CCHP E-Consult Workgroup Update for DHCS

Department of Health Care Services
December 11, 2017

blue of california foundation

Center for Connected Health Policy
The National Telehealth Policy Resource Center

BluePath HEALTH

Overview of Fiscal Analysis of costs and potential savings resulting from e-consult

Purpose

Evaluate the budget impact to payers (Fee-for-Service and Managed Care) if e-consult is implemented. Fiscal analysis does not represent overall benefits of e-consult, but focuses solely on the impact to costs and potential savings.

Feedback Participants

Central California Alliance for Health

Harvard School of Public Health

Los Angeles County Department of Health Services

San Francisco Health Network

San Mateo Medical Center

University of California Davis Health System

University of California San Francisco

University of Vermont/American Academy of Medical Colleges

Key interview takeaways informed the fiscal analysis

Subject matter experts agree that e-consult has:

- Improved patients' ability to get the type of care they need at the time they need it
- Demonstrated both patient and provider satisfaction
- Reduced costs to patients, specifically in transportation
- Resulted in PCP learning and fewer specialty care visits

They also agree on findings including:

- Additional supply of care (e-consult) does not increase demand for in-person visits
- E-consult has already improved access to care, but must be reimbursed to be sustainable
- Majority use telephone or secure messaging to communicate completed e-consult recommendations to patients

Research is limited in certain areas:

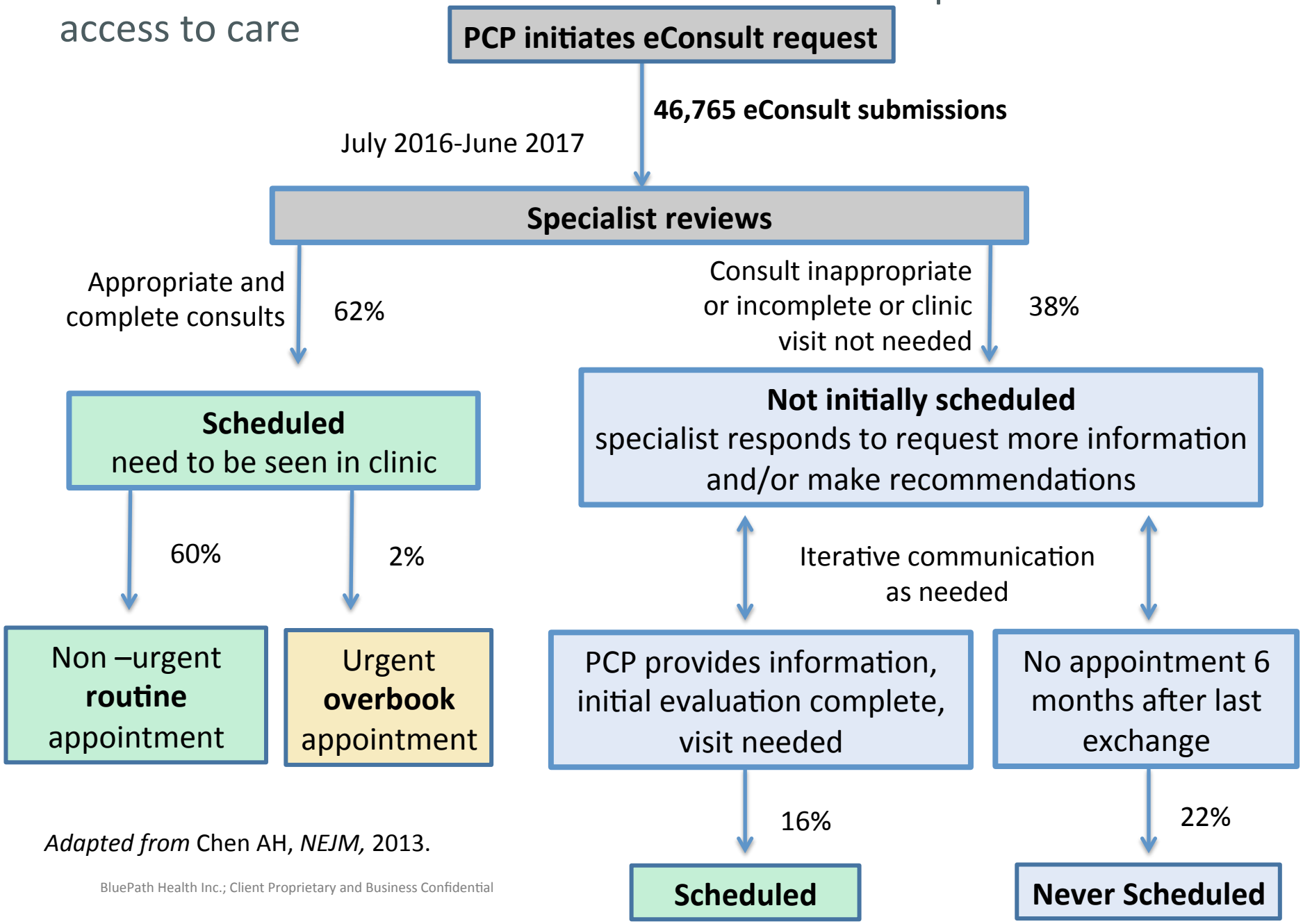
- Limited data are available on downstream effects in care settings such as Emergency Room and Hospital Inpatient, however, positive impact in these areas are anticipated

