, D.C.
- [Farzad Mostashari](#), Senior Advisor to the National Coordinator for Health Information Technology, U.S. Department of Health and Human Services, Washington, D.C.
- [Eric Dishman](#), Intel Fellow, Intel Corporation; Global Director of Health Innovation and Policy, Intel Digital Health Group; Senior Policy Advisor, Continua Health Alliance; Senior Fellow, Center for Aging Services Technologies, Washington, D.C.
- [Robin Felder](#), Professor of Pathology, Associate Director Clinical Chemistry, The University of Virginia School of Medicine, Charlottesville, VA
- [Richard Kuebler](#), Telehealth Department Head, University of Tennessee Health Science Center, Memphis, TN

### *Witness Testimony*

**Kaushal** said that health care costs already account for 17% of the U.S. GDP and by 2020 spending will exceed 20% of GDP. One of the main factors for this increase is that America is aging, which has a direct correlation with an increase in chronic disease. However, health IT technologies can mitigate many of these issues and reduce the cost of care. One study shows that remote monitoring can generate net savings of approximately \$200 billion over 25 years from just four chronic conditions. Unfortunately, the U.S. lags behind other developed nations in adoption of health IT and one study shows the U.S. ranking in the bottom half on every metric used to measure adoption.

Kaushal said that the barriers to widespread adoption are:

1. the connectivity gap—either broadband is missing or too expensive in areas
2. misaligned economic incentives—the fee-for-service reimbursement system pays for volume instead of outcomes
3. outdated regulations do not promote remote monitoring or videoconferencing.

To address these issue the NBP recommends the following:

1. revamping the FCCs Rural Health Care Program to address provider connectivity issues
2. proven e-care technologies should be incented with reimbursement based on quality outcomes, similar to The American Recovery and Reinvestment Act (ARRA)'s “meaningful use” program for electronic medical records
3. revising state licensing, credentialing, and privileging rules that can prevent physicians from providing remote care across state lines and outside of their usual place of work.

**Mostashari** spoke about the ARRA investment in health IT and the incentives that were put in place for certain Medicare and Medicaid providers who adopt and are meaningful users of certified health IT. He said that these are unprecedented outcome-oriented investments with the goal of increasing health care quality and safety, reducing disparities, engaging patients, and improving efficiency of care and care coordination. He then spoke of different public and private-sector programs that have adopted these technologies to provide innovation in care delivery, such as the Department of Veterans Affairs and American Well. He also spoke about the programs that HHS is employing to unleash the potential of telehealth in three highlighted areas: video consultation services, remote patient monitoring, and secure sharing and remote reading of patient information. Mostashari admitted that there are several issues that could hamper adoption of these technologies, which need to be addressed. These issues include privacy and security concerns, licensing and credentialing, and questions about the regulatory approach for these evolving technologies.

**Dishman** said that three questions need to be addressed:

1. What are we doing as a nation to prepare for global aging?
2. How do we make sure investments in fundamental infrastructure like broadband and health IT are ready to support e-care in the home?
3. How are we making sure that payment reforms and new care coordination incentives at CMS and in the private market encourage doctors and nurses to care for seniors and patients in their own homes when medically appropriate?

He commented that investments in health IT infrastructure and incentives for clinician adoption in ARRA and the health reform bill are important starting places, but without a national infrastructure for health IT it will be impossible for the U.S. to deliver quality care to more people at lower costs. He said that we need to get all providers connected to the Internet and using these technologies. Dishman said that we must also remove the barriers to adoption, which include reimbursement, lack of grant-funded pilot programs, training, R&D infrastructure, and overall policy for the technology.

**Felder** said that broadband-based telemedicine has the potential to reduce the cost of medicine by over 50%, stimulate economic growth in the medical technology sector, and raise the quality of life for senior Americans at unprecedented levels. He said that we need to find affordable approaches to home-based health care. Felder explained that advances in telemedicine, sensors, communication, and health IT will enable distance-based care that rivals hospital-based care. His group conducted a case-controlled study comparing monitored vs. non-monitored elders in a senior living facility in the Midwest over a three-month period. The results demonstrated a 36% reduction in billable medical procedures, a 78% reduction in hospital days, and a 68% reduction in the cost of care. Despite the reduced cost of care, the efficiency of the caregivers increased by over 50%. Thus, monitoring technologies can significantly reduce billable interventions, hospital days and cost-of-care to payers, and have a positive impact on professional caregivers' efficiency. Broadband access with passive technologies will enable even those with little interest in their health to be encouraged to adopt healthy lifestyles. Delaying or arresting chronic disease, providing nutritional support, and assuring psychosocial well-being are some of the proven benefits of home-based monitoring technologies.

