VERMONT

Department of Vermont Health Access
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Agency of Human Services

S. 234

FISCAL IMPACT:

Research conducted in coordination with the Vermont Association of Home Health Agencies (VAHHA) estimates the fiscal impact of this bill to be at $315,000 based on a $350 PMPM and utilization of 75 individuals per month.

See the table below for the full potential range of utilization and federal/state share breakout:

# of Beneficiaries		**Low**	**Middle**	**High**
		50	75	100
PMPM Rate 1	$350	$210,000	$315,000	$420,000
	Fed*	$118,524	$177,786	$237,048
	State*	$91,476	$137,214	$182,952

*Assumed FMAP: Fed 0.5644 and State 0.4356

Potential for Cost Savings:

A literature review of the potential for cost savings reveals that most published studies are small, some are contradictory, and there is still a need for large, well-controlled trials. However, the preponderance of evidence supports that cost savings may be realized on hospitalizations. In short, while individuals receiving telemonitoring may still be hospitalized as frequently as other home health patients, they will likely be admitted sooner and in better condition than their counterparts without telemonitoring, thereby resulting in reduced length of stay.

Data provided by VAHHA show general hospitalization rates as low as 7 or 8% for patients with Medicare. We are currently analyzing data about Medicaid patients receiving home health to determine hospitalization rates so that they can be compared to the VAHHA data for potential savings. An initial run of the data, which is still being validated, shows that the rate of hospitalization for Medicaid patients within 30 days of receiving home health services is about 13% for ER visits and 9% for inpatient admissions. These rates are already low enough that it is unclear how much potential there is for savings. Our next steps will be to complete our validation and to parse out individuals with diagnoses that fit the profile of a potential telemonitoring recipient.

BILL AMENDMENT:

DVHA recommends that that the bill be amended to remove coverage criteria and to allow this to be determined by the Agency of Human Services according to evidence based best practices. See below for resultant bill language:

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Agency of Human Services

Sec. 1. MEDICAID COVERAGE FOR HOME TELEMONITORING SERVICES

(a) The Agency of Human Services shall provide Medicaid coverage for telemonitoring services performed by home health agencies for Medicaid beneficiaries who have serious or chronic medical conditions that can result in frequent or recurrent hospitalizations and emergency room admissions. Evidence based best practices will be used to determine the conditions or risk factors that shall be covered.

(b) The Home Health Agency shall ensure that clinical information gathered by a home health agency while providing home telemonitoring services is shared with the patient's treating health care professionals. The Agency of Human Services may impose other reasonable requirements on the use of home telemonitoring services.

(c) As used in this section:

(1) "Home health agency" means an entity that has received a certificate of need from the State to provide home health services and is certified to provide services pursuant to 42 U.S.C. § 1395x(o).

(2) "Home telemonitoring service" means a health service that requires scheduled remote monitoring of data related to a patient's health, in conjunction with a home health plan of care, and access to the data by a licensed home health agency.

Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2014.