E-consult programs show consistent reductions in unnecessary in-person specialty care visits

	Mature Systems	Nascent Systems
Average Avoided Unnecessary Specialist Office Visit Rate	22-25% (e.g. ZSFG, LADHS)	30-50% (e.g. Central California Alliance for Health)

Programs with published and/or interview data demonstrating reduction in unnecessary in-person visits as a result of e-consult implementation include (not limited to): CCAH, Community Health Centers, Inc, CT, Bruyere Institute, University of Ottawa; LADHS, UCSF, ZSFGH, LA Care

ZSFG referral and e-consult data show eConsult improves access to care



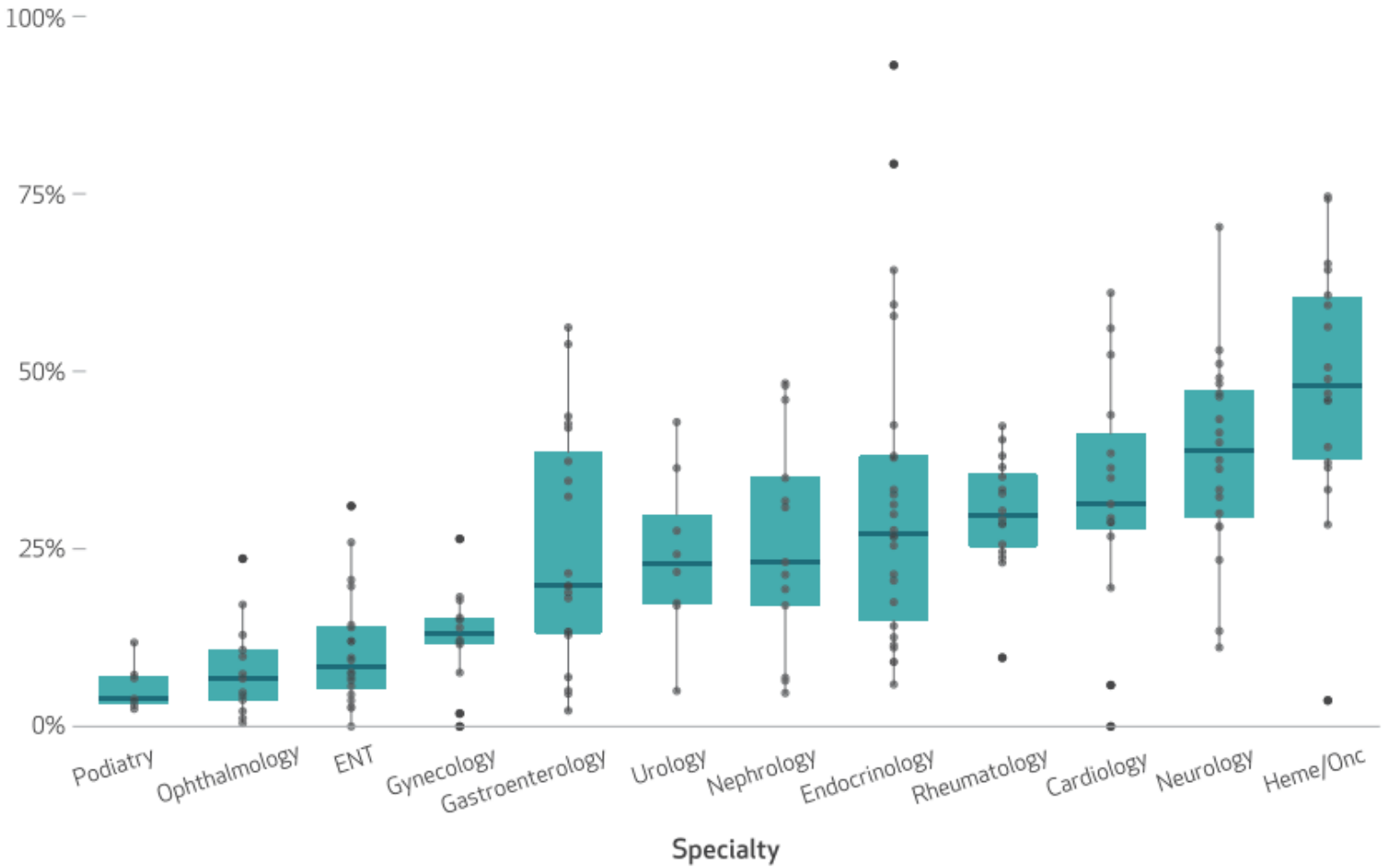
Adapted from Chen AH, *NEJM,* 2013.

