

HCA MEMORANDUM OF SUPPORT



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HCA, New York State's premier home care association, represents more than 400 providers, individuals and associate members who collectively serve thousands of New Yorkers.

Home care encompasses a broad spectrum of services delivered at home to patients who are disabled, chronically ill, recovering from an illness, or have other health-related needs that can be met in the home setting.

*"Helping New Yorkers **Feel Right** at Home"*

TO: Members of the New York State Legislature

RE: S.3198-B (Valesky), A.11415 (Morelle) of 2010
New York State Telehealth/Telemedicine Development Act

Date: June 11, 2010 (updated)

The Home Care Association of New York State (HCA) **supports** legislation, S.3198-B by Senator David Valesky and A.11415 by Assemblyman Joseph Morelle, which establishes the New York State Telehealth/Telemedicine Development Act.

HCA is privileged to have worked with Senator Valesky and Assemblyman Morelle on the development of this new, proactive telehealth/telemedicine legislation which will further advance New York State as a leader in this field. HCA and our home care providers have been on the ground floor of telehealth/telemedicine development in the state. We are pleased to have been ongoing partners with the Legislature and Executive in these initiatives, including the telemedicine grant program, the Medicaid home telehealth rate program and other telehealth/telemedicine development and educational initiatives in the state.

Telehealth/telemedicine has emerged as a core element in the delivery and clinical management of patient care. Such technology enables more intensive patient monitoring as well as further speed and precision of clinical intervention – which are critical to the health outcome and life of the patient. Telehealth/telemedicine fosters and promotes deeper collaboration among members of the patient's health care team, including home care providers, physicians and others. It also assists in patient education and self-management of the patient's health and medical condition. In enabling remote monitoring and clinical intervention over geographic distances, telehealth/telemedicine bridges the access gap for patients who are either isolated or are otherwise homebound and less able (or unable) to access medical care. Telehealth/telemedicine is extremely cost-effective and its cost-savings potential is far-reaching, as further demonstrated in subsequent examples provided in this memorandum.

Home care providers have had extraordinary results in care management, improved patient outcomes and reduced hospitalizations, hospital lengths of stay, rehospitalizations and other avoidable medical care use through the incorporation of telehealth/telemedicine into their systems of care. The benefits to the patients,

the health care system and both governmental and private payors have been substantial. These benefits and the growing potential of telehealth/telemedicine compel further policy and program development as represented by the Morelle/Valesky legislation.

As an example of home care's telehealth/telemedicine cost-effectiveness potential, if just 1,000 Medicaid-only home care telehealth patients in the state were able, through prevention, to avoid just one Medicaid paid hospitalization per year, (1,000 x \$10,151 which is the average Medicaid fee-for-service payment for a hospital inpatient stay), up to \$10,151,000 in avoided Medicaid hospitalization expenditures would be achieved. Since many telehealth/telemedicine patients are duly eligible under both Medicaid and Medicare, the savings potential through avoided hospitalizations under Medicare is also substantial. The Medicare expenditure avoidance for just one prevented hospitalization per year for between 2,500 and 5,000 estimated home care telehealth patients would be \$65,840,000 (at the 5,000 patient number). Although up to now, such Medicare savings would have only accrued to the federal government (which is the sole payor for Medicare), under the new HCA-developed Federal-State Medicare Shared Savings program proposed with the 2010-11 State Budget, a portion of such savings could also be shared with the state, if included in the state's partnership agreement with the Feds.

While the Legislature, Executive, HCA and others have worked to advance telehealth/telemedicine initiatives, the field stands to greatly benefit through a cohesive, affirmative policy for telehealth development which supports the underlying capability of home care providers and others to develop, operate and integrate telehealth/telemedicine into their clinical operations. This effort requires: (i) coordination, affirmative planning and support at the state administrative level; (ii) systematic identification and response to telehealth/telemedicine development and access barriers; (iii) capital financing (which is currently nonexistent) for telehealth and necessary technology infrastructure in home care; (iv) development grants for telehealth health extension to underserved areas and populations; (v) testing of new technologies, outreach to new populations and targeting of new medical conditions which could potentially benefit from telehealth/telemedicine intervention; (vi) identification of quality standards and protections recommended by nationally recognized entities; and (vii) well honed and coordinated research to further inform clinical level activities and state policy development.

The New York State Telehealth/Telemedicine Act contains provisions which address all of these objectives and more. While the bill does not provide immediate financial assistance for telehealth/telemedicine services, though needed, it importantly establishes the structure for eventual financial allocations through an array of potential sources as such funds become available.

HCA commends the sponsors for their leadership on this important initiative and urges its enactment into law.