**Kuebler** said health care delivered remotely into the home can have a significant impact on health outcomes and cost savings. At the University of Tennessee Health Science Center in Memphis, research outcomes show that home-based telehealth used on a population "at risk" for congestive heart failure decreased hospital admissions by 80%. Hospital readmission rates were reduced by 85% and, as a result, the cost-per-patient dropped from \$10,000 to \$2,500. Nationally, there are five million hospital days per year for congestive heart failure, costing approximately \$8 billion (based on \$1600/day average). The national implications of utilizing telehealth in this single specialty could reduce health care costs by \$3.8 billion. Although broadband adoption is a barrier in some areas, the most significant barrier to adoption is reimbursement. In the previous real-world telehealth applications of both chronic heart failure and diabetic retinopathy, there was no reimbursement for providing these services. When left to altruism alone, there is little hope of a sustainable business model for telehealth. In most cases where telehealth practices are reimbursed, it is done on a lower scale than a traditional brick-and-mortar patient encounter. Telehealth is being "dis"-incentivized by the current fee-for-service model.

## ***Questions and Answers***

### **Barriers to Adoption**

Senator Collins said that she believes broadband and telemedicine hold great promise for rural areas and seniors, but these are the two categories where broadband adoption and digital literacy are the lowest. Seniors tend to have lesser degrees of digital literacy and rural areas have difficulty accessing high-speed Internet. She said that the cost issues of adoption can be solved through subsidies, but the cultural and infrastructure issues are hard to overcome. Kaushal replied that the national average for broadband adoption is 65% but for those over 65 it is only 35%. He said that the FCC has found that digital literacy, belief in lack of relevancy, and cost are the main reasons for seniors not to adopt broadband. The FCC is hoping to provide applications, like telemedicine, that would speak directly to the elderly and encourage them to adopt broadband. In addition, he said that physicians and providers have to be incentivized to adopt

these technologies first. He explained that providers could help encourage seniors to adopt broadband in order to take advantage of e-care technologies. Mostashari agreed. He said that people have to have a reason for getting online. He encouraged Congress to focus on rural health care providers, and said that once you have them on board, thousands of patients will follow.

## **Reimbursement**

Reimbursement structures were one of the main focuses of the Members during the question-and-answer period. Senators Collins, Wyden, and Corker were all interested in learning how the reimbursement structure can be moved to an outcomes-based structure in order to speed up the rate of deployment of these technologies. Kaushal said that there are already technology trials occurring that have been paired to outcomes-based payment pilots. He said that these should provide the data necessary to determine the best way to move forward. However, he commented that we do not want to reimburse every technology and need to determine which technologies warrant reimbursement. Mostashari said that before we can move to an outcomes-based system we need data that can measure the quality of these technologies. However, that information hasn't been accessible. He said that if we succeed in the next 5-10 years in creating a health IT infrastructure, then we can collect the information about the things that matter and that can lead to the development of a different payment structure.

## **Priority Access**

Senator Wyden was also concerned about whether our current broadband infrastructure could handle widespread adoption of e-care technologies. He said that he was concerned that critical health data could get jammed on wireless networks because of all of the other data trying to move on the networks. He asked the witnesses whether it is appropriate for Congress and the FCC to start thinking about priority access for health-related information. Kuebler said that we should look into building an HOV lane for health data. Felder said that he didn't feel that our networks could handle an influx of these technologies.

## **Concerns with E-care Technologies**

Senator Corker said that he had concerns that patient care could be diminished by the adoption of some e-care technologies. He said that patients could lose out of the experience of meeting with a physician who truly knows and understands their medical history, especially in a shared-capacity setting. Mostashari said that having a patient-centered environment doesn't necessarily mean that the patient needs to be served by one provider. He said that electronic records would enable any provider to have all of the patient's medical information at the click of a button. Dishman also commented that these technologies do not replace doctor visits, but they are just another way to get care.

Privacy and cybercrime concerns were also raised by Senators Collins and Corker. Kaushal said that cloud-based computing has become much safer, which provides huge opportunity for the growth of these technologies in the future. He said that the real unknown question is what constitutes a medical-grade network. Kaushal commented that the Food and Drug Administration and the FCC are working on this issue. Mostashari said that privacy is a serious concern that we

have to be attentive to. He added that HHS is working with the health IT policy committee to set a framework for best practices. Mostashari said the greatest barrier will be making sure providers use the technology in an appropriate way in order to protect patient privacy. Kuebler said that out of the pilot programs his group has conducted, 90% of the patients were satisfied with the level of privacy they received.

### **Government Coordination**

Senator Wyden was interested in which agency should take ownership over this issue. Dishman said that the health agencies have got to take the lead and that we need a one-stop process for getting technologies evaluated, approved, and reimbursed.

### **Independents at Home**

Senator Wyden was very interested in the Independents at Home program and wanted to know whether this program could be part of an education effort to increase e-care technologies. Dishman said that this program should be the essence of health care reform and that it could really drive e-care adoption. He added that he was disappointed that the Secretary had until 2012 to implement the program and that he thought we should start the program now. Senators Wyden said that he thought in the next Congress the Senate might move a bill to implement this program and others like it more quickly.

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For further information regarding this or any issue related to Health Care Reform, please contact one of the professionals listed below or the Mintz Levin attorney who ordinarily handles your legal affairs.

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