LADHS demonstrated 25% reduction in unnecessary specialty office visits through e-consult

Health Affairs – March 2017

EXHIBIT 3

Variation in percentages of eConsult requests resolved without a visit to a specialist, by specialty and individual specialist reviewers, 2014–15



SOURCE Authors' analysis of data for 2014–15 from the Los Angeles County Department of Health Services (DHS) eConsult database.
NOTES This analysis used the DHS-employed sample described in the text. Each box plot shows the interquartile range (25th–75th percentile). The bold line shows the median. The whiskers represent 1.5 times the interquartile range. Each point represents an individual specialist reviewing eConsult requests (excluding those reviewing fewer than twenty eConsult requests in the period 2014–15). ENT is ear, nose, and throat. Heme/Onc is hematology/oncology.

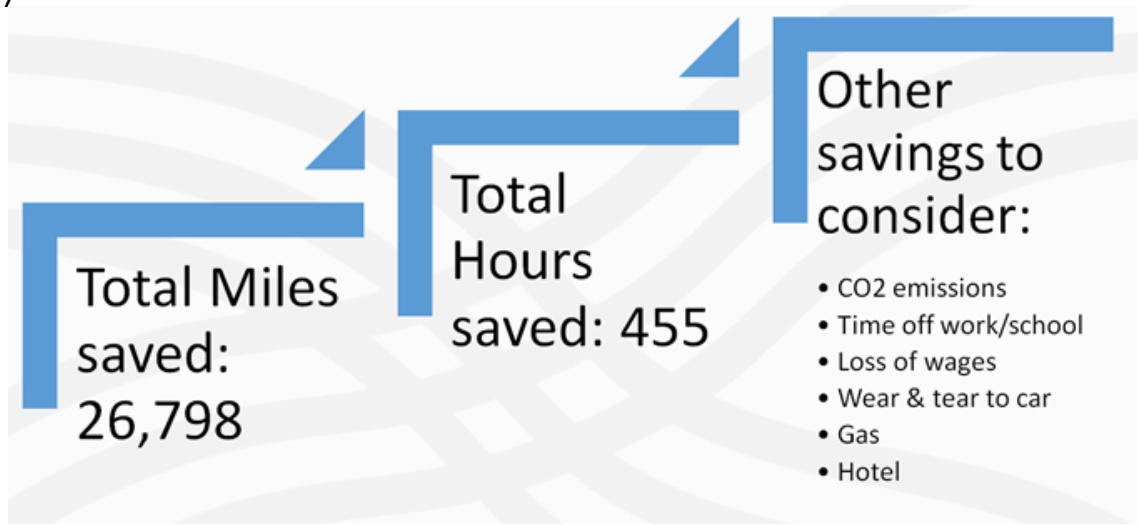
Medi-Cal members sometimes face long travel distances to access specialty care

