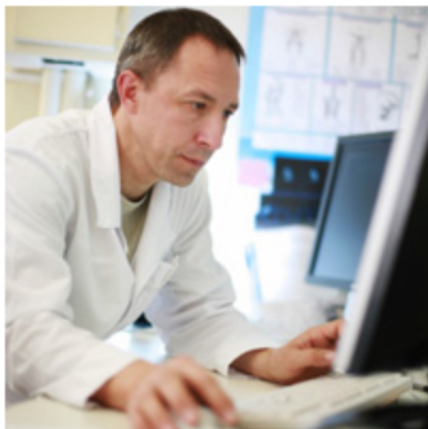


Report: Providers rely on remote monitoring despite reimbursement resistance



Ninety-seven percent of healthcare organizations in the U.S. rely on remote patient monitoring to improve clinical outcomes for critically ill patients, according to an end-user market study from Spyglass Consulting Group.

Remote patient monitoring solutions have been demonstrated to be successful for patients with congestive heart failure, chronic obstructive pulmonary disease and diabetes, the report noted.

"Early adopters of remote patient monitoring solutions are capitated managed care organizations having fiscal responsibility for their patients across the continuum of care," said Gregg Malkary, managing director of Spyglass. "The organizations include health maintenance organizations, integrated delivery systems, home health agencies, hospices, disease management companies and government agencies like the Department of Veterans Affairs (VA)."

The researchers found that 48 percent of healthcare organizations interviewed have self-funded home telehealth initiatives, and a strong return on investment exists for healthcare delivery networks for both the provider and the payor, which include organizations such as Kaiser Permanente and VA.

Spyglass said that the convergence with consumer electronics products enables patients to use devices they are already familiar and comfortable with, including smartphones and personal computers. Price points for remote patient monitoring devices and associated peripherals need to drop from several thousand dollars to less than \$500 per unit before healthcare organizations will make further investments to support their patients with other chronic diseases.

However, payors remain resistant to providing reimbursement for remote patient monitoring despite evidence of their efficacy by the VA, which has deployed more than 35,000 units, according to the report.

Reimbursement is focused on a healthcare delivery model ill equipped to address the needs of an aging baby boomer population with chronic illness. Payors reward healthcare providers for the quantity of the procedures performed rather than the quality of care delivered, Spyglass said.

The content for Trends in Remote Patient Monitoring 2009 was derived from more than 100 in-depth interviews with healthcare organizations involved in telehealth and telemedicine, including home health agencies, academic medical centers, regional hospitals, government agencies and disease management companies. The telephone interviews were conducted over a two-month period starting in October 2008.