Patient travel per Visit

Specialty	Average distance in miles	Average round-trip in hours
Dermatology	378	7
Endocrinology	477	9
Neurology	302	7
Rheumatology	575	9

*data represents April-September 2017

E-Consult Travel Reduction



Source: A California Managed Care Plan that serves rural members

California E-consult programs have the opportunity to save transportation costs

July 2017 All Plan Letter

- Beginning on July 1, 2017, Managed Care Plans (MCP) must provide Nonmedical transportation (NMT) for MCP members to obtain medically necessary MCP-covered services
- NMT includes, at a minimum, round trip transportation for a beneficiary to obtain covered Medi-Cal services…and mileage reimbursement when conveyance is in a private vehicle arranged by the beneficiary

Source: ALL PLAN LETTER 17-010 (REVISED) Non-emergency Medical and Non-medical Transportation Services , Department of Health Care Services, July 17, 2017

Costs

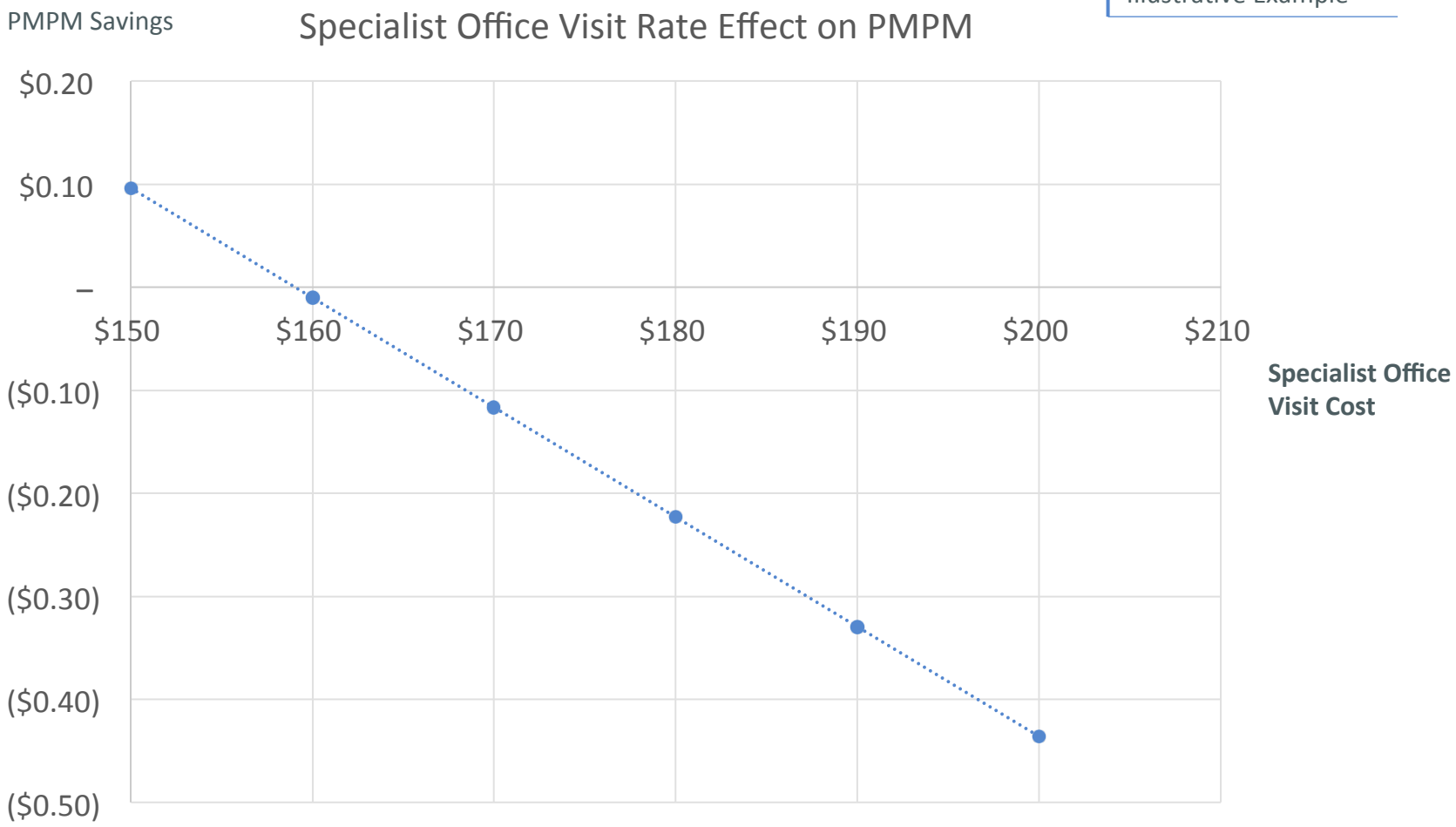
- The Department estimates the annual cost per member to provide nonmedical transportation is between $0.50 and $2.00 per year.

- "Ongoing costs of $3 million to $6 million per year to provide nonmedical transportation to Medi-Cal beneficiaries enrolled in Medi-Cal managed care plans that do not already provide nonmedical transportation as a covered benefit and fee-for-service beneficiaries who do not already qualify for nonmedical transportation."

Source: BILL ANALYSIS for AB 2394 (Eduardo Garcia) - Medi-Cal: nonmedical transportation, 2016

E-consult PMPM savings example

Illustrative Example



Assumptions:
Population: 450,000
eConsults: 115,000
Timeframe: 6 months

Avoided in-person specialty office visit: 25%
eConsult cost: $40
Transportation: $80 RT/ 1.2% specialty visits use benefit
Assumes all recommended referrals are completed

Modeled using LADHS population and e-consult volume

Central California Alliance for Health has demonstrated e-consult ROI and added value by offering e-consult to network FQHCs

For every 10 specialty referrals:

Option 1: 10 in-person specialist referrals @ $X/referral

Option 2: 5 eConsults @ $Y/eConsult + 5 eConsults w/ specialty referral @ $X/ referral

Net savings of $230 or 10.6%* per 10 consults

Based on assumption of $Y per eConsult, no need for follow up consult for an in-person specialist referral, and $X per in-person specialist referral. Does not include transportation costs.

Value Considerations:

- Timeliness of needed referrals - eConsultant response time in hours, in-person referral can take weeks for appointment and completion of specialist's report - possible delay of care
- Burden to members for transportation costs, childcare, lost work time
- "No shows" may result in loss of specialist opportunity
- Does not include downstream utilization effect

E-consult programs show consistent reductions in unnecessary in-person specialty care visits

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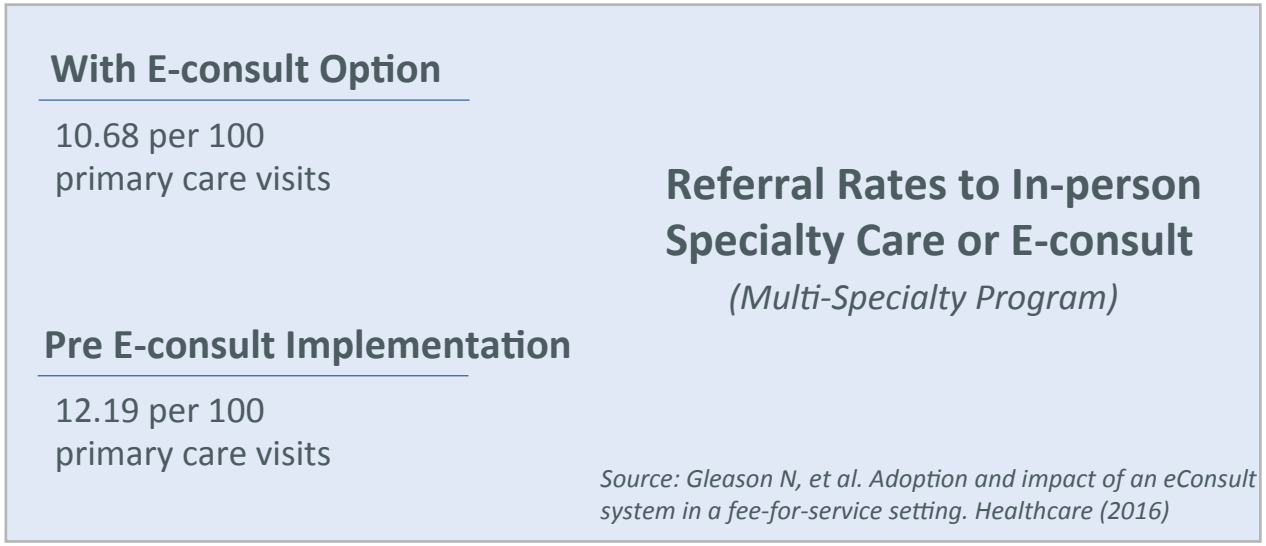
	22-25% (e.g. ZSFG, LADHS)	30-50% (e.g. Central California Alliance for Health)



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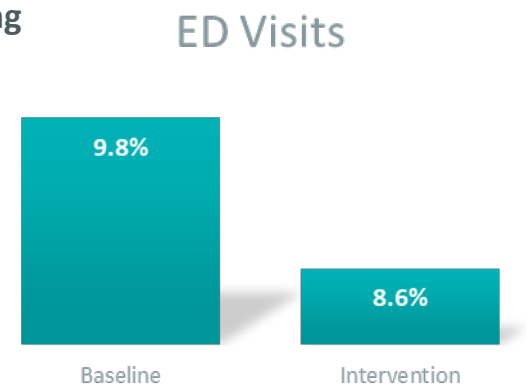
Over time, e-consult programs have shown downstream effects of reduced ED visits and inpatient admissions

Adoption and impact of an E-Consult system in a fee-for-service setting

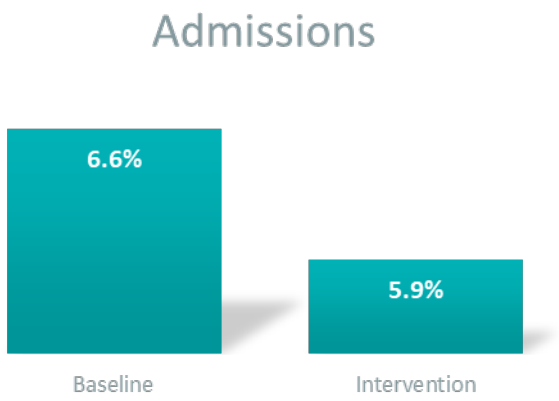
120 Days Following all Referrals & eConsults
(n = 13,738)

- ED visits decreased 12%
- Pro fee costs decreased 17% (p = 0.016)



120 Days Following all Referrals & E-Consults
(n = 13,738)

- Admissions decreased 10.8% (Rate of 6.6% to 5.9%)
- Pro fee costs decreased 9.5% (NS)



Specialties Included: Allergy & Immunology, Cardiology, Endocrinology, Gastroenterology, Hematology, Hepatology, Infectious Diseases, Occupational Medicine, Pulmonary, Sleep Medicine, Rheumatology, Nephrology

Source: Gleason N, et al. Adoption and impact of an eConsult system in a fee-for-service setting. Healthcare (2016)

E-consult programs have also shown a reduction in referral rates as a result of the PCP learning from consistent and repeated communications with their specialist partners

Summary Observations

- E-Consult has the potential to save $ in a PMPM model via:
  - reduction of unnecessary specialty visits
  - no impact on demand for referrals
- There are additional acute care savings that are have not been modeled

Next Steps

1. Incorporate e-consult into managed care contract via all plan letter
2. Participate in DMHC effort to develop and e-consult approach
3. Standardize and expand use of CPT codes from GPP to other areas